

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

**Amendment No. 1  
to  
FORM 10**

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

**Vestis Corporation**  
(Exact name of Registrant as specified in its charter)

**Delaware**  
(State or other jurisdiction of  
incorporation or organization)  
  
**2400 Market Street, Philadelphia, Pennsylvania**  
(Address of principal executive offices)

**92-2573927**  
(I.R.S. employer  
identification number)

**19103**  
(Zip code)

**(215) 238-3000**  
(Registrant's telephone number, including area code)

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

<b>Title of Each Class to Be So Registered</b>	<b>Name of Each Exchange on Which Each Class Is to Be Registered</b>
<b>Common Stock</b>	<b>New York Stock Exchange</b>

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

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

- |                         |                                     |                           |                          |
|-------------------------|-------------------------------------|---------------------------|--------------------------|
| Large accelerated filer | <input type="checkbox"/>            | Accelerated filer         | <input type="checkbox"/> |
| Non-accelerated filer   | <input checked="" type="checkbox"/> | Smaller reporting company | <input type="checkbox"/> |
|                         |                                     | Emerging growth company   | <input type="checkbox"/> |

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

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**VESTIS CORPORATION**

**INFORMATION REQUIRED IN REGISTRATION STATEMENT  
CROSS-REFERENCE SHEET BETWEEN INFORMATION STATEMENT AND ITEMS OF FORM 10**

Certain information required to be included herein is incorporated by reference to specifically identified portions of the body of the information statement filed herewith as Exhibit 99.1. None of the information contained in the information statement shall be incorporated by reference herein or deemed to be a part hereof unless such information is specifically incorporated by reference.

**Item 1. *Business.***

The information required by this item is contained under the sections of the information statement entitled “Information Statement Summary,” “Risk Factors,” “Cautionary Note Regarding Forward-Looking Statements,” “The Separation and Distribution,” “Business,” “Management’s Discussion and Analysis of Financial Condition and Results of Operations,” “Certain Relationships and Related Party Transactions” and “Where You Can Find More Information.” Those sections are incorporated herein by reference.

**Item 1A. *Risk Factors.***

The information required by this item is contained under the section of the information statement entitled “Risk Factors.” That section is incorporated herein by reference.

**Item 2. *Financial Information.***

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

**Item 3. *Properties.***

The information required by this item is contained under the section of the information statement entitled “Business.” That section is incorporated herein by reference.

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

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

**Item 5. *Directors and Executive Officers.***

The information required by this item is contained under the sections of the information statement entitled “Management” and “Directors.” Those sections are incorporated herein by reference.

**Item 6. *Executive Compensation.***

The information required by this item is contained under the sections of the information statement entitled “Directors—Compensation Committee Interlocks and Insider Participation,” “Compensation Discussion and Analysis,” “Director Compensation” and “Vestis 2023 Stock Incentive Plan.” Those sections are incorporated herein by reference.

**Item 7. *Certain Relationships and Related Transactions.***

The information required by this item is contained under the sections of the information statement entitled “Management,” “Directors” and “Certain Relationships and Related Party Transactions.” Those sections are incorporated herein by reference.

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**Item 8. *Legal Proceedings.***

The information required by this item is contained under the section of the information statement entitled “Management’s Discussion and Analysis of Financial Condition and Results of Operations—Litigation and Claims.” That section is incorporated herein by reference.

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

The information required by this item is contained under the sections of the information statement entitled “The Separation and Distribution,” “Dividend Policy,” “Capitalization” and “Description of Vestis Capital Stock.” Those sections are incorporated herein by reference.

**Item 10. *Recent Sales of Unregistered Securities.***

The information required by this item is contained under the sections of the information statement entitled “Description of Material Indebtedness” and “Description of Vestis Capital Stock—Sale of Unregistered Securities.” Those sections are incorporated herein by reference.

**Item 11. *Description of Registrant’s Securities to be Registered.***

The information required by this item is contained under the sections of the information statement entitled “The Separation and Distribution,” “Dividend Policy” and “Description of Vestis Capital Stock.” Those sections are incorporated herein by reference.

**Item 12. *Indemnification of Directors and Officers.***

The information required by this item is contained under the section of the information statement entitled “Description of Vestis Capital Stock—Limitation on Liability of Directors and Indemnification of Directors and Officers.” That section is incorporated herein by reference.

**Item 13. *Financial Statements and Supplementary Data.***

The information required by this item is contained under the section of the information statement entitled “Index to the Financial Statements” and the financial statements referenced therein. That section is incorporated herein by reference.

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

The information required by this item is contained under the section of the information statement entitled “Changes in Aramark Uniform Services’ Certifying Accountant.” That section is incorporated herein by reference.

**Item 15. *Financial Statements and Exhibits.***

**(a) *Financial Statements and Schedule***

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

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(b) Exhibits

The following documents are filed as exhibits hereto:

<b>Exhibit Number</b>	<b>Exhibit Description</b>
2.1	<a href="#">Form of Separation and Distribution Agreement by and between Aramark and Vestis Corporation</a> **
3.1	<a href="#">Form of Amended and Restated Certificate of Incorporation of Vestis Corporation</a> **
3.2	<a href="#">Form of Amended and Restated Bylaws of Vestis Corporation</a> **
10.1	<a href="#">Form of Transition Services Agreement by and between Aramark and Vestis Corporation</a> **
10.2	<a href="#">Form of Tax Matters Agreement by and between Aramark and Vestis Corporation</a> **
10.3	<a href="#">Form of Employee Matters Agreement by and between Aramark and Vestis Corporation</a> **
10.4	<a href="#">Form of Vestis Corporation 2023 Stock Incentive Plan</a> **
10.5	<a href="#">Form of Indemnification Agreement by and between Vestis Corporation and individual directors or officers</a> **
10.6	<a href="#">Offer Letter, dated as of September 20, 2021, by and between Aramark and Kim Scott</a> *
10.7	<a href="#">Agreement Relating to Employment and Post-Employment Competition, dated as of September 20, 2021, by and between Aramark and Kim Scott</a> *
10.8	<a href="#">Offer Letter, dated as of February 22, 2022, by and between Aramark and Rick Dillon</a> *
10.9	<a href="#">Agreement Relating to Employment and Post-Employment Competition, dated as of February 25, 2022, by and between Aramark and Rick Dillon</a> *
10.10	<a href="#">Offer Letter, dated as of December 31, 2021, by and between Aramark and Timothy Donovan</a> *
10.11	<a href="#">Agreement Relating to Employment and Post-Employment Competition, dated as of December 31, 2021, by and between Aramark and Timothy Donovan</a> *
10.12	<a href="#">Offer Letter, dated as of December 22, 2022, by and between Aramark and Angela J. Kervin</a> *
10.13	<a href="#">Agreement Relating to Employment and Post-Employment Competition, dated as of December 22, 2022, by and between Aramark and Angela J. Kervin</a> *
10.14	<a href="#">Amendment to Agreement Relating to Employment and Post-Employment Competition, dated as of January 31, 2023, by and between Aramark and Angela J. Kervin</a> *
10.15	<a href="#">Form of Director Letter</a> *
10.16	<a href="#">Offer Letter, dated as of July 28, 2023, by and between Aramark and Christopher R. Synek</a> **
10.17	<a href="#">Agreement Relating to Employment and Post-Employment Competition, dated as of August 30, 2023, by and between Aramark Services, Inc. and Christopher R. Synek</a> **
16.1	<a href="#">Letter from RSM US LLP addressed to the Securities and Exchange Commission, dated March 17, 2023</a> *
21.1	<a href="#">List of Subsidiaries of Vestis Corporation</a> **
99.1	<a href="#">Information Statement of Vestis Corporation, preliminary and subject to completion, dated September 6, 2023</a> **
99.2	<a href="#">Form of Notice of Internet Availability of Information Statement Materials</a> **

\* Previously filed.

\*\* Filed herewith.

**SIGNATURES**

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

VESTIS CORPORATION

By: /s/ Thomas G. Ondrof

Name: Thomas G. Ondrof

Title: Chief Executive Officer and President

Date: September 6, 2023

**FORM OF SEPARATION AND DISTRIBUTION AGREEMENT**

**BY AND BETWEEN**

**ARAMARK**

**AND**

**VESTIS CORPORATION**

**DATED AS OF [        ], 2023**

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## TABLE OF CONTENTS

	<u>Page</u>
ARTICLE I DEFINITIONS	2
1.1    Definitions	2
ARTICLE II THE SEPARATION	16
2.1    Transfer of Assets and Assumption of Liabilities	16
2.2    SpinCo Assets; Parent Assets	18
2.3    SpinCo Liabilities; Parent Liabilities	21
2.4    Approvals and Notifications	22
2.5    Novation of Liabilities	26
2.6    Release of Guarantees	28
2.7    Termination of Agreements	29
2.8    Treatment of Shared Contracts	29
2.9    Bank Accounts; Cash Balances	31
2.10   Ancillary Agreements	31
2.11   Disclaimer of Representations and Warranties	31
2.12   SpinCo Financing Arrangements; SpinCo Debt Incurrence.	32
2.13   Financial Information Certifications	33
ARTICLE III THE DISTRIBUTION	33
3.1    Sole and Absolute Discretion; Cooperation	33
3.2    Actions Prior to the Distribution	34
3.3    Conditions to the Distribution	35
3.4    The Distribution	36
ARTICLE IV MUTUAL RELEASES; INDEMNIFICATION	38
4.1    Release of Pre-Distribution Claims	38
4.2    Indemnification by SpinCo	40
4.3    Indemnification by Parent	41
4.4    Indemnification Obligations Net of Insurance Proceeds and Other Amounts	42
4.5    Procedures for Indemnification of Third-Party Claims	42
4.6    Additional Matters	45
4.7    Right of Contribution	46
4.8    Covenant Not to Sue	47
4.9    Remedies Cumulative	47
4.10   Survival of Indemnities	47
4.11   Tax Matters Agreement Coordination	47
ARTICLE V CERTAIN OTHER MATTERS	48
5.1    Insurance Matters	48

5.2	Late Payments	50
5.3	Inducement	50
5.4	Post-Effective Time Conduct	50
5.5	Non-Solicitation.	50
ARTICLE VI EXCHANGE OF INFORMATION; CONFIDENTIALITY		51
6.1	Agreement for Exchange of Information	51
6.2	Ownership of Information	52
6.3	Compensation for Providing Information	52
6.4	Record Retention	53
6.5	Limitations of Liability	53
6.6	Other Agreements Providing for Exchange of Information	53
6.7	Production of Witnesses; Records; Cooperation	54
6.8	Privileged Matters	55
6.9	Confidentiality	57
6.10	Protective Arrangements	59
ARTICLE VII DISPUTE RESOLUTION		59
7.1	Good-Faith Officer Negotiation	59
7.2	Mediation	59
7.3	Arbitration; Litigation	60
7.4	Litigation and Unilateral Commencement of Arbitration	61
7.5	Conduct During Dispute Resolution Process	62
ARTICLE VIII FURTHER ASSURANCES AND ADDITIONAL COVENANTS		62
8.1	Further Assurances	62
8.2	Use of the Aramark Name and Aramark Marks	63
ARTICLE IX TERMINATION		63
9.1	Termination	63
9.2	Effect of Termination	63
ARTICLE X MISCELLANEOUS		64
10.1	Counterparts; Entire Agreement; Corporate Power	64
10.2	Governing Law; Jurisdiction; Waiver of Jury Trial	65
10.3	Assignability	65
10.4	Third-Party Beneficiaries	65
10.5	Notices	66
10.6	Severability	67
10.7	Force Majeure	67
10.8	No Set-Off	68
10.9	Expenses	68
10.10	Headings	68
10.11	Survival of Covenants	68

10.12	Waivers of Default	68
10.13	Specific Performance	69
10.14	Amendments	69
10.15	Interpretation	69
10.16	Limitations of Liability	70
10.17	Performance	70
10.18	Mutual Drafting	70

## SCHEDULES

Schedule 1.1	Plan of Reorganization
Schedule 1.2	Parent Contracts
Schedule 1.3	SpinCo Contracts
Schedule 1.4	SpinCo Indemnified Liabilities
Schedule 1.5	SpinCo Intellectual Property Rights
Schedule 1.6	SpinCo Retained Cash Amount
Schedule 2.2(a)(xiii)	SpinCo Assets
Schedule 2.2(b)(iii)	Parent Intellectual Property Rights
Schedule 2.2(b)(ix)	Parent Assets
Schedule 2.3(a)	SpinCo Liabilities
Schedule 2.3(b)	Parent Liabilities
Schedule 2.7(b)(ii)	Intercompany Agreements
Schedule 2.8	Shared Contracts
Schedule 4.3(e)	Specified Parent Information
Schedule 5.1(b)	Designated Policies
Schedule 10.9	Allocation of Certain Costs and Expenses

## EXHIBITS

Exhibit A	Amended and Restated Certificate of Incorporation of Vestis Corporation
Exhibit B	Amended and Restated Bylaws of Vestis Corporation

## SEPARATION AND DISTRIBUTION AGREEMENT

This SEPARATION AND DISTRIBUTION AGREEMENT, dated as of [ ], 2023 (this “Agreement”), is by and between Aramark, a Delaware corporation (“Parent”), and Vestis Corporation, a Delaware corporation (“Vestis”). Capitalized terms used herein and not otherwise defined shall have the respective meanings assigned to them in Article I.

### R E C I T A L S

WHEREAS, the Board of Directors of Parent (the “Parent Board”) has determined that it is in the best interests of Parent and its stockholders to create a new publicly traded company that shall operate the SpinCo Business;

WHEREAS, in furtherance of the foregoing, the Parent Board has determined that it is appropriate and desirable to separate the SpinCo Business from the Parent Business (the “Separation”) and, following the Separation, make a distribution, on a pro rata basis, to holders of Parent Shares on the Record Date of all of the SpinCo Shares held by Parent at such time, which shall constitute 100 percent (100%) of the outstanding SpinCo Shares (other than the SpinCo Shares, if any, contributed or to be contributed by Aramark Services, Inc., a Delaware corporation (“D-One”), Aramark Intermediate HoldCo Corporation, a Delaware corporation (“D-Two”) or Parent to a donor advised fund pursuant to the Plan of Reorganization) (the “Distribution”);

WHEREAS, SpinCo has been incorporated solely for these purposes and has not engaged in activities, except in connection with the Separation and the Distribution;

WHEREAS, pursuant to the Plan of Reorganization and the terms of this Agreement, as part of the Separation and prior to the Distribution, among other things, (a) Parent completed the Canadian Separation, (b) D-One contributed certain SpinCo Assets to SpinCo in exchange for the assumption of certain SpinCo Liabilities and the constructive issuance of SpinCo Shares (such contribution, the “Contribution”), (c) SpinCo borrowed funds from third-party lenders and lent all or a portion of such funds to Aramark Uniform & Career Apparel Group, Inc., a Delaware corporation (“AUCA,” and such funds, the “AUCA Proceeds”), (d) AUCA used the AUCA Proceeds to repay a note payable to D-One, (e) D-One distributed to D-Two, all of the SpinCo Shares held by D-One at such time, which constituted all of the issued and outstanding SpinCo Shares (other than the SpinCo Shares, if any, contributed or to be contributed by D-One to a donor advised fund pursuant to the Plan of Reorganization) (the “First Internal Distribution”) and (f) D-Two distributed to Parent all of the SpinCo Shares held by D-Two at such time, which constituted all of the issued and outstanding SpinCo Shares (other than the SpinCo Shares, if any, contributed or to be contributed by D-One or D-Two to a donor advised fund pursuant to the Plan of Reorganization) (the “Second Internal Distribution”);

WHEREAS, for U.S. federal income tax purposes, (a) each of the Canadian Contribution and the Fourth Canadian Distribution, taken together, and the Contribution and the First Internal Distribution, taken together, are intended to qualify as a transaction that is



generally tax-free for U.S. federal income tax purposes under Sections 355 and 368(a)(1)(D) of the Code and (b) each of the First Canadian Distribution, the Second Canadian Distribution, the Third Canadian Distribution, the Second Internal Distribution and the Distribution is intended to qualify as a transaction that is generally tax-free for U.S. federal income tax purposes under Section 355(a) of the Code;

WHEREAS, Parent has received a private letter ruling from the IRS in connection with the transactions contemplated by this Agreement (the “IRS Ruling”);

WHEREAS, Parent expects to receive one or more U.S. federal income tax opinions of its tax advisors in connection with the transactions contemplated by this Agreement;

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

WHEREAS, each of Parent and SpinCo has determined that it is appropriate and desirable to set forth the principal corporate transactions required to effect the Separation and the Distribution and certain other agreements that will govern certain matters relating to the Separation and the Distribution and the relationship of Parent, SpinCo and the members of their respective Groups following the Distribution; and

WHEREAS, the Parties acknowledge that this Agreement and the Ancillary Agreements represent the integrated agreement of Parent and SpinCo relating to the Separation and the Distribution, are being entered into together, and would not have been entered into independently.

NOW, THEREFORE, in consideration of the mutual agreements, provisions and covenants contained in this Agreement, and for other good and valuable consideration, the receipt and sufficiency of which are hereby acknowledged, the Parties, intending to be legally bound, hereby agree as follows:

#### ARTICLE I DEFINITIONS

1.1 Definitions. For the purpose of this Agreement, the following terms shall have the following meanings:

“Action” shall mean any demand, action, claim, dispute, suit, countersuit, arbitration, inquiry, subpoena, proceeding or investigation of any nature (whether criminal, civil, legislative, administrative, regulatory, prosecutorial or otherwise) by or before any federal, state, local, foreign or international Governmental Authority or any arbitration or mediation tribunal.

“Adversarial Action” shall have the meaning set forth in Section 6.7(a).

“Affiliate” shall mean, when used with respect to a specified Person, a Person that, directly or indirectly, through one (1) or more intermediaries, controls, is controlled by or is

under common control with such specified Person. For the purpose of this definition, “control” (including, with correlative meanings, “controlled by” and “under common control with”), when used with respect to any specified Person shall mean the possession, directly or indirectly, of the power to direct or cause the direction of the management and policies of such Person, whether through the ownership of voting securities or other interests, by contract, agreement, obligation, indenture, instrument, lease, promise, arrangement, release, warranty, commitment, undertaking or otherwise. It is expressly agreed that, prior to, at and after the Effective Time, solely for purposes of this Agreement and the Ancillary Agreements, (a) no member of the SpinCo Group shall be deemed to be an Affiliate of any member of the Parent Group and (b) no member of the Parent Group shall be deemed to be an Affiliate of any member of the SpinCo Group.

“Agreement” shall have the meaning set forth in the Preamble.

“Ancillary Agreements” shall mean all agreements (other than this Agreement) entered into by the Parties or the members of their respective Groups (but only agreements as to which no Third Party is a party) in connection with the Separation, the Distribution or the other transactions contemplated by this Agreement, including the Transition Services Agreement, the Tax Matters Agreement, the Employee Matters Agreement and the Transfer Documents and any other agreement that by its express terms provides that it shall be an Ancillary Agreement for purposes of this Agreement.

“Approvals or Notifications” shall mean any consents, waivers, approvals, permits or authorizations to be obtained from, notices, registrations or reports to be submitted to, or other filings to be made with, any Third Party, including any Governmental Authority.

“Aramark Name and Aramark Marks” shall mean the names, Trademarks, domain names, accounts or “handles” with Facebook, LinkedIn, Twitter and other social media platforms, and other source or business identifiers of either Party or any member of its Group using or containing “Aramark” or “Avendra”, in either case either alone or in combination with other words or elements, and all names, Trademarks, monograms, domain names and other source or business identifiers confusingly similar to or embodying any of the foregoing either alone or in combination with other words or elements.

“Arbitration Procedure” shall have the meaning set forth in Section 7.3(a).

“Arbitration Request” shall have the meaning set forth in Section 7.3(a).

“Assets” shall mean, with respect to any Person, the assets, properties, claims and rights (including goodwill) of such Person, wherever located (including in the possession of vendors or other Third Parties or elsewhere), of every kind, character and description, whether real, personal or mixed, tangible, intangible or contingent, in each case whether or not recorded or reflected or required to be recorded or reflected on the books and records or financial statements of such Person, including rights and benefits pursuant to any contract, license, Permit, indenture, note, bond, mortgage, agreement, concession, franchise, instrument, undertaking, commitment, understanding or other arrangement.

“AUCA” shall have the meaning set forth in the Recitals.

“AUCA Proceeds” shall have the meaning set forth in the Recitals.

“Canadian Contribution” shall have the meaning set forth in the Tax Matters Agreement.

“Canadian Separation” shall have the meaning set forth in the Plan of Reorganization.

“Cash Transfer” shall have the meaning set forth in Section 2.12(a).

“Chosen Courts” shall have the meaning set forth in Section 10.2(b).

“Code” shall mean the Internal Revenue Code of 1986, as amended.

“Confidential Information” shall mean information that is both confidential and proprietary.

“Contribution” shall have the meaning set forth in the Recitals.

“CPR” shall have the meaning set forth in Section 7.2.

“D-One” shall have the meaning set forth in the Recitals.

“D-Two” shall have the meaning set forth in the Recitals.

“Delayed Parent Asset” shall have the meaning set forth in Section 2.4(i).

“Delayed Parent Liability” shall have the meaning set forth in Section 2.4(i).

“Delayed SpinCo Asset” shall have the meaning set forth in Section 2.4(c).

“Delayed SpinCo Liability” shall have the meaning set forth in Section 2.4(c).

“Designated Policies” shall have the meaning set forth in Section 5.1(b).

“Disclosure Document” shall mean any registration statement (including the Form 10) filed with the SEC by or on behalf of any Party or any member of its Group, and also includes any information statement (including the Information Statement), prospectus, offering memorandum, offering circular, periodic report or similar disclosure document, whether or not filed with the SEC or any other Governmental Authority, in each case that describes the Contribution, the Separation or the Distribution or the SpinCo Group or primarily relates to the transactions contemplated hereby.

“Dispute” shall have the meaning set forth in Section 7.1.

“Distribution” shall have the meaning set forth in the Recitals.

“Distribution Agent” shall mean the trust company or bank duly appointed by Parent to act as distribution agent, transfer agent and registrar for the SpinCo Shares in connection with the Distribution.

“Distribution Date” shall mean the date of the consummation of the Distribution, which shall be determined by the Parent Board in its sole and absolute discretion.

“Distribution Ratio” shall mean a number equal to 1/2.

“e-mail” shall have the meaning set forth in Section 10.5.

“Effective Time” shall mean 12:01 A.M., Philadelphia, Pennsylvania time, on the Distribution Date.

“Employee Matters Agreement” shall mean the Employee Matters Agreement to be entered into by and between Parent and SpinCo or the members of their respective Groups in connection with the Separation, the Distribution or the other transactions contemplated by this Agreement, as it may be amended from time to time.

“Environmental Law” shall mean any Law (including common law) relating to the pollution, protection or restoration of or prevention of harm to the environment or natural resources (including air, surface water, groundwater, land surface or subsurface land), or human health or safety (as such matters relate to Hazardous Materials), including Laws relating to the use, handling, presence, transportation, treatment, storage, disposal, Release or discharge of Hazardous Materials or the protection of or prevention of harm to human health and safety.

“Environmental Liabilities” shall mean all Liabilities relating to, arising out of or resulting from any Hazardous Materials, Environmental Law or contract or agreement relating to environmental, health or safety matters (including all removal, remediation or cleanup costs, investigatory costs, response costs, natural resources damages, property damages, personal injury damages, costs of compliance with any product take-back requirements or with any settlement, judgment or other determination of Liability and indemnity, contribution or similar obligations) and all costs and expenses, interest, fines, penalties or other monetary sanctions in connection therewith.

“Exchange Act” shall mean the U.S. Securities Exchange Act of 1934, as amended, together with the rules and regulations promulgated thereunder.

“First Canadian Distribution” shall have the meaning set forth in the Tax Matters Agreement.

“First Internal Distribution” shall have the meaning set forth in the Recitals.

“Force Majeure” shall mean, with respect to a Party, an event beyond the reasonable control of such Party (or any Person acting on its behalf), which event (a) does not arise or result from the fault or negligence of such Party (or any Person acting on its behalf) and (b) by its nature would not reasonably have been foreseen by such Party (or such Person), or, if it

would reasonably have been foreseen, was unavoidable, and includes acts of God, acts of civil or military authority, acts of terrorism, cyberattacks, embargoes, epidemics, pandemics, war, riots, insurrections, fires, explosions, earthquakes, floods, unusually severe weather conditions, labor problems or unavailability of parts, or, in the case of computer systems, any significant and prolonged failure in electrical or air conditioning equipment. Notwithstanding the foregoing, the receipt by a Party of an unsolicited takeover offer or other acquisition proposal, even if unforeseen or unavoidable, and such Party's response thereto shall not be deemed an event of Force Majeure.

"Form 10" shall mean the registration statement on Form 10 filed by SpinCo with the SEC to effect the registration of SpinCo Shares pursuant to the Exchange Act in connection with the Distribution, as such registration statement may be amended or supplemented from time to time prior to the Distribution.

"Fourth Canadian Distribution" shall have the meaning set forth in the Tax Matters Agreement.

"Governmental Approvals" shall mean any Approvals or Notifications to be made to, or obtained from, any Governmental Authority.

"Governmental Authority" shall mean any nation or government, any state, province, municipality or other political subdivision thereof, and any entity, body, agency, commission, department, board, bureau, court, tribunal or other instrumentality, whether federal, state, provincial, local, domestic, foreign or multinational, exercising executive, legislative, judicial, regulatory, administrative or other similar functions of, or pertaining to, a government and any executive official thereof.

"Group" shall mean either the SpinCo Group or the Parent Group, as the context requires.

"Hazardous Materials" shall mean (a) those substances listed in, defined in or regulated under any Environmental Law, including the following federal statutes and their state counterparts, as each may be amended from time to time, and all regulations thereunder: the Resource Conservation and Recovery Act, the Comprehensive Environmental Response, Compensation and Liability Act, the Toxic Substances Control Act, the Clean Water Act, the Safe Drinking Water Act, the Atomic Energy Act and the Clean Air Act, (b) petroleum and petroleum products, including crude oil and any fractions thereof and (c) polychlorinated biphenyls, per- and polyfluoroalkyl substances, mold, methane, asbestos and radon.

"Indemnifying Party" shall have the meaning set forth in Section 4.4(a).

"Indemnitee" shall have the meaning set forth in Section 4.4(a).

"Indemnity Payment" shall have the meaning set forth in Section 4.4(a).

“Information Statement” shall mean the information statement to be made available to the holders of Parent Shares in connection with the Distribution, as such information statement may be amended or supplemented from time to time prior to the Distribution, and which Information Statement shall be an exhibit to the Form 10.

“Information Technology” shall mean all computer systems (including hardware, computers, servers, workstations, routers, hubs, switches, and data communication lines), network and telecommunications equipment, Internet-related information technology infrastructure, and other information technology equipment, and all associated documentation.

“Insurance Proceeds” shall mean those monies:

- (a) received by an insured from an insurance carrier; or
- (b) paid by an insurance carrier on behalf of the insured;

in any such case net of any premium adjustments (including reserves and retrospectively rated premium adjustments) resulting directly from the applicable claim and net of any costs or expenses incurred in the collection thereof; provided that in each case Insurance Proceeds shall not include any monies received or paid from an insurance carrier that is an Affiliate of either Parent or SpinCo.

“Intellectual Property” shall mean any and all common law and statutory rights anywhere in the world arising under or associated with the following: (a) patents, patent applications, utility models, statutory invention registrations, certificates of invention, registered designs, utility models and similar or equivalent rights in inventions and designs, and all rights therein provided by international treaties or conventions (“Patents”), (b) trademarks, service marks, trade names, service names, trade dress, logos and other designations of origin, including any registrations and applications for registration of any of the foregoing (“Trademarks”), (c) rights associated with Internet domain names, uniform resource locators, internet protocol addresses, social media accounts or “handles” with Facebook, LinkedIn, Twitter and similar social media platforms, handles, and other names, identifiers, and locators associated with Internet addresses, sites, and services (“Internet Properties”), (d) copyrights and any other equivalent rights in works of authorship (including rights in Software or databases as a work of authorship) and any other related rights of authors, and all registrations and applications for registration of any of the foregoing (“Copyrights”), (e) trade secrets and industrial secret rights and rights in know-how, inventions, data, and any other confidential or proprietary business or technical information, that derive independent economic value, whether actual or potential, from not being known to other persons (“Trade Secrets”), and (f) all other similar or equivalent intellectual property or proprietary rights anywhere in the world.

“IRS” shall mean the U.S. Internal Revenue Service.

“IRS Ruling” shall have the meaning set forth in the Recitals.

“Law” shall mean any national, supranational, federal, state, territorial, provincial, local or similar law (including common law), statute, code, order, ordinance, rule, regulation, treaty (including any income tax treaty), license, permit, authorization, approval, consent, decree, injunction, binding judicial or administrative interpretation or other requirement, in each case enacted, promulgated, issued or entered by a Governmental Authority.

“Liabilities” shall mean all debts, guarantees, assurances, commitments, liabilities, responsibilities, Losses, remediation, deficiencies, damages, fines, penalties, settlements, sanctions, costs, expenses, interest and obligations of any nature or kind, whether accrued or fixed, absolute or contingent, matured or unmatured, accrued or not accrued, asserted or unasserted, liquidated or unliquidated, foreseen or unforeseen, known or unknown, reserved or unreserved, or determined or determinable, including those arising under any Law, claim (including any Third-Party Claim), demand, Action, or order, writ, judgment, injunction, decree, stipulation, determination or award entered by or with any Governmental Authority or arbitration tribunal, and those arising under any contract, agreement, obligation, indenture, instrument, lease, promise, arrangement, release, warranty, commitment or undertaking, or any fines, damages or equitable relief that is imposed, in each case, including all costs and expenses relating thereto.

“Losses” shall mean actual losses (including any diminution in value), costs, damages, penalties and expenses (including legal and accounting fees and expenses and costs of investigation and litigation), whether or not involving a Third-Party Claim.

“Mediation Procedure” shall have the meaning set forth in Section 7.2.

“Mediation Request” shall have the meaning set forth in Section 7.2.

“Negotiation Request” shall have the meaning set forth in Section 7.1.

“NYSE” shall mean the New York Stock Exchange.

“Parent” shall have the meaning set forth in the Preamble.

“Parent Accounts” shall have the meaning set forth in Section 2.9(a).

“Parent Assets” shall have the meaning set forth in Section 2.2(b).

“Parent Board” shall have the meaning set forth in the Recitals.

“Parent Books and Records” shall have the meaning set forth in Section 2.2(a)(xi).

“Parent Business” shall mean all businesses, operations and activities (whether or not such businesses, operations or activities are or have been terminated, divested or discontinued) conducted at any time prior to the Effective Time by either Party or any member of its Group, other than the SpinCo Business.

“Parent Group” shall mean Parent and each Person that is a Subsidiary of Parent (other than SpinCo and any other member of the SpinCo Group).

“Parent Indemnitees” shall have the meaning set forth in Section 4.2.

“Parent Liabilities” shall have the meaning set forth in Section 2.3(b).

“Parent Real Property” shall mean (a) all of the Real Property owned by Parent or any member of the Parent Group as of the Effective Time, (b) the Real Property Leases to which Parent or any member of the Parent Group is party as of the Effective Time, and (c) all recorded Real Property notices, easements, and obligations with respect to the Real Property and/or Real Property Leases described in clauses (a) and (b) of this paragraph.

“Parent Shares” shall mean the shares of common stock, par value \$0.01 per share, of Parent.

“Parties” shall mean the parties to this Agreement.

“Permits” shall mean permits, approvals, authorizations, consents, licenses or certificates issued by any Governmental Authority.

“Person” shall mean an individual, a general or limited partnership, a corporation, a trust, a joint venture, an unincorporated organization, a limited liability entity, any other entity and any Governmental Authority.

“Plan of Reorganization” shall mean the plan and structure set forth on Schedule 1.1.

“Policies” shall mean insurance policies, reinsurance policies and insurance contracts of any kind, including property, excess and umbrella, commercial general liability, director and officer liability, fiduciary liability, cyber technology, professional liability, libel liability, employment practices liability, automobile, aircraft, marine, workers’ compensation and employers’ liability, employee dishonesty/crime/fidelity, foreign, bonds and self-insurance and captive insurance company arrangements, together with the rights, benefits, privileges and obligations thereunder.

“Prime Rate” shall mean the rate that Bloomberg displays as “Prime Rate by Country United States” or “Prime Rate By Country US-BB Comp” at <http://www.bloomberg.com/quote/PRIME:IND> or on a Bloomberg terminal at PRIMBB Index (or, if not reported therein, as reported in another authoritative source reasonably selected by Parent).

“Privileged Information” shall mean any information, including any communications by or to attorneys (including attorney-client privileged communications), memoranda and other materials prepared by attorneys or under their direction (including attorney work product), as to which a Party or any member of its Group would be entitled to assert or have asserted a privilege or other protection, including the attorney-client and attorney work product privileges.



“Real Property” shall mean land together with all easements, rights and interests arising out of the ownership thereof or appurtenant thereto and all buildings, structures, improvements and fixtures located thereon.

“Real Property Leases” shall mean all leases to Real Property and, to the extent covered by such leases, any and all buildings, structures, improvements and fixtures located thereon.

“Record Date” shall mean the close of business on September 20, 2023, which is the date to be determined by the Parent Board as the record date for determining holders of Parent Shares entitled to receive SpinCo Shares pursuant to the Distribution.

“Record Holders” shall mean the holders of record of Parent Shares as of the Record Date.

“Registered IP” shall mean all United States, international or foreign (a) Patents and Patent applications, (b) registered Trademarks and applications to register Trademarks, (c) registered Copyrights and applications for Copyright registration, and (d) registered Internet Properties.

“Release” shall mean any release, spill, emission, discharge, leaking, pumping, pouring, dumping, injection, deposit, disposal, dispersal, leaching or migration of Hazardous Materials into the environment (including ambient air, surface water, groundwater and surface or subsurface strata).

“Representatives” shall mean, with respect to any Person, any of such Person’s directors, officers, employees, agents, consultants, advisors, accountants, attorneys or other representatives.

“Restricted Employees” shall have the meaning set forth in Section 5.5(a).

“SEC” shall mean the U.S. Securities and Exchange Commission.

“Second Canadian Distribution” shall have the meaning set forth in the Tax Matters Agreement.

“Second Internal Distribution” shall have the meaning set forth in the Recitals.

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

“Selected Stock Exchange” shall mean the NYSE or the Nasdaq Global Select Market, as determined by Parent prior to the Effective Time.

“Separation” shall have the meaning set forth in the Recitals.

“Shared Contract” shall have the meaning set forth in Section 2.8(a).

“Shared Third-Party Claim” shall have the meaning set forth in Section 4.5(b).

“Software” shall mean any and all (a) computer programs, including any and all software implementation of algorithms, models and methodologies, whether in source code, object code, human readable form or other form, (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 products used to design, plan, organize and develop any of the foregoing, (d) screens, user interfaces, report formats, firmware, development tools, templates, menus, buttons and icons and (e) documentation, including user manuals and other training documentation, relating to any of the foregoing.

“Specified Ancillary Agreement” shall have the meaning set forth in Section 10.18(b).

“SpinCo” shall have the meaning set forth in the Preamble.

“SpinCo Accounts” shall have the meaning set forth in Section 2.9(a).

“SpinCo Assets” shall have the meaning set forth in Section 2.2(a).

“SpinCo Balance Sheet” shall mean the pro forma consolidated balance sheet of the SpinCo Business, including any notes and subledgers thereto, as of June 30, 2023, as presented in the Information Statement made available to the Record Holders.

“SpinCo Books and Records” shall mean all books and records used in or necessary, as of immediately prior to the Effective Time, for the general financial and administrative operation of the SpinCo Business, including financial, employee, and general business operating documents, instruments, papers, books, books of account, records and files and data related thereto (including regulatory dossiers, correspondence and related documentation); provided that SpinCo Books and Records shall not include material that Parent is not permitted by applicable Law or agreement to disclose or transfer to SpinCo.

“SpinCo Business” shall mean (a) the business, operations and activities of the “Aramark Uniform Services” segment of Parent conducted at any time prior to the Effective Time by either Party or any of their current or former Subsidiaries and (b) any terminated, divested or discontinued businesses, operations and activities that, at the time of termination, divestiture or discontinuation, primarily related to the business, operations or activities described in clause (a) as then conducted.

“SpinCo Bylaws” shall mean the Amended and Restated Bylaws of SpinCo, substantially in the form of Exhibit B.

“SpinCo Certificate of Incorporation” shall mean the Amended and Restated Certificate of Incorporation of SpinCo, substantially in the form of Exhibit A.

“SpinCo Contracts” shall mean the following contracts and agreements to which either Party or any member of its Group is a party or by which it or any member of its Group or any of their respective Assets is bound, whether or not in writing (provided that SpinCo Contracts shall not include (x) any contract or agreement that is contemplated to be retained by Parent or any member of the Parent Group from and after the Effective Time pursuant to any provision of this Agreement or any Ancillary Agreement or (y) any contract or agreement that would constitute SpinCo Technology) or (z) any contract or agreement set forth on Schedule 1.2:

- (a) (i) any customer, distribution, supply or vendor contract or agreement with a Third Party entered into prior to the Effective Time primarily related to the SpinCo Business and (ii) with respect to any customer, distribution, supply or vendor contract or agreement with a Third Party entered into prior to the Effective Time that relates to the SpinCo Business but is not primarily related to the SpinCo Business, that portion of any such customer, distribution, supply or vendor contract or agreement that relates to the SpinCo Business;
- (b) (i) any license agreement entered into prior to the Effective Time primarily related to the SpinCo Business and (ii) with respect to any license agreement entered into prior to the Effective Time that relates to the SpinCo Business but is not primarily related to the SpinCo Business, that portion of any such license agreement that relates to the SpinCo Business;
- (c) any guarantee, indemnity, representation, covenant, warranty or other Liability of either Party or any member of its Group in respect of any other SpinCo Contract, any SpinCo Liability or the SpinCo Business;
- (d) any contract or agreement that is entered into pursuant to this Agreement or any of the Ancillary Agreements to be assigned to SpinCo or any member of the SpinCo Group;
- (e) any interest rate, currency, commodity or other swap, collar, cap or other hedging or similar agreements or arrangements primarily related to the SpinCo Business;
- (f) any credit agreement, indenture, note or other financing agreement or instrument entered into by SpinCo and/or any member of the SpinCo Group in connection with the Separation, including any SpinCo Financing Arrangements;
- (g) any contract or agreement entered into in the name of, or expressly on behalf of, any division, business unit or member of the SpinCo Group;
- (h) any other contract or agreement not otherwise set forth herein and primarily related to the SpinCo Business or SpinCo Assets;
- (i) any employment, change of control, retention, consulting, indemnification, termination, severance or other similar agreements with any SpinCo Group Employee or consultants of the SpinCo Group that are in effect as of the Effective Time; and

(j) any contracts, agreements or settlements set forth on Schedule 1.3, including the right to recover any amounts under such contracts, agreements or settlements.

“SpinCo Debt” shall have the meaning set forth in Section 2.12(a).

“SpinCo Designees” shall mean any and all entities (including corporations, general or limited partnerships, trusts, joint ventures, unincorporated organizations, limited liability entities or other entities) designated by Parent that will be members of the SpinCo Group as of immediately prior to the Effective Time.

“SpinCo Financing Arrangements” shall have the meaning set forth in Section 2.12(a).

“SpinCo Group” shall mean (a) prior to the Effective Time, SpinCo and each Person that will be a Subsidiary of SpinCo as of immediately after the Effective Time, including the Transferred Entity, even if, prior to the Effective Time, such Person is not a Subsidiary of SpinCo; and (b) on and after the Effective Time, SpinCo and each Person that is a Subsidiary of SpinCo. For the avoidance of doubt, Sanikleen Tokyo Company, Ltd. shall be deemed not to be a member of the SpinCo Group.

“SpinCo Group Employee” shall have the meaning set forth in the Employee Matters Agreement.

“SpinCo Indemnified Liability” shall mean those liabilities set forth on Schedule 1.4.

“SpinCo Indemnitees” shall have the meaning set forth in Section 4.3.

“SpinCo Intellectual Property Rights” shall mean (a) the Patents, Trademarks, Internet Properties and other Registered IP set forth on Schedule 1.5, and (b) the Intellectual Property Rights (other than Patents, Trademarks, Internet Properties and other Registered IP) that is owned by either Party or any of the members of its Group as of immediately prior to the Effective Time primarily used or primarily held for use in the SpinCo Business.

“SpinCo IT Assets” shall mean all Information Technology owned by either Party or any member of its Group as of immediately prior to the Effective Time that is primarily used or primarily held for use in the SpinCo Business.

“SpinCo Liabilities” shall have the meaning set forth in Section 2.3(a).

“SpinCo Permits” shall mean all Permits owned or licensed by either Party or any member of its Group primarily used or primarily held for use in the SpinCo Business as of the Effective Time.

“SpinCo Real Property” shall mean (a) all of the Real Property owned by SpinCo or any member of the SpinCo Group as of the Effective Time, (b) the Real Property Leases to which SpinCo or any member of the SpinCo Group is party as of the Effective Time, and (c) all

recorded Real Property notices, easements, and obligations with respect to the Real Property and/or Real Property Leases described in clauses (a) and (b) of this paragraph.

“SpinCo Retained Cash Amount” shall mean a cash amount calculated in accordance with Schedule 1.6.

“SpinCo Shares” shall mean the shares of common stock, par value \$0.01 per share, of SpinCo.

“SpinCo Technology” shall mean any Technology with respect to which the Intellectual Property Rights therein are owned by either Party or any member of its Group to the extent that such Technology is (a) used or necessary to the operation of the SpinCo Business as of the Effective Time and capable of being copied (for example, Software), or (b) the know-how of the SpinCo Group Employees to the extent related to the SpinCo Business, but in each case, excluding any Information Technology and any SpinCo Books and Records. For clarity, SpinCo Technology does not include any Intellectual Property Rights.

“Straddle Period” shall have the meaning set forth in Section 2.13.

“Subsidiary” shall mean, with respect to any Person, any corporation, limited liability company, joint venture or partnership of which such Person (a) beneficially owns, either directly or indirectly, fifty percent (50%) or more of (i) the total combined voting power of all classes of voting securities, (ii) the total combined equity interests or (iii) the capital or profit interests, in the case of a partnership, or (b) otherwise has the power to vote, either directly or indirectly, sufficient securities to elect a majority of the board of directors or similar governing body.

“Tangible Information” shall mean information that is contained in written, electronic or other tangible forms.

“Tax” shall have the meaning set forth in the Tax Matters Agreement.

“Tax Matters Agreement” shall mean the Tax Matters Agreement to be entered into by and between Parent and SpinCo or any members of their respective Groups in connection with the Separation, the Distribution or the other transactions contemplated by this Agreement, as it may be amended from time to time.

“Tax Return” shall have the meaning set forth in the Tax Matters Agreement.

“Technology” shall mean embodiments of Intellectual Property Rights, including blueprints, designs, design protocols, documentation, specifications for materials, specifications for parts and devices, and design tools, materials, manuals, data, databases, Software and know-how or knowledge of employees, relating to, embodying, or describing products, articles, apparatus, devices, processes, methods, formulae, recipes or other technical information; provided that “Technology” shall not include personal property, books and records or any Intellectual Property Rights.

“Third Canadian Distribution” shall have the meaning set forth in the Tax Matters Agreement.

“Third Party” shall mean any Person other than the Parties or any members of their respective Groups.

“Third-Party Claim” shall have the meaning set forth in Section 4.5(a).

“Transfer Documents” shall have the meaning set forth in Section 2.1(b).

“Transferred Entity” shall mean AUCA.

“Transition Period” shall have the meaning set forth in Section 8.2.

“Transition Services Agreement” shall mean the Transition Services Agreement to be entered into by and between Parent and SpinCo or any members of their respective Groups in connection with the Separation, the Distribution or the other transactions contemplated by this Agreement, as it may be amended from time to time.

“Unreleased Parent Liability” shall have the meaning set forth in Section 2.5(b)(ii).

“Unreleased SpinCo Liability” shall have the meaning set forth in Section 2.5(a)(ii).

ARTICLE II  
THE SEPARATION

2.1 Transfer of Assets and Assumption of Liabilities.

(a) On or prior to the Effective Time, but in any case prior to the Distribution, in accordance with the Plan of Reorganization:

(i) *Transfer and Assignment of SpinCo Assets.* Parent shall, and shall cause the applicable members of its Group to, contribute, assign, transfer, convey and deliver to SpinCo, or the applicable SpinCo Designees, and SpinCo or such SpinCo Designees shall accept from Parent and the applicable members of the Parent Group, all of Parent's and such Parent Group member's respective direct or indirect right, title and interest in and to all of the SpinCo Assets (it being understood that if any SpinCo Asset shall be held by the Transferred Entity or a wholly owned Subsidiary of the Transferred Entity, such SpinCo Asset shall be deemed assigned, transferred, conveyed and delivered to SpinCo as a result of the transfer of all of the equity interests in such Transferred Entity from Parent or the applicable members of the Parent Group to SpinCo or the applicable SpinCo Designee);

(ii) *Acceptance and Assumption of SpinCo Liabilities.* SpinCo and the applicable SpinCo Designees shall accept, assume and agree faithfully to perform, discharge and fulfill all the SpinCo Liabilities in accordance with their respective terms (it being understood that if any SpinCo Liabilities shall be Liabilities of the Transferred Entity, such SpinCo Liabilities shall be deemed assumed by SpinCo as a result of the transfer of all of the equity interests in such Transferred Entity from Parent or the applicable members of the Parent Group to SpinCo or the applicable SpinCo Designee). SpinCo and such SpinCo Designees shall be responsible for all SpinCo Liabilities, regardless of when or where such SpinCo Liabilities arose or arise, or whether the facts on which they are based occurred prior to or subsequent to the Effective Time, regardless of where or against whom such SpinCo Liabilities are asserted or determined (including any SpinCo Liabilities arising out of claims made by Parent's or SpinCo's respective directors, officers, employees, agents, Subsidiaries or Affiliates against any member of the Parent Group or the SpinCo Group) or whether asserted or determined prior to the date hereof, and regardless of whether arising from or alleged to arise from negligence, recklessness, violation of Law, fraud or misrepresentation by any member of the Parent Group or the SpinCo Group, or any of their respective directors, officers, employees, agents, Subsidiaries or Affiliates;

(iii) *Transfer and Assignment of Parent Assets.* Parent and SpinCo shall cause SpinCo and the SpinCo Designees to contribute, assign, transfer, convey and deliver to Parent or certain members of the Parent Group designated by Parent, and Parent or such other members of the Parent Group shall accept from SpinCo and the SpinCo Designees, all of SpinCo's and such SpinCo Designees' respective direct or indirect right, title and interest in and to all Parent Assets held by SpinCo or a SpinCo Designee; and

(iv) *Acceptance and Assumption of Parent Liabilities.* Parent and certain members of the Parent Group designated by Parent shall accept and assume and agree faithfully to perform, discharge and fulfill all of the Parent Liabilities held by SpinCo or any SpinCo Designee and Parent and the applicable members of the Parent Group shall be responsible for all Parent Liabilities in accordance with their respective terms, regardless of when or where such Parent Liabilities arose or arise, or whether the facts on which they are based occurred prior to or subsequent to the Effective Time, regardless of where or against whom such Parent Liabilities are asserted or determined (including any such Parent Liabilities arising out of claims made by Parent's or SpinCo's respective directors, officers, employees, agents, Subsidiaries or Affiliates against any member of the Parent Group or the SpinCo Group) or whether asserted or determined prior to the date hereof, and regardless of whether arising from or alleged to arise from negligence, recklessness, violation of Law, fraud or misrepresentation by any member of the Parent Group or the SpinCo Group, or any of their respective directors, officers, employees, agents, Subsidiaries or Affiliates.

(b) *Transfer Documents.* In furtherance of the contribution, assignment, transfer, conveyance and delivery of the Assets and the assumption of the Liabilities in accordance with Section 2.1(a), and without prejudice to any actions taken to implement, or documents entered into between or among any of the Parties or members of their respective Groups to implement, or in furtherance of, the Plan of Reorganization prior to the date hereof, (i) each Party shall execute and deliver, and shall cause the applicable members of its Group to execute and deliver, to the other Party, such bills of sale, quitclaim or special warranty deeds, stock powers, certificates of title, assignments of contracts and other instruments of transfer, conveyance and assignment, and take such other corporate actions, in each case, as and to the extent necessary to evidence the transfer, conveyance and assignment of all of such Party's and the applicable members of its Group's right, title and interest in and to such Assets to the other Party and the applicable members of its Group in accordance with Section 2.1(a), and (ii) each Party shall execute and deliver, and shall cause the applicable members of its Group to execute and deliver, to the other Party, such assumptions of contracts and other instruments of assumption, and take such other corporate actions, in each case, as and to the extent necessary to evidence the valid and effective assumption of the Liabilities by such Party and the applicable members of its Group in accordance with Section 2.1(a). All of the foregoing documents contemplated by this Section 2.1(b) (including any documents entered into between or among any of the Parties or members of their respective Groups to implement or in furtherance of the Plan of Reorganization prior to the date hereof) shall be referred to collectively herein as the "Transfer Documents."

(c) *Misallocations.* In the event that at any time or from time to time (whether prior to, at or after the Effective Time), one Party (or any member of such Party's Group) shall receive or otherwise possess any Asset that is allocated to the other Party (or any member of such Party's Group) pursuant to this Agreement or any Ancillary Agreement, such Party shall promptly transfer, or cause to be transferred, such Asset to the Party so entitled thereto (or to any member of such Party's Group), and such Party (or member of such Party's Group) so entitled thereto shall accept such Asset. Prior to any such transfer, the Person



receiving or possessing such Asset shall hold such Asset in trust for such other Person. In the event that at any time or from time to time (whether prior to, at or after the Effective Time), one Party hereto (or any member of such Party's Group) shall receive or otherwise assume any Liability that is allocated to the other Party (or any member of such Party's Group) pursuant to this Agreement or any Ancillary Agreement, such other Party shall promptly transfer, or cause to be transferred, such Liability to the Party responsible therefor (or to any member of such Party's Group), and such Party (or member of such Party's Group) shall accept, assume and agree to faithfully perform such Liability in accordance with this Agreement.

(d) *Waiver of Bulk-Sale and Bulk-Transfer Laws.* To the extent permissible under applicable Law, SpinCo hereby waives compliance by each and every member of the Parent Group with the requirements and provisions of any "bulk-sale" or "bulk-transfer" Laws of any jurisdiction that may otherwise be applicable with respect to the transfer or sale of any or all of the SpinCo Assets to any member of the SpinCo Group. To the extent permissible under applicable Law, Parent hereby waives compliance by each and every member of the SpinCo Group with the requirements and provisions of any "bulk-sale" or "bulk-transfer" Laws of any jurisdiction that may otherwise be applicable with respect to the transfer or sale of any or all of the Parent Assets to any member of the Parent Group.

(e) *Electronic Transfer.* All transferred SpinCo Assets and Parent Assets, including transferred Technology, that can be delivered by electronic transmission will be so delivered or made available to SpinCo, Parent or their respective designees (as applicable), in an electronic form to be reasonably determined by the Parties.

## 2.2 SpinCo Assets; Parent Assets.

(a) *SpinCo Assets.* For purposes of this Agreement, "SpinCo Assets" shall mean:

(i) all issued and outstanding capital stock or other equity interests of the Transferred Entity and other members of the SpinCo Group that are owned by either Party or any members of its Group as of the Effective Time;

(ii) all Assets of either Party or any members of its Group included or reflected as assets of the SpinCo Group on the SpinCo Balance Sheet, subject to any dispositions of such Assets subsequent to the date of the SpinCo Balance Sheet; provided that the amounts set forth on the SpinCo Balance Sheet with respect to any Assets shall not be treated as minimum amounts or limitations on the amount of such Assets that are included in the definition of SpinCo Assets pursuant to this clause (ii);

(iii) all Assets of either Party or any of the members of its Group as of the Effective Time that are of a nature or type that would have resulted in such Assets being included as Assets of SpinCo or members of the SpinCo Group on a pro forma consolidated balance sheet of the SpinCo Group or any notes or subledgers thereto as of the Effective Time (were such balance sheet, notes and subledgers to be prepared on a basis consistent with the determination of the Assets included on the SpinCo Balance

Sheet), it being understood that (x) the SpinCo Balance Sheet shall be used to determine the types of, and methodologies used to determine, those Assets that are included in the definition of SpinCo Assets pursuant to this clause (iii); and (y) the amounts set forth on the SpinCo Balance Sheet with respect to any Assets shall not be treated as minimum amounts or limitations on the amount of such Assets that are included in the definition of SpinCo Assets pursuant to this clause (iii);

(iv) all Assets of either Party or any of the members of its Group as of the Effective Time that are expressly provided by this Agreement or any Ancillary Agreement as Assets to be transferred to or owned by SpinCo or any other member of the SpinCo Group;

(v) all SpinCo Contracts as of the Effective Time and all rights, interests or claims of either Party or any of the members of its Group thereunder as of the Effective Time;

(vi) all SpinCo Intellectual Property Rights as of the Effective Time, including any goodwill appurtenant to any Trademarks included in the SpinCo Intellectual Property Rights and the right to seek, recover and retain damages for infringement of any SpinCo Intellectual Property Rights;

(vii) all SpinCo Technology as of immediately prior to the Effective Time;

(viii) all SpinCo IT Assets as of immediately prior to the Effective Time;

(ix) all SpinCo Permits as of the Effective Time and all rights, interests or claims of either Party or any of the members of its Group thereunder as of the Effective Time;

(x) all Assets of either Party or any of the members of its Group as of the Effective Time that are primarily related to the SpinCo Business to the extent not already included in subsections (i)-(ix) or (xi) of this subsection;

(xi) copies of any and all SpinCo Books and Records in the possession of either Party or any member of its Group as of immediately prior to the Effective Time; provided that Parent shall be permitted to retain copies of, and continue to use, (A) any SpinCo Books and Records that as of the Effective Time are used in or necessary for the operation or conduct of the Parent Business, (B) any SpinCo Books and Records that Parent is required by Law to retain (and if copies are not provided to SpinCo, then, to the extent permitted by Law, such copies will be made available to SpinCo upon SpinCo's reasonable request), (C) one (1) copy of any SpinCo Books and Records to the extent required to demonstrate compliance with applicable Law or pursuant to internal compliance procedures or related to any Parent Assets or Parent's and/or its Affiliates' obligations under this Agreement or any of the Ancillary Agreements and (D) "back-up" electronic tapes of such SpinCo Books and Records maintained by Parent in the ordinary

course of business (such material in clauses (A) through (D), the “Parent Books and Records”), and such copies of the Parent Books and Records shall be considered Parent Assets;

(xii) the SpinCo Retained Cash Amount; and

(xiii) any and all Assets set forth on Schedule 2.2(a)(xiii).

Notwithstanding the foregoing, the Parties hereby acknowledge and agree that (A) while a single asset may fall within more than one of the clauses (i) through (xi) in this Section 2.2(a), such fact does not imply that (x) such asset shall be transferred more than once or (y) any duplication of such asset is required, and (B) the SpinCo Assets shall not in any event include any Asset referred to in clauses (i) through (vi) of Section 2.2(b).

(b) *Parent Assets.* For the purposes of this Agreement, “Parent Assets” shall mean all Assets of either Party or the members of its Group as of the Effective Time, other than the SpinCo Assets, it being understood that, notwithstanding anything herein to the contrary, the Parent Assets shall include:

(i) all Assets that are contemplated by this Agreement or any Ancillary Agreement (or the Schedules hereto or thereto) as Assets to be retained or owned by Parent or any other member of the Parent Group;

(ii) all contracts and agreements of either Party or any of the members of its Group as of the Effective Time (other than the SpinCo Contracts);

(iii) (x) the Aramark Name and Aramark Marks and Intellectual Property Rights set forth on Schedule 2.2(b)(iii), and (y) all Intellectual Property Rights owned by either Party or any of the members of its Group as of the Effective Time (other than, in the case of this clause (y), the SpinCo Intellectual Property Rights);

(iv) all Technology of either Party or any of the members of its Group as of the Effective Time, other than such Technology that are SpinCo Technology (it being understood none of the Technology of the Parent Business is primarily used in the SpinCo Business);

(v) all Information Technology, other than SpinCo IT Assets, owned by either Party or any member of its Group as of immediately prior to the Effective Time;

(vi) all Parent Books and Records;

(vii) all Permits of either Party or any of the members of its Group as of the Effective Time (other than the SpinCo Permits);

(viii) all cash and cash equivalents of either Party or any of the members of its Group as of the Effective Time (other than the SpinCo Retained Cash Amount); and

(ix) any and all Assets set forth on Schedule 2.2(b)(ix).

2.3 SpinCo Liabilities; Parent Liabilities.

(a) *SpinCo Liabilities.* For the purposes of this Agreement, "SpinCo Liabilities" shall mean the following Liabilities of either Party or any of the members of its Group:

(i) all Liabilities included or reflected as liabilities or obligations of SpinCo or the members of the SpinCo Group on the SpinCo Balance Sheet, subject to any discharge of such Liabilities subsequent to the date of the SpinCo Balance Sheet; provided that the amounts set forth on the SpinCo Balance Sheet with respect to any Liabilities shall not be treated as minimum amounts or limitations on the amount of such Liabilities that are included in the definition of SpinCo Liabilities pursuant to this clause (i);

(ii) all Liabilities as of the Effective Time that are of a nature or type that would have resulted in such Liabilities being included or reflected as liabilities or obligations of SpinCo or the members of the SpinCo Group on a pro forma consolidated balance sheet of the SpinCo Group or any notes or subledgers thereto as of the Effective Time (were such balance sheet, notes and subledgers to be prepared on a basis consistent with the determination of the Liabilities included on the SpinCo Balance Sheet), it being understood that (x) the SpinCo Balance Sheet shall be used to determine the types of, and methodologies used to determine, those Liabilities that are included in the definition of SpinCo Liabilities pursuant to this clause (ii); and (y) the amounts set forth on the SpinCo Balance Sheet with respect to any Liabilities shall not be treated as minimum amounts or limitations on the amount of such Liabilities that are included in the definition of SpinCo Liabilities pursuant to this clause (ii);

(iii) all Liabilities, including any Environmental Liabilities, relating to, arising out of or resulting from the actions, inactions, events, omissions, conditions, facts or circumstances occurring or existing prior to the Effective Time (whether or not such Liabilities cease being contingent, mature, become known, are asserted or foreseen, or accrue, in each case before, at or after the Effective Time), in each case to the extent that such Liabilities relate to, arise out of or result from the SpinCo Business or a SpinCo Asset;

(iv) any and all Liabilities that are expressly provided by this Agreement or any Ancillary Agreement (or the Schedules hereto or thereto) as Liabilities to be assumed by SpinCo or any other member of the SpinCo Group, and all agreements, obligations and Liabilities of any member of the SpinCo Group under this Agreement or any of the Ancillary Agreements;

(v) all Liabilities relating to, arising out of or resulting from the SpinCo Contracts, the SpinCo Intellectual Property Rights, the SpinCo Technology, the SpinCo Permits or the SpinCo Financing Arrangements;

(vi) any and all Liabilities set forth on Schedule 2.3(a); and

(vii) all Liabilities arising out of claims made by any Third Party (including Parent's or SpinCo's respective directors, officers, stockholders, employees and agents) against any member of the Parent Group or the SpinCo Group to the extent relating to, arising out of or resulting from the SpinCo Business or the SpinCo Assets or the other business, operations, activities or Liabilities of SpinCo referred to in clauses (i) through (vi) above;

provided that, notwithstanding the foregoing, the Parties agree that the Liabilities set forth on Schedule 2.3(b) and any Liabilities of any member of the Parent Group pursuant to the Ancillary Agreements shall not be SpinCo Liabilities but instead shall be Parent Liabilities.

(b) *Parent Liabilities*. For the purposes of this Agreement, "Parent Liabilities" shall mean (i) all Liabilities relating to, arising out of or resulting from actions, inactions, events, omissions, conditions, facts or circumstances occurring or existing prior to the Effective Time (whether or not such Liabilities cease being contingent, mature, become known, are asserted or foreseen, or accrue, in each case before, at or after the Effective Time) of any member of the Parent Group and, prior to the Effective Time, any member of the SpinCo Group, in each case that are not SpinCo Liabilities, including any and all Liabilities set forth on Schedule 2.3(b); and (ii) all Liabilities arising out of claims made by any Third Party (including Parent's or SpinCo's respective directors, officers, stockholders, employees and agents) against any member of the Parent Group or the SpinCo Group to the extent relating to, arising out of or resulting from the Parent Business or the Parent Assets.

#### 2.4 Approvals and Notifications.

(a) *Approvals and Notifications for SpinCo Assets and Liabilities*. To the extent that the transfer or assignment of any SpinCo Asset, the assumption of any SpinCo Liability, the Separation, the Distribution or any transaction contemplated thereby requires any Approvals or Notifications, the Parties shall use their commercially reasonable efforts to obtain or make such Approvals or Notifications as soon as reasonably practicable; provided, however, that, except to the extent expressly provided in this Agreement or any of the Ancillary Agreements or as otherwise agreed between Parent and SpinCo, neither Parent nor SpinCo shall be obligated to contribute capital or pay any consideration in any form (including providing any letter of credit, guaranty or other financial accommodation) to any Person in order to obtain or make such Approvals or Notifications.

(b) *Delayed SpinCo Transfers*. If and to the extent that the valid, complete and perfected transfer or assignment to the SpinCo Group of any SpinCo Asset or assumption by the SpinCo Group of any SpinCo Liability in connection with the Separation or the Distribution would be a violation of applicable Law or require any Approval or Notification that has not been obtained or made by the Effective Time then, unless the Parties shall otherwise mutually determine, the transfer or assignment to the SpinCo Group of such SpinCo Assets or the assumption by the SpinCo Group of such SpinCo Liabilities, as the case may be, shall be automatically deemed deferred and any such purported transfer, assignment or assumption shall

be null and void until such time as all legal impediments are removed or such Approval or Notification has been obtained or made. Notwithstanding the foregoing, any such SpinCo Assets or SpinCo Liabilities shall continue to constitute SpinCo Assets and SpinCo Liabilities for all other purposes of this Agreement.

(c) *Treatment of Delayed SpinCo Assets and Delayed SpinCo Liabilities.* If any transfer or assignment of any SpinCo Asset (or a portion thereof) or any assumption of any SpinCo Liability (or a portion thereof) intended to be transferred, assigned or assumed hereunder, as the case may be, is not consummated on or prior to the Effective Time, whether as a result of the provisions of Section 2.4(b) or for any other reason (any such SpinCo Asset (or a portion thereof), a “Delayed SpinCo Asset” and any such SpinCo Liability (or a portion thereof), a “Delayed SpinCo Liability”), then, insofar as reasonably possible and subject to applicable Law, the member of the Parent Group retaining such Delayed SpinCo Asset or such Delayed SpinCo Liability, as the case may be, shall thereafter hold such Delayed SpinCo Asset or Delayed SpinCo Liability, as the case may be, for the use and benefit (or the performance and obligation, in the case of a Liability) of the member of the SpinCo Group entitled thereto or obligated thereon (at the expense of the member of the SpinCo Group entitled thereto or obligated thereon). In addition, the member of the Parent Group retaining such Delayed SpinCo Asset or such Delayed SpinCo Liability shall, insofar as reasonably possible and to the extent permitted by applicable Law, treat such Delayed SpinCo Asset or Delayed SpinCo Liability in the ordinary course of business in accordance with SpinCo Group past practice and take such other actions as may be reasonably requested by the member of the SpinCo Group to whom such Delayed SpinCo Asset is to be transferred or assigned, or which will assume such Delayed SpinCo Liability, as the case may be, in order to place such member of the SpinCo Group in a substantially similar position as if such Delayed SpinCo Asset or Delayed SpinCo Liability had been transferred, assigned or assumed as contemplated hereby and so that all the benefits and burdens relating to such Delayed SpinCo Asset or Delayed SpinCo Liability, as the case may be, including use, risk of loss, potential for gain, and dominion, control and command over such Delayed SpinCo Asset or Delayed SpinCo Liability, as the case may be, and all costs and expenses related thereto, shall inure from and after the Effective Time (and from any earlier time provided for in the Plan of Reorganization) to the SpinCo Group.

(d) *Transfer of Delayed SpinCo Assets and Delayed SpinCo Liabilities.* If and when the Approvals or Notifications, the absence of which caused the deferral of transfer or assignment of any Delayed SpinCo Asset or the deferral of assumption of any Delayed SpinCo Liability pursuant to Section 2.4(b), are obtained or made, and, if and when any other legal impediments to the transfer or assignment of any Delayed SpinCo Asset or the assumption of any Delayed SpinCo Liability have been removed, the transfer or assignment of the applicable Delayed SpinCo Asset or the assumption of the applicable Delayed SpinCo Liability, as the case may be, shall be effected in accordance with the terms of this Agreement and/or the applicable Ancillary Agreement.

(e) *Costs for Delayed SpinCo Assets and Delayed SpinCo Liabilities.* Except as otherwise agreed in writing between the Parties, any member of the Parent Group retaining a Delayed SpinCo Asset or Delayed SpinCo Liability due to the deferral of the transfer or

assignment of such Delayed SpinCo Asset or the deferral of the assumption of such Delayed SpinCo Liability, as the case may be, shall not be obligated, in connection with the foregoing, to expend any money, unless the necessary funds are advanced (or otherwise made available) by SpinCo or the member of the SpinCo Group entitled to the Delayed SpinCo Asset or obligated with respect to the Delayed SpinCo Liability, other than reasonable out-of-pocket expenses, attorneys' fees and recording or similar fees, all of which shall be promptly reimbursed by SpinCo or the member of the SpinCo Group entitled to such Delayed SpinCo Asset or obligated with respect to such Delayed SpinCo Liability; provided, however, that the Parent Group shall not knowingly allow the loss or diminution of value of any Delayed SpinCo Asset without first providing the SpinCo Group commercially reasonable notice of such potential loss or diminution in value and affording the SpinCo Group a commercially reasonable opportunity to take action to prevent such loss or diminution in value.

(f) *Tax Treatment of Delayed Transfers.* Parent and SpinCo shall, and shall cause their Affiliates to, (i) for all U.S. federal (and applicable state, local and foreign) income Tax purposes, treat any SpinCo Asset, SpinCo Liability, Delayed SpinCo Asset, Delayed SpinCo Liability, Delayed Parent Asset or Delayed Parent Liability transferred, assigned or assumed after the Effective Time as having been so transferred, assigned or assumed at the time at which it was intended to have been so transferred, assigned or assumed as reflected in this Agreement (including the Plan of Reorganization); and (ii) file all Tax Returns in a manner consistent with such treatment and not take any Tax position inconsistent therewith, except to the extent otherwise required pursuant to Law, as determined by Parent in its reasonable discretion.

(g) *Approvals and Notifications for Parent Assets.* To the extent that the transfer or assignment of any Parent Asset, the assumption of any Parent Liability, the Separation, the Distribution or any other transaction contemplated under this Agreement requires any Approvals or Notifications, the Parties shall use their commercially reasonable efforts to obtain or make such Approvals or Notifications as soon as reasonably practicable; provided, however, that, except to the extent expressly provided in this Agreement or any of the Ancillary Agreements or as otherwise agreed between Parent and SpinCo, neither Parent nor SpinCo shall be obligated to contribute capital or pay any consideration in any form (including providing any letter of credit, guaranty or other financial accommodation) to any Person in order to obtain or make such Approvals or Notifications.

(h) *Delayed Parent Transfers.* If and to the extent that the valid, complete and perfected transfer or assignment to the Parent Group of any Parent Asset or assumption by the Parent Group of any Parent Liability in connection with the Separation or the Distribution would be a violation of applicable Law or require any Approval or Notification that has not been obtained or made by the Effective Time then, unless the Parties shall otherwise mutually determine, the transfer or assignment to the Parent Group of such Parent Assets or the assumption by the Parent Group of such Parent Liabilities, as the case may be, shall be automatically deemed deferred and any such purported transfer, assignment or assumption shall be null and void until such time as all legal impediments are removed or such Approval or Notification has been obtained or made. Notwithstanding the foregoing, any such Parent Assets

or Parent Liabilities shall continue to constitute Parent Assets and Parent Liabilities for all other purposes of this Agreement.

(i) *Treatment of Delayed Parent Assets and Delayed Parent Liabilities.* If any transfer or assignment of any Parent Asset (or a portion thereof) or any assumption of any Parent Liability (or a portion thereof) intended to be transferred, assigned or assumed hereunder, as the case may be, is not consummated on or prior to the Effective Time whether as a result of the provisions of Section 2.4(h) or for any other reason (any such Parent Asset (or a portion thereof), a “Delayed Parent Asset” and any such Parent Liability (or a portion thereof), a “Delayed Parent Liability”), then, insofar as reasonably possible and subject to applicable Law, the member of the SpinCo Group retaining such Delayed Parent Asset or such Delayed Parent Liability, as the case may be, shall thereafter hold such Delayed Parent Asset or Delayed Parent Liability, as the case may be, for the use and benefit (or the performance or obligation, in the case of a Liability) of the member of the Parent Group entitled thereto or obligated thereon (at the expense of the member of the Parent Group entitled thereto or obligated thereon). In addition, the member of the SpinCo Group retaining such Delayed Parent Asset or such Delayed Parent Liability shall, insofar as reasonably possible and to the extent permitted by applicable Law, treat such Delayed Parent Asset or Delayed Parent Liability in the ordinary course of business in accordance with Parent Group past practice and take such other actions as may be reasonably requested by the member of the Parent Group to which such Delayed Parent Asset is to be transferred or assigned, or which will assume such Delayed Parent Liability, as the case may be, in order to place such member of the Parent Group in a substantially similar position as if such Delayed Parent Asset or Delayed Parent Liability had been transferred, assigned or assumed as contemplated hereby and so that all the benefits and burdens relating to such Delayed Parent Asset or Delayed Parent Liability, as the case may be, including use, risk of loss, potential for gain, and dominion, control and command over such Delayed Parent Asset or Delayed Parent Liability, as the case may be, and all costs and expenses related thereto, shall inure from and after the Effective Time (and from any earlier time provided for in the Plan of Reorganization) to the Parent Group.

(j) *Transfer of Delayed Parent Assets and Delayed Parent Liabilities.* If and when the Approvals or Notifications, the absence of which caused the deferral of transfer or assignment of any Delayed Parent Asset or the deferral of assumption of any Delayed Parent Liability pursuant to Section 2.4(g), are obtained or made, and, if and when any other legal impediments to the transfer or assignment of any Delayed Parent Asset or the assumption of any Delayed Parent Liability have been removed, the transfer or assignment of the applicable Delayed Parent Asset or the assumption of the applicable Delayed Parent Liability, as the case may be, shall be effected in accordance with the terms of this Agreement and/or the applicable Ancillary Agreement.

(k) *Costs for Delayed Parent Assets and Delayed Parent Liabilities.* Except as otherwise agreed in writing between the Parties, any member of the SpinCo Group retaining a Delayed Parent Asset or Delayed Parent Liability due to the deferral of the transfer or assignment of such Delayed Parent Asset or the deferral of the assumption of such Delayed Parent Liability, as the case may be, shall not be obligated, in connection with the foregoing, to expend any



money, unless the necessary funds are advanced (or otherwise made available) by Parent or the member of the Parent Group entitled to the Delayed Parent Asset or obligated with respect to the Delayed Parent Liability, other than reasonable out-of-pocket expenses, attorneys' fees and recording or similar fees, all of which shall be promptly reimbursed by Parent or the member of the Parent Group entitled to such Delayed Parent Asset or obligated with respect to such Delayed Parent Liability; provided, however, that the SpinCo Group shall not knowingly allow the loss or diminution in value of any Delayed Parent Asset without first providing the Parent Group commercially reasonable notice of such potential loss or diminution in value and affording the Parent Group commercially reasonable opportunity to take action to prevent such loss or diminution in value.

## 2.5 Novation of Liabilities.

### (a) *Novation of SpinCo Liabilities.*

(i) Each of Parent and SpinCo, at the request of the other, shall use its commercially reasonable efforts to obtain, or to cause to be obtained, as soon as reasonably practicable, any consent, substitution, approval or amendment required to novate or assign all SpinCo Liabilities and obtain in writing the unconditional release of each member of the Parent Group that is a party to or otherwise obligated under any such arrangements, to the extent permitted by applicable Law and effective as of the Effective Time, so that, in any such case, the members of the SpinCo Group shall be solely responsible for such SpinCo Liabilities; provided, however, that, except as otherwise expressly provided in this Agreement or any of the Ancillary Agreements, neither Parent nor SpinCo shall be obligated to contribute any capital or pay any consideration in any form (including providing any letter of credit, guaranty or other financial accommodation) to any Third Party from whom any such consent, substitution, approval, amendment or release is requested. To the extent such substitution contemplated by the first sentence of this Section 2.5(a)(i) has been effected, the members of the Parent Group shall, from and after the Effective Time, cease to have any obligation whatsoever arising from or in connection with such SpinCo Liabilities.

(ii) If Parent or SpinCo is unable to obtain, or to cause to be obtained, any such required consent, substitution, approval, amendment or release and the applicable member of the Parent Group continues to be bound by such agreement, lease, license or other obligation or Liability (each, an "Unreleased SpinCo Liability."), SpinCo shall, to the extent not prohibited by Law, (A) use its commercially reasonable efforts to effect such consent, substitution, approval, amendment or release as soon as practicable following the Effective Time, but in any event within six (6) months thereof, and (B) as indemnitor, guarantor, agent or subcontractor for such member of the Parent Group, as the case may be, (x) pay, perform and discharge fully all the obligations or other Liabilities of such member of the Parent Group that constitute Unreleased SpinCo Liabilities from and after the Effective Time and (y) use its commercially reasonable efforts to effect such payment, performance or discharge prior to any demand for such payment, performance or discharge is permitted to be made by the obligee thereunder on

any member of the Parent Group. If and when any such consent, substitution, approval, amendment or release shall be obtained or the Unreleased SpinCo Liabilities shall otherwise become assignable or able to be novated, Parent shall promptly assign, or cause to be assigned, and SpinCo or the applicable SpinCo Group member shall assume, such Unreleased SpinCo Liabilities without exchange of further consideration.

(b) *Novation of Parent Liabilities.*

(i) Each of Parent and SpinCo, at the request of the other, shall use its commercially reasonable efforts to obtain, or to cause to be obtained, as soon as reasonably practicable, any consent, substitution, approval or amendment required to novate or assign all Parent Liabilities and obtain in writing the unconditional release of each member of the SpinCo Group that is a party to or otherwise obligated under any such arrangements, to the extent permitted by applicable Law and effective as of the Effective Time, so that, in any such case, the members of the Parent Group shall be solely responsible for such Parent Liabilities; provided, however, that, except as otherwise expressly provided in this Agreement or any of the Ancillary Agreements, neither Parent nor SpinCo shall be obligated to contribute any capital or pay any consideration in any form (including providing any letter of credit, guaranty or other financial accommodation) to any Third Party from whom any such consent, substitution, approval, amendment or release is requested. To the extent such substitution contemplated by the first sentence of this Section 2.5(b)(i) has been effected, the members of the SpinCo Group shall, from and after the Effective Time, cease to have any obligation whatsoever arising from or in connection with such Parent Liabilities.

(ii) If Parent or SpinCo is unable to obtain, or to cause to be obtained, any such required consent, substitution, approval, amendment or release and the applicable member of the SpinCo Group continues to be bound by such agreement, lease, license or other obligation or Liability (each, an “Unreleased Parent Liability”), Parent shall, to the extent not prohibited by Law, (A) use its commercially reasonable efforts to effect such consent, substitution, approval, amendment or release as soon as practicable following the Effective Time, but in any event within six (6) months thereof, and (B) as indemnitor, guarantor, agent or subcontractor for such member of the SpinCo Group, as the case may be, (x) pay, perform and discharge fully all the obligations or other Liabilities of such member of the SpinCo Group that constitute Unreleased Parent Liabilities from and after the Effective Time and (y) use its commercially reasonable efforts to effect such payment, performance or discharge prior to any demand for such payment, performance or discharge is permitted to be made by the obligee thereunder on any member of the SpinCo Group. If and when any such consent, substitution, approval, amendment or release shall be obtained or the Unreleased Parent Liabilities shall otherwise become assignable or able to be novated, SpinCo shall promptly assign, or cause to be assigned, and Parent or the applicable Parent Group member shall assume, such Unreleased Parent Liabilities without exchange of further consideration.

2.6 Release of Guarantees. In furtherance of, and not in limitation of, the obligations set forth in Section 2.5:

(a) On or prior to the Effective Time or as soon as practicable thereafter, each of Parent and SpinCo shall, at the request of the other Party and with the reasonable cooperation of such other Party and the applicable member(s) of such other Party's Group, use commercially reasonable efforts to (i) have any member(s) of the Parent Group removed as guarantor of or obligor for any SpinCo Liability to the extent that such guarantee or obligation relates to SpinCo Liabilities, including the removal of any Security Interest on or in any Parent Asset that may serve as collateral or security for any such SpinCo Liability; and (ii) have any member(s) of the SpinCo Group removed as guarantor of or obligor for any Parent Liability to the extent that such guarantee or obligation relates to Parent Liabilities, including the removal of any Security Interest on or in any SpinCo Asset that may serve as collateral or security for any such Parent Liability.

(b) To the extent required to obtain a release from a guarantee of:

(i) any member of the Parent Group, SpinCo shall (or shall cause a member of the SpinCo Group to) execute a guarantee agreement in the form of the existing guarantee or such other form as is agreed to by the relevant parties to such guarantee agreement, which agreement shall include the removal of any Security Interest on or in any Parent Asset that may serve as collateral or security for any SpinCo Liability, except to the extent that such existing guarantee contains representations, covenants or other terms or provisions either (x) with which SpinCo (or any member of the SpinCo Group) would be reasonably unable to comply or (y) which SpinCo (or any member of the SpinCo Group) would not reasonably be able to avoid breaching; and

(ii) any member of the SpinCo Group, Parent shall (or shall cause a member of the Parent Group to) execute a guarantee agreement in the form of the existing guarantee or such other form as is agreed to by the relevant parties to such guarantee agreement, which agreement shall include the removal of any Security Interest on or in any SpinCo Asset that may serve as collateral or security for any Parent Liability, except to the extent that such existing guarantee contains representations, covenants or other terms or provisions either (x) with which Parent (or any member of the Parent Group) would be reasonably unable to comply or (y) which Parent (or any member of the Parent Group) would not reasonably be able to avoid breaching.

(c) If Parent or SpinCo is unable to obtain, or to cause to be obtained, any such required removal or release as set forth in clauses (a) and (b) of this Section 2.6, (i) the Party or the relevant member of its Group that has assumed the Liability with respect to such guarantee shall indemnify, defend and hold harmless the guarantor or obligor against or from any Liability arising from or relating thereto in accordance with the provisions of Article IV and shall, as agent or subcontractor for such guarantor or obligor, pay, perform and discharge fully all the obligations or other Liabilities of such guarantor or obligor thereunder; and (ii) each of Parent and SpinCo, on behalf of itself and the other members of their respective Group, agrees not to renew or extend the term of, increase any obligations under, or transfer to a Third Party,

any loan, guarantee, lease, contract or other obligation for which the other Party or a member of its Group is or may be liable, unless all obligations of such other Party and the members of such other Party's Group with respect thereto are thereupon terminated by documentation satisfactory in form and substance to such other Party.

## 2.7 Termination of Agreements.

(a) Except as set forth in Section 2.7(b), in furtherance of the releases and other provisions of Section 4.1, SpinCo and each member of the SpinCo Group, on the one hand, and Parent and each member of the Parent Group, on the other hand, hereby terminate any and all agreements, arrangements, commitments or understandings, whether or not in writing, between or among SpinCo and/or any member of the SpinCo Group, on the one hand, and Parent and/or any member of the Parent Group, on the other hand, effective as of the Effective Time. No such terminated agreement, arrangement, commitment or understanding (including any provision thereof which purports to survive termination) shall be of any further force or effect after the Effective Time. Each Party shall, at the reasonable request of the other Party, take, or cause to be taken, such other actions as may be necessary to effect the foregoing.

(b) The provisions of Section 2.7(a) shall not apply to any of the following agreements, arrangements, commitments or understandings (or to any of the provisions thereof): (i) this Agreement and the Ancillary Agreements (and each other agreement or instrument expressly contemplated by this Agreement or any Ancillary Agreement to be entered into by any of the Parties or any of the members of their respective Groups or to be continued from and after the Effective Time); (ii) any agreements, arrangements, commitments or understandings listed or described on Schedule 2.7(b)(ii), which shall be treated as described therein; (iii) any agreements, arrangements, commitments or understandings to which any Third Party is a party thereto; (iv) any intercompany accounts payable or accounts receivable accrued as of the Effective Time that are reflected in the books and records of the Parties or otherwise documented in writing in accordance with past practices, which shall be settled in the manner contemplated by Section 2.7(c); (v) any agreements, arrangements, commitments or understandings to which any non-wholly owned Subsidiary of Parent or SpinCo, as the case may be, is a party (it being understood that directors' qualifying shares or similar interests shall be disregarded for purposes of determining whether a Subsidiary is wholly owned); and (vi) any Shared Contracts.

(c) Other than any agreements, arrangements, commitments or understandings listed or described on Schedule 2.7(b)(ii), all of the intercompany accounts receivable and accounts payable between any member of the Parent Group, on the one hand, and any member of the SpinCo Group, on the other hand, outstanding as of the Effective Time shall, as of the Effective Time, be repaid, settled or otherwise eliminated by means of cash payments, a dividend, capital contribution, a combination of the foregoing, or otherwise as determined by Parent in its sole and absolute discretion.

## 2.8 Treatment of Shared Contracts.

(a) Subject to applicable Law and without limiting the generality of the obligations set forth in Section 2.1, unless the Parties otherwise agree or the benefits of any

contract, agreement, arrangement, commitment or understanding described in this Section 2.8 are expressly conveyed to the applicable Party pursuant to this Agreement or an Ancillary Agreement, any contract or agreement, a portion of which is a SpinCo Contract, but the remainder of which is a Parent Asset (any such contract or agreement, including those set forth on Schedule 2.8, a “Shared Contract”), shall be assigned in relevant part to the applicable member(s) of the applicable Group, if so assignable, or appropriately amended prior to, on or after the Effective Time, so that each Party or the member of its Group shall, as of the Effective Time, (i) be entitled to the rights and benefits, (ii) assume the related portion of any Liabilities, inuring to its respective businesses and (iii) take any actions set forth on Schedule 2.8 with respect to such Shared Contract; provided, however, that (A) in no event shall any member of any Group be required to assign (or amend) any Shared Contract in its entirety or to assign a portion of any Shared Contract which is not assignable (or cannot be amended) by its terms (including any terms imposing consents or conditions on an assignment where such consents or conditions have not been obtained or fulfilled) and (B) if any Shared Contract cannot be so partially assigned by its terms or otherwise, or cannot be amended or if such assignment or amendment would impair the benefit the parties thereto derive from such Shared Contract, then the Parties shall, and shall cause each of the members of their respective Groups to, take such other reasonable and permissible actions (including by providing prompt notice to the other Party with respect to any relevant claim of Liability or other relevant matters arising in connection with a Shared Contract so as to allow such other Party the ability to exercise any applicable rights under such Shared Contract) to cause a member of the SpinCo Group or the Parent Group, as the case may be, to receive the rights and benefits of that portion of each Shared Contract that relates to the SpinCo Business or the Parent Business, as the case may be (in each case, to the extent so related), as if such Shared Contract had been assigned to a member of the applicable Group (or amended to allow a member of the applicable Group to exercise applicable rights under such Shared Contract) pursuant to this Section 2.8, and to bear the burden of the corresponding Liabilities (including any Liabilities that may arise by reason of such arrangement), as if such Liabilities had been assumed by a member of the applicable Group pursuant to this Section 2.8.

(b) Except as otherwise required by applicable Law, each of Parent and SpinCo shall, and shall cause the members of its Group to, (i) treat for all Tax purposes the portion of each Shared Contract inuring to its respective businesses as an Asset owned by, and/or a Liability of, as applicable, such Party, or the members of its Group, as applicable, not later than the Effective Time (and from any earlier time provided for in the Plan of Reorganization), and (ii) neither report nor take any Tax position (on a Tax Return or otherwise) inconsistent with such treatment.

(c) Nothing in this Section 2.8 shall require any member of any Group to make any non-*de minimis* payment (except to the extent advanced, assumed or agreed in advance to be reimbursed by any member of the other Group), incur any non-*de minimis* obligation or grant any non-*de minimis* concession for the benefit of any member of any other Group in order to effect any transaction contemplated by this Section 2.8.

2.9 Bank Accounts; Cash Balances.

(a) Each Party agrees to take, or cause the members of its Group to take, at the Effective Time (or such earlier time as the Parties may agree), all actions necessary to amend all contracts or agreements governing each bank and brokerage account owned by SpinCo or any other member of the SpinCo Group (collectively, the “SpinCo Accounts”) and all contracts or agreements governing each bank or brokerage account owned by Parent or any other member of the Parent Group (collectively, the “Parent Accounts”) so that each such SpinCo Account and Parent Account, if currently linked (whether by automatic withdrawal, automatic deposit or any other authorization to transfer funds from or to) to any Parent Account or SpinCo Account, respectively, is de-linked from such Parent Account or SpinCo Account, respectively.

(b) It is intended that, following consummation of the actions contemplated by Section 2.9(a), there will be in place a cash management process pursuant to which the SpinCo Accounts will be managed and funds collected will be transferred into one (1) or more accounts maintained by SpinCo or a member of the SpinCo Group.

(c) It is intended that, following consummation of the actions contemplated by Section 2.9(a), there will continue to be in place a cash management process pursuant to which the Parent Accounts will be managed and funds collected will be transferred into one (1) or more accounts maintained by Parent or a member of the Parent Group.

(d) With respect to any outstanding checks issued or payments initiated by Parent, SpinCo, or any of the members of their respective Groups prior to the Effective Time, such outstanding checks and payments shall be honored following the Effective Time by the Person or Group owning the account on which the check is drawn or from which the payment was initiated, respectively.

(e) As between Parent and SpinCo (and the members of their respective Groups), all payments made and reimbursements, credits, returns or rebates received after the Effective Time by either Party (or member of its Group) that relate to a business, Asset or Liability of the other Party (or member of its Group), shall be held by such Party in trust for the use and benefit of the Party entitled thereto and, promptly following receipt by such Party of any such payment or reimbursement, credit, return or rebate such Party shall pay over, or shall cause the applicable member of its Group to pay over to the other Party, the amount of such payment or reimbursement, credit, return or rebate without right of set-off.

2.10 Ancillary Agreements. Effective on or prior to the Effective Time, each of Parent and SpinCo will, or will cause the applicable members of their Groups to, execute and deliver all Ancillary Agreements to which it is a party.

2.11 Disclaimer of Representations and Warranties. EACH OF PARENT (ON BEHALF OF ITSELF AND EACH MEMBER OF THE PARENT GROUP) AND SPINCO (ON BEHALF OF ITSELF AND EACH MEMBER OF THE SPINCO GROUP) UNDERSTANDS AND AGREES THAT, EXCEPT AS EXPRESSLY SET FORTH HEREIN OR IN ANY ANCILLARY AGREEMENT, NO PARTY TO THIS AGREEMENT, ANY ANCILLARY

AGREEMENT OR ANY OTHER AGREEMENT OR DOCUMENT CONTEMPLATED BY THIS AGREEMENT, ANY ANCILLARY AGREEMENT OR OTHERWISE, IS REPRESENTING OR WARRANTING IN ANY WAY AS TO: (A) THE ASSETS, BUSINESSES OR LIABILITIES TRANSFERRED OR ASSUMED AS CONTEMPLATED HEREBY OR THEREBY, (B) ANY CONSENTS OR APPROVALS REQUIRED IN CONNECTION THEREWITH (INCLUDING GOVERNMENTAL APPROVALS OR PERMITS OF ANY KIND), (C) THE VALUE OR FREEDOM FROM ANY SECURITY INTERESTS OF, OR ANY OTHER MATTER CONCERNING, ANY ASSETS OF SUCH PARTY, (D) THE ABSENCE OF ANY DEFENSES OR RIGHT OF SETOFF OR FREEDOM FROM COUNTERCLAIM WITH RESPECT TO ANY CLAIM OR OTHER ASSET, INCLUDING ANY ACCOUNTS RECEIVABLE, OF ANY PARTY, OR (E) THE LEGAL SUFFICIENCY OF ANY ASSIGNMENT, DOCUMENT OR INSTRUMENT DELIVERED HEREUNDER TO CONVEY TITLE TO ANY ASSET OR THING OF VALUE UPON THE EXECUTION, DELIVERY AND FILING HEREOF OR THEREOF. EXCEPT AS MAY EXPRESSLY BE SET FORTH HEREIN OR IN ANY ANCILLARY AGREEMENT, ALL SUCH ASSETS ARE BEING TRANSFERRED ON AN "AS IS," "WHERE IS" BASIS (AND, IN THE CASE OF ANY REAL PROPERTY, BY MEANS OF A QUITCLAIM OR SIMILAR FORM OF DEED OR CONVEYANCE) AND THE RESPECTIVE TRANSFEREES SHALL BEAR, WITHOUT LIMITATION, THE ECONOMIC AND LEGAL RISKS THAT (I) ANY CONVEYANCE WILL PROVE TO BE INSUFFICIENT TO VEST IN THE TRANSFEREE GOOD AND MARKETABLE TITLE, FREE AND CLEAR OF ANY SECURITY INTEREST, AND (II) ANY NECESSARY APPROVALS OR NOTIFICATIONS ARE NOT OBTAINED OR MADE OR THAT ANY REQUIREMENTS OF LAWS OR JUDGMENTS ARE NOT COMPLIED WITH.

2.12 SpinCo Financing Arrangements; SpinCo Debt Incurrence.

(a) Prior to the Effective Time, and in accordance with the Plan of Reorganization, (i) SpinCo and/or other members of the SpinCo Group will enter into one or more financing arrangements and agreements (the "SpinCo Financing Arrangements"), pursuant to which it or they shall borrow prior to the Effective Time a principal amount of not less than \$1,500 million (the "SpinCo Debt") and (ii) SpinCo shall transfer or cause to be transferred the proceeds of the SpinCo Debt in the manner set forth in the Plan of Reorganization (the "Cash Transfer"). Parent and SpinCo agree to take, and shall cause the respective members of their Group to take, all necessary actions to assure the full release and discharge of Parent and the other members of the Parent Group from all liabilities and other obligations pursuant to the SpinCo Financing Arrangements as of no later than the Effective Time.

(b) The Parties agree that SpinCo or another member of the SpinCo Group, as the case may be, and not Parent or any member of the Parent Group, are and shall be responsible for all costs and expenses incurred in connection with the SpinCo Financing Arrangements.

(c) Prior to the Effective Time, Parent and SpinCo shall cooperate in the preparation of all materials as may be necessary or advisable to execute the SpinCo Financing Arrangements.

2.13 Financial Information Certifications. Parent's disclosure controls and procedures and internal control over financial reporting (as each is contemplated by the Exchange Act) are currently applicable to SpinCo as its Subsidiary. In order to enable the principal executive officer and principal financial officer of SpinCo to make the certifications required of them under Section 302 of the Sarbanes-Oxley Act of 2002 following the Distribution in respect of any quarterly or annual fiscal period of SpinCo that begins on or prior to the Distribution Date in respect of which financial statements are not included in the Form 10 (a "Straddle Period"), Parent, on or before the date that is ten (10) days prior to the latest date on which SpinCo may file the periodic report pursuant to Section 13 of the Exchange Act for any such Straddle Period (not taking into account any possible extensions), shall provide SpinCo with one (1) or more certifications with respect to such disclosure controls and procedures and the effectiveness thereof and whether there were any changes in the internal controls over financial reporting that have materially affected or are reasonably likely to materially affect the internal control over financial reporting, which certification(s) shall (x) be with respect to the applicable Straddle Period (it being understood that no certification need be provided with respect to any period or portion of any period after the Distribution Date) and (y) be in substantially the same form as those that had been provided by officers or employees of Parent in similar certifications delivered prior to the Distribution Date, with such changes thereto as Parent may reasonably determine. Such certification(s) shall be provided by Parent (and not by any officer or employee in their individual capacity).

ARTICLE III  
THE DISTRIBUTION

3.1 Sole and Absolute Discretion; Cooperation.

(a) Parent shall, in its sole and absolute discretion, determine the terms of the Distribution, including the form, structure and terms of any transaction(s) and/or offering(s) to effect the Distribution and the timing and conditions to the consummation of the Distribution. In addition, Parent may, at any time and from time to time until the consummation of the Distribution, modify or change the terms of the Distribution, including by accelerating or delaying the timing of the consummation of all or part of the Distribution. Nothing shall in any way limit Parent's right to terminate this Agreement or the Distribution as set forth in Article IX or alter the consequences of any such termination from those specified in Article IX.

(b) SpinCo shall cooperate with Parent to accomplish the Distribution and shall, at Parent's direction, promptly take any and all actions necessary or desirable to effect the Distribution, including in respect of the registration under the Exchange Act of SpinCo Shares on the Form 10. Parent shall select any investment bank or manager in connection with the Distribution, as well as any financial printer, solicitation and/or exchange agent and financial, legal, accounting and other advisors for Parent. SpinCo and Parent, as the case may be, will provide to the Distribution Agent any information required in order to complete the Distribution.



3.2 Actions Prior to the Distribution. Prior to the Effective Time and subject to the terms and conditions set forth herein, the Parties shall take, or cause to be taken, the following actions in connection with the Distribution:

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

(b) *SpinCo Certificate of Incorporation and SpinCo Bylaws*. On or prior to the Distribution Date, Parent and SpinCo shall take all necessary actions so that, as of the Effective Time, the SpinCo Certificate of Incorporation and the SpinCo Bylaws shall become the certificate of incorporation and bylaws of SpinCo, respectively.

(c) *SpinCo Directors and Officers*. On or prior to the Distribution Date, Parent and SpinCo shall take all necessary actions so that as of the Effective Time: (i) the directors and executive officers of SpinCo shall be those set forth in the Information Statement made available to the Record Holders prior to the Distribution Date, unless otherwise agreed by the Parties; (ii) each individual referred to in clause (i) shall have resigned from his or her position, if any, as a member of the Parent Board and/or as an executive officer of Parent, other than any such individuals who shall have been determined to remain members of the Parent Board; and (iii) SpinCo shall have such other officers as SpinCo shall appoint.

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

(e) *Securities Law Matters*. SpinCo shall file any amendments or supplements to the Form 10 as may be necessary or advisable in order to cause the Form 10 to become and remain effective as required by the SEC or federal, state or other applicable securities Laws. Parent and SpinCo shall cooperate in preparing, filing with the SEC and causing to become effective registration statements or amendments thereof that are required to reflect the establishment of, or amendments to, any employee benefit and other plans necessary or advisable in connection with the transactions contemplated by this Agreement and the Ancillary Agreements. Parent and SpinCo will prepare, and SpinCo will, to the extent required under applicable Law, file with the SEC any such documentation and any requisite no-action letters that Parent determines are necessary or desirable to effectuate the Distribution, and Parent and SpinCo shall each use its reasonable best efforts to obtain all necessary approvals from the SEC with respect thereto as soon as practicable. Parent and SpinCo shall take all such action as may be necessary or appropriate under the securities or blue sky Laws of the United States (and any comparable Laws under any foreign jurisdiction) in connection with the Distribution.

(f) *Availability of Information Statement*. Parent shall, as soon as is reasonably practicable after the Form 10 is declared effective under the Exchange Act and the Parent Board has approved the Distribution, cause the Information Statement Notice of Internet Availability of the Information Statement to be made available to the Record Holders.

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

(h) *Stock-Based Employee Benefit Plans.* Parent and SpinCo shall take all actions as may be necessary to approve the grants of adjusted equity awards by Parent (in respect of Parent Shares) and SpinCo (in respect of SpinCo Shares) in connection with the Distribution in order to satisfy the requirements of Rule 16b-3 under the Exchange Act.

### 3.3 Conditions to the Distribution.

(a) The consummation of the Distribution will be subject to the satisfaction, or waiver by Parent in its sole and absolute discretion, of the following conditions:

(i) the SEC shall have declared effective the Form 10; no order suspending the effectiveness of the Form 10 shall be in effect; and no proceedings for such purposes shall have been instituted or threatened by the SEC;

(ii) the Information Statement shall have been made available to the Record Holders;

(iii) Parent shall have received the IRS Ruling and opinions of its outside tax advisors, in each case, satisfactory to the Parent Board, regarding certain U.S. federal income tax matters relating to the Separation and Distribution and which shall not have been withdrawn or rescinded;

(iv) the transfer of the SpinCo Assets (other than any Delayed SpinCo Asset) and SpinCo Liabilities (other than any Delayed SpinCo Liability) contemplated to be transferred from Parent (or the applicable members of its Group) to SpinCo on or prior to the Distribution shall have occurred as contemplated by Section 2.1, and the transfer of the Parent Assets (other than any Delayed Parent Asset) and Parent Liabilities (other than any Delayed Parent Liability) contemplated to be transferred from SpinCo to Parent (or the applicable members of its Group) on or prior to the Distribution Date shall have occurred as contemplated by Section 2.1, in each case pursuant to the Plan of Reorganization;

(v) Parent Board shall have received one (1) or more opinions from an independent appraisal firm acceptable to Parent regarding solvency and capital adequacy matters with respect to each of Parent and SpinCo after consummation of the Distribution, and such opinions shall be acceptable to Parent in form and substance in Parent's sole discretion and such opinions shall not have been withdrawn or rescinded;

(vi) the actions and filings necessary or appropriate under applicable U.S. federal, U.S. state or other securities Laws or blue sky Laws and the rules and regulations thereunder shall have been taken or made, and, where applicable, shall have become effective or been accepted by the applicable Governmental Authority;

(vii) each of the Ancillary Agreements shall have been duly executed and delivered by the applicable parties thereto;

(viii) there shall be no order, injunction or decree issued by any Governmental Authority of competent jurisdiction or other legal restraint or prohibition preventing the consummation of the Separation, the Distribution or any of the transactions related thereto pending or in effect;

(ix) the SpinCo Shares to be distributed to the Parent stockholders in the Distribution shall have been accepted for listing on the Selected Stock Exchange, subject to official notice of distribution;

(x) SpinCo and/or other members of the SpinCo Group shall have consummated, as applicable, the SpinCo Financing Arrangements. SpinCo shall have issued and incurred the SpinCo Debt on terms satisfactory to Parent in its sole and absolute discretion. Parent shall have received the proceeds from the Cash Transfer. Parent shall be satisfied in its sole and absolute discretion that, as of the Effective Time, it shall have no Liability whatsoever under the SpinCo Financing Arrangements;

(xi) there shall be no other events or developments existing or having occurred that, in the judgment of the Parent Board, in its sole and absolute discretion, makes it inadvisable to effect the Separation, the Distribution or the transactions contemplated by this Agreement or any Ancillary Agreement.

(b) The foregoing conditions are for the sole benefit of Parent and shall not give rise to or create any duty on the part of Parent or the Parent Board to waive or not waive any such condition or in any way limit Parent's right to terminate this Agreement as set forth in Article IX or alter the consequences of any such termination from those specified in Article IX. Any determination made by the Parent Board prior to the Distribution concerning the satisfaction or waiver of any or all of the conditions set forth in Section 3.3(a) shall be conclusive and binding on the Parties. If Parent waives any material condition, it shall promptly issue a press release disclosing such fact and file a Current Report on Form 8-K with the SEC describing such waiver.

#### 3.4 The Distribution.

(a) Subject to Section 3.3, on or prior to the Effective Time, SpinCo shall deliver to the Distribution Agent, for the benefit of the Record Holders, book-entry transfer authorizations for such number of the outstanding SpinCo Shares as is necessary to effect the Distribution, and shall cause the transfer agent for the Parent Shares to instruct the Distribution Agent to distribute at the Effective Time the appropriate number of SpinCo Shares to each such holder or designated transferee or transferees of such holder by way of direct registration in book-entry form. SpinCo will not issue paper stock certificates in respect of the SpinCo Shares. The Distribution shall be effective at the Effective Time.

(b) Subject to Sections 3.3 and 3.4(c), each Record Holder shall be entitled to receive in the Distribution a number of whole SpinCo Shares equal to the number of Parent Shares held by such Record Holder on the Record Date multiplied by the Distribution Ratio, rounded down to the nearest whole number.

(c) No fractional shares shall be distributed or credited to book-entry accounts in connection with the Distribution, and any such fractional share interests to which a Record Holder would otherwise be entitled shall not entitle such Record Holder to vote or to any other rights as a stockholder of SpinCo. In lieu of any such fractional shares, each Record Holder who, but for the provisions of this Section 3.4(c), would be entitled to receive a fractional share interest of a SpinCo Share pursuant to the Distribution, shall be paid cash, without any interest thereon, as hereinafter provided. As soon as practicable after the Effective Time, Parent shall direct the Distribution Agent to determine the number of whole and fractional SpinCo Shares allocable to each Record Holder, to aggregate all such fractional shares into whole shares, and to sell the whole shares obtained thereby in the open market at the then-prevailing prices on behalf of each Record Holder who otherwise would be entitled to receive fractional share interests (with the Distribution Agent, in its sole and absolute discretion, determining when, how and through which broker-dealer and at what price to make such sales), and to cause to be distributed to each such Record Holder, in lieu of any fractional share, such Record Holder's or owner's ratable share of the total proceeds of such sale, after deducting any Taxes required to be withheld and applicable transfer Taxes, and after deducting the costs and expenses of such sale and distribution, including brokers fees and commissions. None of Parent, SpinCo or the Distribution Agent will be required to guarantee any minimum sale price for the fractional SpinCo Shares sold in accordance with this Section 3.4(c). Neither Parent nor SpinCo will be required to pay any interest on the proceeds from the sale of fractional shares. Neither the Distribution Agent nor the broker-dealers through which the aggregated fractional shares are sold shall be Affiliates of Parent or SpinCo. Solely for purposes of computing fractional share interests pursuant to this Section 3.4(c) and Section 3.4(d), the beneficial owner of Parent Shares held of record in the name of a nominee in any nominee account shall be treated as the Record Holder with respect to such shares.

(d) Any SpinCo Shares or cash in lieu of fractional shares with respect to SpinCo Shares that remain unclaimed by any Record Holder one hundred eighty (180) days after the Distribution Date shall be delivered to SpinCo, and SpinCo or its transfer agent on its behalf shall hold such SpinCo Shares and cash for the account of such Record Holder, and the Parties agree that all obligations to provide such SpinCo Shares and cash, if any, in lieu of fractional share interests shall be obligations of SpinCo, subject in each case to applicable escheat or other abandoned property Laws, and Parent shall have no Liability with respect thereto.

(e) Until the SpinCo Shares are duly transferred in accordance with this Section 3.4 and applicable Law, from and after the Effective Time, SpinCo will regard the Persons entitled to receive such SpinCo Shares as record holders of SpinCo Shares in accordance with the terms of the Distribution without requiring any action on the part of such Persons. SpinCo agrees that, subject to any transfers of such shares, from and after the Effective Time, (i) each such holder shall be entitled to receive all dividends, if any, payable on, and exercise

voting rights and all other rights and privileges with respect to, the SpinCo Shares then held by such holder, and (ii) each such holder shall be entitled, without any action on the part of such holder, to receive evidence of ownership of the SpinCo Shares then held by such holder.

ARTICLE IV  
MUTUAL RELEASES; INDEMNIFICATION

4.1 Release of Pre-Distribution Claims.

(a) *SpinCo Release of Parent.* Except as provided in Sections 4.1(c) and 4.1(d), effective as of the Effective Time, SpinCo does hereby, for itself and each other member of the SpinCo Group, and their respective successors and assigns, and, to the extent permitted by Law, all Persons who at any time prior to the Effective Time have been stockholders, directors, officers, members, agents or employees of any member of the SpinCo Group (in each case, in their respective capacities as such), remise, release and forever discharge (i) Parent and the members of the Parent Group, and their respective successors and assigns, (ii) all Persons who at any time prior to the Effective Time have been stockholders, directors, officers, members, agents or employees of any member of the Parent Group (in each case, in their respective capacities as such), and their respective heirs, executors, administrators, successors and assigns, and (iii) all Persons who at any time prior to the Effective Time are or have been stockholders, directors, officers, members, agents or employees of the Transferred Entity and who are not, as of immediately following the Effective Time, directors, officers or employees of SpinCo or a member of the SpinCo Group, in each case from: (A) all SpinCo Liabilities, (B) all Liabilities arising from or in connection with the transactions and all other activities to implement the Separation and the Distribution (for the avoidance of doubt this clause (B) shall not limit or affect indemnification obligations of the Parties set forth in this Agreement or any Ancillary Agreement) and (C) all Liabilities arising from or in connection with actions, inactions, events, omissions, conditions, facts or circumstances (including, for the avoidance of doubt, the presence of Hazardous Materials on the SpinCo Real Property) occurring or existing prior to the Effective Time (whether or not such Liabilities cease being contingent, mature, become known, are asserted or foreseen, or accrue, in each case before, at or after the Effective Time), in each case to the extent relating to, arising out of or resulting from the SpinCo Business, the SpinCo Assets or the SpinCo Liabilities.

(b) *Parent Release of SpinCo.* Except as provided in Sections 4.1(c) and 4.1(d), effective as of the Effective Time, Parent does hereby, for itself and each other member of the Parent Group, and their respective successors and assigns, and, to the extent permitted by Law, all Persons who at any time prior to the Effective Time have been stockholders, directors, officers, members, agents or employees of any member of the Parent Group (in each case, in their respective capacities as such), remise, release and forever discharge (i) SpinCo and the members of the SpinCo Group and their respective successors and assigns, and (ii) all Persons who at any time prior to the Effective Time have been stockholders, directors, officers, members, agents or employees of any member of the SpinCo Group (in each case, in their respective capacities as such), and their respective heirs, executors, administrators, successors and assigns, in each case from: (A) all Parent Liabilities, (B) all Liabilities arising from or in connection with

the transactions and all other activities to implement the Separation and the Distribution (for the avoidance of doubt this clause (B) shall not limit or affect indemnification obligations of the Parties set forth in this Agreement or any Ancillary Agreement) and (C) all Liabilities arising from or in connection with actions, inactions, events, omissions, conditions, facts or circumstances (including, for the avoidance of doubt, the presence of Hazardous Materials on the Parent Real Property) occurring or existing prior to the Effective Time (whether or not such Liabilities cease being contingent, mature, become known, are asserted or foreseen, or accrue, in each case before, at or after the Effective Time), in each case to the extent relating to, arising out of or resulting from the Parent Business, the Parent Assets or the Parent Liabilities.

(c) *Obligations Not Affected.* Nothing contained in Section 4.1(a) or 4.1(b) shall impair any right of any Person to enforce this Agreement, any Ancillary Agreement or any agreements, arrangements, commitments or understandings that are specified in Section 2.7(b) or the applicable Schedules thereto as not to terminate as of the Effective Time, in each case in accordance with its terms. Nothing contained in Section 4.1(a) or 4.1(b) shall release any Person from:

(i) any Liability provided in or resulting from any agreement among any members of the Parent Group or any members of the SpinCo Group that is specified in Section 2.7(b) or the applicable Schedules thereto as not to terminate as of the Effective Time, or any other Liability specified in Section 2.7(b) as not to terminate as of the Effective Time;

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

(iii) any Liability for the sale, lease, construction or receipt of goods, property or services purchased, obtained or used in the ordinary course of business by a member of one Group from a member of the other Group prior to the Effective Time;

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

(v) any Liability that the Parties may have with respect to indemnification or contribution or other obligation pursuant to this Agreement, any Ancillary Agreement or otherwise for claims brought against the Parties by Third Parties, which Liability shall be governed by the provisions of this Article IV and Article V and, if applicable, the appropriate provisions of the Ancillary Agreements; or

(vi) any Liability the release of which would result in the release of any Person other than a Person released pursuant to this Section 4.1.

In addition, nothing contained in Section 4.1(a) shall release any member of the Parent Group from honoring its existing obligations to indemnify any director, officer or employee of SpinCo who was a director, officer or employee of any member of the Parent Group on or prior to the Effective Time, to the extent such director, officer or employee becomes a named defendant in any Action with respect to which such director, officer or employee was entitled to such indemnification pursuant to such existing obligations; it being understood that, if any portion of the underlying obligation giving rise to such Action is a SpinCo Liability, SpinCo shall indemnify Parent for such portion of such Liability (including Parent's costs to indemnify the director, officer or employee) in accordance with the provisions set forth in this Article IV.

(d) *No Claims.* SpinCo shall not make, and shall not permit any other member of the SpinCo Group to make, any claim or demand, or commence any Action asserting any claim or demand, including any claim of contribution or any indemnification, against Parent or any other member of the Parent Group, or any other Person released pursuant to Section 4.1(a), with respect to any Liabilities released pursuant to Section 4.1(a). Parent shall not make, and shall not permit any other member of the Parent Group to make, any claim or demand, or commence any Action asserting any claim or demand, including any claim of contribution or any indemnification, against SpinCo or any other member of the SpinCo Group, or any other Person released pursuant to Section 4.1(b), with respect to any Liabilities released pursuant to Section 4.1(b).

(e) *Execution of Further Releases.* At any time at or after the Effective Time, at the request of either Party, the other Party shall cause each member of its respective Group to execute and deliver releases reflecting the provisions of this Section 4.1.

4.2 Indemnification by SpinCo. Except as otherwise specifically set forth in this Agreement or in any Ancillary Agreement, to the fullest extent permitted by Law, SpinCo shall, and shall cause the other members of the SpinCo Group to, indemnify, defend and hold harmless Parent, each member of the Parent Group and each of their respective past, present and future directors, officers, employees and agents, in each case in their respective capacities as such, and each of the heirs, executors, successors and assigns of any of the foregoing (collectively, the "Parent Indemnitees"), from and against any and all Liabilities of the Parent Indemnitees relating to, arising out of or resulting from, directly or indirectly, any of the following items (without duplication):

- (a) any SpinCo Liability;
- (b) any failure of SpinCo, any other member of the SpinCo Group or any other Person to pay, perform or otherwise promptly discharge any SpinCo Liabilities in accordance with their terms, whether prior to, on or after the Effective Time;
- (c) any breach by SpinCo or any other member of the SpinCo Group of this Agreement or any of the Ancillary Agreements;
- (d) except to the extent it relates to a Parent Liability, any guarantee, indemnification or contribution obligation, surety bond or other credit support agreement,

arrangement, commitment or understanding for the benefit of any member of the SpinCo Group by any member of the Parent Group that survives following the Distribution;

(e) any untrue statement or alleged untrue statement of a material fact or omission or alleged omission to state a material fact required to be stated therein or necessary to make the statements therein not misleading, with respect to all information contained in the Form 10, the Information Statement (as amended or supplemented if SpinCo shall have furnished any amendments or supplements thereto) or any other Disclosure Document, other than the matters described in clause (e) of Section 4.3; or

(f) any SpinCo Indemnified Liability.

4.3 Indemnification by Parent. Except as otherwise specifically set forth in this Agreement or in any Ancillary Agreement, to the fullest extent permitted by Law, Parent shall, and shall cause the other members of the Parent Group to, indemnify, defend and hold harmless SpinCo, each member of the SpinCo Group and each of their respective past, present and future directors, officers, employees or agents, in each case in their respective capacities as such, and each of the heirs, executors, successors and assigns of any of the foregoing (collectively, the "SpinCo Indemnitees"), from and against any and all Liabilities of the SpinCo Indemnitees relating to, arising out of or resulting from, directly or indirectly, any of the following items (without duplication):

(a) any Parent Liability;

(b) any failure of Parent, any other member of the Parent Group or any other Person to pay, perform or otherwise promptly discharge any Parent Liabilities in accordance with their terms, whether prior to, on or after the Effective Time;

(c) any breach by Parent or any other member of the Parent Group of this Agreement or any of the Ancillary Agreements;

(d) except to the extent it relates to a SpinCo Liability, any guarantee, indemnification or contribution obligation, surety bond or other credit support agreement, arrangement, commitment or understanding for the benefit of any member of the Parent Group by any member of the SpinCo Group that survives following the Distribution; and

(e) any untrue statement or alleged untrue statement of a material fact or omission or alleged omission to state a material fact required to be stated therein or necessary to make the statements therein not misleading, with respect to statements made explicitly in Parent's name in the Form 10, the Information Statement (as amended or supplemented if SpinCo shall have furnished any amendments or supplements thereto) or any other Disclosure Document; it being agreed that the statements set forth on Schedule 4.3(e) shall be the only statements made explicitly in Parent's name in the Form 10, the Information Statement or any other Disclosure Document, and all other information contained in the Form 10, the Information Statement or any other Disclosure Document shall be deemed to be information supplied by SpinCo.



#### 4.4 Indemnification Obligations Net of Insurance Proceeds and Other Amounts.

(a) The Parties intend that any Liability subject to indemnification, contribution or reimbursement pursuant to this Article IV or Article V shall be net of Insurance Proceeds or other amounts actually recovered (net of any out-of-pocket costs or expenses incurred in the collection thereof) from any Person by or on behalf of the Indemnitee in respect of any indemnifiable Liability. Accordingly, the amount which either Party (an “Indemnifying Party”) is required to pay to any Person entitled to indemnification or contribution hereunder (an “Indemnitee”) shall be reduced by any Insurance Proceeds or other amounts actually recovered (net of any out-of-pocket costs or expenses incurred in the collection thereof) from any Person by or on behalf of the Indemnitee in respect of the related Liability. If an Indemnitee receives a payment (an “Indemnity Payment”) required by this Agreement from an Indemnifying Party in respect of any Liability and subsequently receives Insurance Proceeds or any other amounts in respect of such Liability, then within ten (10) calendar days of receipt of such Insurance Proceeds, the Indemnitee will pay to the Indemnifying Party an amount equal to the excess of the Indemnity Payment received over the amount of the Indemnity Payment that would have been due if the Insurance Proceeds or such other amounts (net of any out-of-pocket costs or expenses incurred in the collection thereof) had been received, realized or recovered before the Indemnity Payment was made.

(b) The Parties agree that an insurer that would otherwise be obligated to pay any claim shall not be relieved of the responsibility with respect thereto or, solely by virtue of any provision contained in this Agreement or any Ancillary Agreement, have any subrogation rights with respect thereto, it being understood that no insurer or any other Third Party shall be entitled to a “windfall” (*i.e.*, a benefit they would not be entitled to receive in the absence of the indemnification provisions) by virtue of the indemnification and contribution provisions hereof. Each Party shall, and shall cause the members of its Group to, use commercially reasonable efforts (taking into account the probability of success on the merits and the cost of expending such efforts, including attorneys’ fees and expenses) to collect or recover any Insurance Proceeds that may be collectible or recoverable respecting the Liabilities for which indemnification or contribution may be available under this Article IV. Notwithstanding the foregoing, an Indemnifying Party may not delay making any indemnification payment required under the terms of this Agreement, or otherwise satisfying any indemnification obligation, pending the outcome of any Action to collect or recover Insurance Proceeds, and an Indemnitee need not attempt to collect any Insurance Proceeds prior to making a claim for indemnification or contribution or receiving any Indemnity Payment otherwise owed to it under this Agreement or any Ancillary Agreement.

#### 4.5 Procedures for Indemnification of Third-Party Claims.

(a) *Notice of Claims.* If, at or following the Effective Time, an Indemnitee shall receive notice or otherwise learn of the assertion by a Person (including any Governmental Authority) who is not a member of the Parent Group or the SpinCo Group of any claim or of the commencement by any such Person of any Action (collectively, a “Third-Party Claim”) with

respect to which an Indemnifying Party may be obligated to provide indemnification to such Indemnitee pursuant to Section 4.2 or 4.3, or any other Section of this Agreement or any Ancillary Agreement, such Indemnitee shall give such Indemnifying Party written notice thereof as soon as practicable, but in any event within fourteen (14) days (or sooner if the nature of the Third-Party Claim so requires) after becoming aware of such Third-Party Claim. Any such notice shall describe the Third-Party Claim in reasonable detail, including the facts and circumstances giving rise to such claim for indemnification, and include copies of all notices and documents (including court papers) received by the Indemnitee relating to the Third-Party Claim. Notwithstanding the foregoing, the failure of an Indemnitee to provide notice in accordance with this Section 4.5(a) shall not relieve an Indemnifying Party of its indemnification obligations under this Agreement, except to the extent to which the Indemnifying Party is materially prejudiced by the Indemnitee's failure to provide notice in accordance with this Section 4.5(a).

(b) *Control of Defense.* Subject to any insurer's rights pursuant to any Policies of either Party, an Indemnifying Party may elect to defend (and seek to settle or compromise), at its own expense and with its own counsel, any Third-Party Claim; provided that, prior to the Indemnifying Party assuming and controlling the defense of such Third-Party Claim, it shall first confirm to the Indemnitee in writing that, assuming the facts presented to the Indemnifying Party by the Indemnitee are true, the Indemnifying Party shall indemnify the Indemnitee for any such damages to the extent resulting from, or arising out of, such Third-Party Claim. Notwithstanding the foregoing, if the Indemnifying Party assumes such defense and, in the course of defending such Third-Party Claim, (i) the Indemnifying Party discovers that the facts presented at the time the Indemnifying Party acknowledged its indemnification obligation in respect of such Third-Party Claim were not true in all material respects and (ii) such untruth provides a reasonable basis for asserting that the Indemnifying Party does not have an indemnification obligation in respect of such Third-Party Claim, then (A) the Indemnifying Party shall not be bound by such acknowledgment, (B) the Indemnifying Party shall promptly thereafter provide the Indemnitee written notice of its assertion that it does not have an indemnification obligation in respect of such Third-Party Claim and (C) the Indemnitee shall have the right to assume the defense of such Third-Party Claim. Within sixty (60) days after the receipt of a notice from an Indemnitee in accordance with Section 4.5(a) (or sooner, if the nature of the Third-Party Claim so requires), the Indemnifying Party shall provide written notice to the Indemnitee indicating whether the Indemnifying Party shall assume responsibility for defending the Third-Party Claim and specifying any reservations or exceptions to its defense. If an Indemnifying Party elects not to assume responsibility for defending any Third-Party Claim or fails to notify an Indemnitee of its election within sixty (60) days after receipt of the notice from an Indemnitee as provided in Section 4.5(a), then the Indemnitee that is the subject of such Third-Party Claim shall be entitled to continue to conduct and control the defense of such Third-Party Claim. Notwithstanding anything herein (for the absence of doubt, other than Section 4.11) to the contrary, to the extent a Third-Party Claim involves or would reasonably be expected to involve both a SpinCo Liability and a Parent Liability (collectively, a "Shared Third-Party Claim"), Parent shall have the sole right to defend and control such portion of any Action relating to such Third-Party Claim to the extent it relates to a Parent Liability, and SpinCo shall have the sole right to defend and control such portion of any Action relating to such Third-Party Claim to the extent it relates to a SpinCo Liability.

(c) *Allocation of Defense Costs.* If an Indemnifying Party has elected to assume the defense of a Third-Party Claim, whether with or without any reservations or exceptions with respect to such defense, then such Indemnifying Party shall be solely liable for all fees and expenses incurred by it in connection with the defense of such Third-Party Claim and shall not be entitled to seek any indemnification or reimbursement from the Indemnitee for any such fees or expenses incurred by the Indemnifying Party during the course of the defense of such Third-Party Claim by such Indemnifying Party, regardless of any subsequent decision by the Indemnifying Party to reject or otherwise abandon its assumption of such defense. If an Indemnifying Party elects not to assume responsibility for defending any Third-Party Claim or fails to notify an Indemnitee of its election within thirty (30) days after receipt of a notice from an Indemnitee as provided in Section 4.5(a), and the Indemnitee conducts and controls the defense of such Third-Party Claim and the Indemnifying Party has an indemnification obligation with respect to such Third-Party Claim, then the Indemnifying Party shall be liable for all reasonable and documented fees and expenses incurred by the Indemnitee in connection with the defense of such Third-Party Claim. In the event of a Shared Third-Party Claim, each Party shall be liable for the portion of the fees and expenses incurred by such Party in connection with the defense of such Shared Third-Party Claim that is equal to the relative portion of such Party's Liability in respect of such Shared Third-Party Claim, and shall be entitled to seek any indemnification or reimbursement from the other Party for any fees or expenses incurred by such Party during the course of the defense of such Shared Third-Party Claim in excess of such fees and expenses that are the responsibility of such Party pursuant to this Agreement.

(d) *Right to Monitor and Participate.* An Indemnitee that does not conduct and control the defense of any Third-Party Claim, an Indemnifying Party that has failed to elect to defend any Third-Party Claim as contemplated hereby and either Party in the case of a Shared Third-Party Claim, nevertheless shall have the right to employ separate counsel (including local counsel as necessary) of its own choosing to monitor and participate in (but not control) the defense of any Third-Party Claim for which it is a potential Indemnitee or Indemnifying Party, but the fees and expenses of such counsel shall be at the expense of such Indemnitee or Indemnifying Party, as the case may be, and the provisions of Section 4.5(c) shall not apply to such fees and expenses. Notwithstanding the foregoing, but subject to Sections 6.7 and 6.8, such Party shall cooperate with the Party entitled to conduct and control the defense of such Third-Party Claim in such defense and make available to the controlling Party, at the non-controlling Party's expense, all witnesses, information and materials in such Party's possession or under such Party's control relating thereto as are reasonably required by the controlling Party. In addition to the foregoing, if outside legal counsel to the Indemnitee reasonably determines in good faith that such Indemnitee and the Indemnifying Party have actual or potential differing defenses or conflicts of interest between them that make joint representation inappropriate, then the Indemnitee shall have the right to employ separate counsel (including local counsel as necessary) and to participate in (but not control) the defense, compromise, or settlement thereof, and in such case the Indemnifying Party shall bear the reasonable and documented fees and expenses of such counsel for all Indemnitees.

(e) *No Settlement.* Neither Party may settle or compromise any Third-Party Claim for which either Party is seeking to be indemnified hereunder without the prior written

consent of the other Party (which consent may not be unreasonably withheld, delayed or conditioned), unless such settlement or compromise is solely for monetary damages that are fully payable by the settling or compromising Party, does not involve any admission, finding or determination of wrongdoing or violation of Law by the other Party and provides for a full, unconditional and irrevocable release of the other Party from all Liability in connection with the Third-Party Claim. The Parties hereby agree that if a Party delivers the other Party a written notice containing a proposal to settle or compromise a Third-Party Claim for which either Party is seeking to be indemnified hereunder and the Party receiving such proposal does not respond in any manner to the Party presenting such proposal within ten (10) business days (or within any such shorter time period that may be required by applicable Law or court order) of receipt of such proposal, then the Party receiving such proposal shall be deemed to have consented to the terms of such proposal.

#### 4.6 Additional Matters.

(a) *Timing of Payments.* Indemnification or contribution payments in respect of any Liabilities for which an Indemnitee is entitled to indemnification or contribution under this Article IV shall be paid reasonably promptly (but in any event within thirty (30) days of the final determination of the amount that the Indemnitee is entitled to indemnification or contribution under this Article IV) by the Indemnifying Party to the Indemnitee as such Liabilities are incurred upon demand by the Indemnitee, including reasonably satisfactory documentation setting forth the basis for the amount of such indemnification or contribution payment, including documentation with respect to calculations made and consideration of any Insurance Proceeds that actually reduce the amount of such Liabilities. The indemnity and contribution provisions contained in this Article IV shall remain operative and in full force and effect, regardless of (i) any investigation made by or on behalf of any Indemnitee and (ii) the knowledge by the Indemnitee of Liabilities for which it might be entitled to indemnification hereunder.

(b) *Notice of Direct Claims.* Any claim for indemnification or contribution under this Agreement or any Ancillary Agreement that does not result from a Third-Party Claim shall be asserted by written notice given by the Indemnitee to the applicable Indemnifying Party; provided that the failure by an Indemnitee to so assert any such claim shall not prejudice the ability of the Indemnitee to do so at a later time, except to the extent (if any) that the Indemnifying Party is materially prejudiced thereby. Such Indemnifying Party shall have a period of thirty (30) days after the receipt of such notice within which to respond thereto. If such Indemnifying Party does not respond within such thirty (30)-day period, such specified claim shall be conclusively deemed a Liability of the Indemnifying Party under this Section 4.6(b) or, in the case of any written notice in which the amount of the claim (or any portion thereof) is estimated, on such later date when the amount of the claim (or such portion thereof) becomes finally determined. If such Indemnifying Party does not respond within such thirty (30)-day period or rejects such claim in whole or in part, such Indemnitee shall, subject to the provisions of Article VII, be free to pursue such remedies as may be available to such party as contemplated by this Agreement and the Ancillary Agreements, as applicable, without prejudice to its continuing rights to pursue indemnification or contribution hereunder.

(c) *Pursuit of Claims Against Third Parties.* If (i) a Party incurs any Liability arising out of this Agreement or any Ancillary Agreement; (ii) an adequate legal or equitable remedy is not available for any reason against the other Party to satisfy the Liability incurred by the incurring Party; and (iii) a legal or equitable remedy may be available to the other Party against a Third Party for such Liability, then the other Party shall use its commercially reasonable efforts to cooperate with the incurring Party, at the incurring Party's expense, to permit the incurring Party to obtain the benefits of such legal or equitable remedy against the Third Party.

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

(e) *Substitution.* In the event of an Action in which the Indemnifying Party is not a named defendant, if either the Indemnitee or Indemnifying Party shall so request, the Parties shall endeavor to substitute the Indemnifying Party for the named defendant. If such substitution or addition cannot be achieved for any reason or is not requested, the named defendant shall allow the Indemnifying Party to manage the Action as set forth in Section 4.5 and this Section 4.6, and the Indemnifying Party shall fully indemnify the named defendant against all reasonable costs of defending the Action (including court costs, sanctions imposed by a court, attorneys' fees, experts fees and all other external expenses), the costs of any judgment or settlement and the cost of any interest or penalties relating to any judgment or settlement.

#### 4.7 Right of Contribution.

(a) *Contribution.* If any right of indemnification contained in Section 4.2 or Section 4.3 is held unenforceable or is unavailable for any reason (other than pursuant to the terms hereof), or is insufficient to hold harmless an Indemnitee in respect of any Liability for which such Indemnitee is entitled to indemnification hereunder, then the Indemnifying Party shall contribute to the amounts paid or payable by the Indemnitees as a result of such Liability (or actions in respect thereof) in such proportion as is appropriate to reflect the relative fault of the Indemnifying Party and the members of its Group, on the one hand, and the Indemnitees entitled to contribution, on the other hand, as well as any other relevant equitable considerations.

(b) *Allocation of Relative Fault.* Solely for purposes of determining relative fault pursuant to this Section 4.7: (i) any fault associated with the business conducted with the Delayed SpinCo Assets or Delayed SpinCo Liabilities (except for the gross negligence or intentional misconduct of a member of the Parent Group) or with the ownership, operation or activities of the SpinCo Business prior to the Effective Time shall be deemed to be the fault of SpinCo and the other members of the SpinCo Group, and no such fault shall be deemed to be the fault of Parent or any other member of the Parent Group; (ii) any fault associated with the

business conducted with Delayed Parent Assets or Delayed Parent Liabilities (except for the gross negligence or intentional misconduct of a member of the SpinCo Group) shall be deemed to be the fault of Parent and the other members of the Parent Group, and no such fault shall be deemed to be the fault of SpinCo or any other member of the SpinCo Group; and (iii) any fault associated with the ownership, operation or activities of the Parent Business prior to the Effective Time shall be deemed to be the fault of Parent and the other members of the Parent Group, and no such fault shall be deemed to be the fault of SpinCo or any other member of the SpinCo Group.

4.8 Covenant Not to Sue. Each Party hereby covenants and agrees that none of it, the members of such Party's Group or any Person claiming through it shall bring suit or otherwise assert any claim against any Indemnitee, or assert a defense against any claim asserted by any Indemnitee, including before any court, arbitrator, mediator or administrative agency anywhere in the world, and further (on behalf of itself, the members of such Party's Group and any other Person claiming through it) waives and releases any claim or defense against any person, alleging that: (a) the assumption of any SpinCo Liabilities by SpinCo or a member of the SpinCo Group on the terms and conditions set forth in this Agreement and the Ancillary Agreements is unlawful, a breach of a fiduciary or other duty, void, unenforceable, unconscionable, inequitable or otherwise improper for any reason; (b) the retention of any Parent Liabilities by Parent or a member of the Parent Group on the terms and conditions set forth in this Agreement and the Ancillary Agreements is unlawful, a breach of a fiduciary or other duty, void, unenforceable, unconscionable, inequitable or otherwise improper for any reason; or (c) the provisions of this Article IV or any Ancillary Agreement are unlawful, a breach of a fiduciary or other duty, void, unenforceable, unconscionable, inequitable or otherwise improper for any reason.

4.9 Remedies Cumulative. The remedies provided in this Article IV shall be cumulative and, subject to the provisions of Article VIII, shall not preclude assertion by any Indemnitee of any other rights or the seeking of any and all other remedies against any Indemnifying Party.

4.10 Survival of Indemnities. The rights and obligations of each of Parent and SpinCo and their respective Indemnitees under this Article IV shall survive (a) the sale or other transfer by either Party or any member of its Group of any assets or businesses or the assignment by it of any Liabilities; or (b) any merger, consolidation, business combination, sale of all or substantially all of its Assets, restructuring, recapitalization, reorganization or similar transaction involving either Party or any of the members of its Group.

4.11 Tax Matters Agreement Coordination. Notwithstanding any other provision of this Agreement, (a) the above provisions of this Article IV shall not apply to Taxes, (b) it is understood and agreed that Taxes and Tax matters, including the control of Tax-related proceedings, shall be governed by the Tax Matters Agreement and (c) in the case of any conflict or inconsistency between this Agreement and the Tax Matters Agreement in relation to any matters addressed by the Tax Matters Agreement, the Tax Matters Agreement shall prevail.

ARTICLE V  
CERTAIN OTHER MATTERS

5.1 Insurance Matters.

(a) Parent and SpinCo agree to cooperate in good faith to provide for an orderly transition of insurance coverage from the date hereof through the Effective Time. In no event shall Parent, any other member of the Parent Group or any Parent Indemnitee have Liability or obligation whatsoever to any member of the SpinCo Group in the event that any (i) insurance policy or insurance policy related contract shall be terminated or otherwise cease to be in effect for any reason, shall be unavailable or inadequate to cover any Liability of any member of the SpinCo Group for any reason whatsoever or shall be cancelled, not renewed or not extended beyond the current expiration date or (ii) any insurer declines, denies, delays or obstructs any claim payment.

(b) From and after the Effective Time, SpinCo, any member of the SpinCo Group or any of their respective employees (including former or inactive employees) shall cease to be insured by, shall have no access or availability to or under, shall not be entitled to make claims on or under and shall not be entitled to claim benefits from or seek coverage under, and shall not have any rights to or under, any of Parent's or any member of the Parent Group's insurance policies or any of their respective self-insured programs in place prior to the Effective Time. With respect to claims on or under the policies provided on Schedule 5.1(b) (collectively, the "Designated Policies") SpinCo:

(i) shall notify Parent, as promptly as practicable, of any incident, circumstance or occurrence that may lead to a claim made by Parent or any member of the Parent Group under a Designated Policy;

(ii) shall, and shall cause the other members of the SpinCo Group to, at SpinCo's sole cost and expense, cooperate with and assist Parent and the members of the Parent Group and share such information as is necessary in order to permit Parent and the members of the Parent Group to manage and conduct the insurance matters contemplated by this Section 5.1, including with respect to any claims by Parent or any member of the Parent Group under any Designated Policy; and

(iii) shall exclusively bear (and neither Parent nor any members of the Parent Group shall have any obligation to repay or reimburse SpinCo or any member of the SpinCo Group for) and shall be liable for all excluded, uninsured, uncovered, unavailable or uncollectible amounts (including where any insurer declines, denies, delays or obstructs any claim payment) of all claims made with respect to any losses, damages and Liability incurred by any member of the SpinCo Group prior to the Effective Time under the Designated Policies.

(c) At the Effective Time, SpinCo shall have in effect all insurance programs required to comply with SpinCo's contractual obligations and such other Policies required by

Law or as reasonably necessary or appropriate for companies operating a business similar to SpinCo's.

(d) Neither SpinCo nor any member of the SpinCo Group, in connection with any claim under any insurance policy of Parent or any member of the Parent Group (including the Designated Policies), shall take any action that would be reasonably likely to (i) have a materially adverse impact on the then-current relationship between Parent or any member of the Parent Group, on the one hand, and the applicable insurance company, on the other hand; (ii) result in the applicable insurance company terminating or materially reducing coverage, or materially increasing the amount of any premium owed by Parent or any member of the Parent Group under the applicable insurance policy; or (iii) otherwise compromise, jeopardize or interfere in any material respect with the rights of Parent or any member of the Parent Group under the applicable insurance policy.

(e) Parent shall retain the exclusive right to control its insurance policies and programs, including the right to exhaust, settle, release, commute, buy-back or otherwise resolve disputes with respect to any of its insurance policies and programs and to amend, modify or waive any rights under any such insurance policies and programs and no member of the SpinCo Group shall erode, exhaust, settle, release, commute, buy-back or otherwise resolve disputes with Parent's insurers with respect to any of Parent's insurance policies and programs, or amend, modify or waive any rights under any such insurance policies and programs. SpinCo shall cooperate with Parent and share such information as is necessary in order to permit Parent to manage and conduct its insurance matters as Parent deems appropriate. Each Party and any member of its applicable Group has the sole right to settle or otherwise resolve Third-Party Claims made against it or any member of its applicable Group covered under an applicable insurance policy. Notwithstanding anything in the foregoing to the contrary, Parent shall have the sole right to settle or otherwise resolve Third-Party Claims covered under a Designated Policy without the prior written consent of SpinCo unless such settlement (i) involves any admission, finding or determination of wrongdoing or violation of Law by any member of the SpinCo Group or (ii) does not provide for a full, unconditional and irrevocable release of the applicable member(s) of the SpinCo Group from all Liability in connection with the Third-Party Claim, in which case Parent shall not settle or otherwise resolve such Third-Party Claims without the prior written consent of SpinCo (which consent may not be unreasonably withheld, delayed or conditioned).

(f) This Agreement shall not be considered as an attempted assignment of any policy of insurance or as a contract of insurance and shall not be construed to waive any right or remedy of any member of the Parent Group in respect of any insurance policy or any other contract or policy of insurance.

(g) SpinCo does hereby, for itself and each other member of the SpinCo Group, agree that no member of the Parent Group shall have any Liability whatsoever as a result of the insurance policies and practices of Parent and the members of the Parent Group as in effect at any time, including as a result of the level or scope of any such insurance, the creditworthiness



of any insurance carrier, the terms and conditions of any policy, or the adequacy or timeliness of any notice to any insurance carrier with respect to any claim or potential claim or otherwise.

5.2 Late Payments. Except as expressly provided to the contrary in this Agreement or in any Ancillary Agreement, any amount not paid when due pursuant to this Agreement or any Ancillary Agreement (and any amounts billed or otherwise invoiced or demanded and properly payable that are not paid within forty-five (45) days of such bill, invoice or other demand) shall accrue interest at a rate per annum equal to the Prime Rate plus two percent (2%).

5.3 Inducement. SpinCo acknowledges and agrees that Parent's willingness to cause, effect and consummate the Separation and the Distribution has been conditioned upon and induced by SpinCo's covenants and agreements in this Agreement and the Ancillary Agreements, including SpinCo's assumption of the SpinCo Liabilities pursuant to the Separation and the provisions of this Agreement and SpinCo's covenants and agreements contained in Article IV.

5.4 Post-Effective Time Conduct. The Parties acknowledge that, after the Effective Time, each Party shall be independent of the other Party, with responsibility for its own actions and inactions and its own Liabilities relating to, arising out of or resulting from the conduct of its business, operations and activities following the Effective Time, except as may otherwise be provided in any Ancillary Agreement, and each Party shall (except as otherwise provided in Article IV) use commercially reasonable efforts to prevent such Liabilities from being inappropriately borne by the other Party.

5.5 Non-Solicitation.

(a) *Non-Solicitation*. Each Party covenants and agrees that, from the Effective Time through the first (1st) anniversary of the Distribution Date, no Party will, and each Party will cause its respective Subsidiaries not to, directly or indirectly, employ, hire, enter into an agency or consulting relationship with, recruit or solicit for employment or interfere with the employment of any employee in Career Band 5 or above (or the substantial equivalent thereof) of the members of the other Group ("Restricted Employees"); provided that the foregoing restrictions shall not apply to (i) any Restricted Employee whose employment was involuntarily terminated by the applicable Party or its Affiliates, (ii) any Restricted Employee who has not been employed by the applicable Party or any of its Subsidiaries for at least six (6) months, (iii) any Restricted Employee whose prospective employment is agreed to in writing by Parent and SpinCo and (iv) any Restricted Employee who responds to general solicitations not targeted at Restricted Employees (including through the use of recruiting firms not directed at Restricted Employees) or advertisement in any newspaper, magazine, trade publication, electronic medium or other media.

(b) *Remedies; Enforcement*. Each Party acknowledges and agrees that (i) injury to the other Party from any breach of the obligations of such party set forth in this Section 5.5 would be irreparable and impossible to measure and (ii) the remedies at law for any breach or threatened breach of this Section 5.5, including monetary damages, would therefore be

inadequate compensation for any loss and the other Party shall have the right to specific performance and injunctive or other equitable relief in accordance with Section 10.13, in addition to any and all other rights and remedies at law or in equity, and all such rights and remedies shall be cumulative. Each Party understands and acknowledges that the restrictive covenants and other agreements contained in this Section 5.5 are an essential part of this Agreement and the transactions contemplated hereby. It is the intent of the Parties that the provisions of this Section 5.5 shall be enforced to the fullest extent permissible under applicable Law applied in each jurisdiction in which enforcement is sought. If any particular provision or portion of this Section 5.5 shall be adjudicated to be invalid or unenforceable, such provision or portion thereof shall be deemed amended to the minimum extent necessary to render such provision or portion valid and enforceable, such amendment to apply only with respect to the operation of such provision or portion thereof in the particular jurisdiction in which such adjudication is made.

ARTICLE VI  
EXCHANGE OF INFORMATION; CONFIDENTIALITY

6.1 Agreement for Exchange of Information.

(a) Subject to Section 6.9 and any other applicable confidentiality obligations, each of Parent and SpinCo, on behalf of itself and each member of its Group, agrees to use commercially reasonable efforts to provide or make available, or cause to be provided or made available, to the other Party and the members of such other Party's Group, at any time before, on or after the Effective Time, as soon as reasonably practicable after written request therefor, any information (or a copy thereof) in the possession or under the control of such Party or its Group which the requesting Party or its Group requests and, with respect to clause (iii), access to the facilities, systems, infrastructure and personnel of such Party or its Group, in each case to the extent that (i) such information relates to the SpinCo Business, or any SpinCo Asset or SpinCo Liability, if SpinCo is the requesting Party, or to the Parent Business, or any Parent Asset or Parent Liability, if Parent is the requesting Party; (ii) such information is required by the requesting Party to comply with its obligations under this Agreement or any Ancillary Agreement; or (iii) such information is required by the requesting Party to comply with any laws or regulations or stock exchange rules or obligations imposed by any Governmental Authority, including, without limitation, the obligation to verify the accuracy of internal controls over information technology reporting of financial data and related processes employed in connection with verifying compliance with Section 404 of the Sarbanes-Oxley Act of 2002; provided, however, that, in the event that the Party to whom the request has been made determines that any such provision of information could be detrimental to the Party providing the information, violate any Law or agreement, or waive any privilege available under applicable Law, including any attorney-client privilege, then the Parties shall use commercially reasonable efforts to permit compliance with such obligations to the extent and in a manner that avoids any such harm or consequence. The Party providing information pursuant to this Section 6.1 shall only be obligated to provide such information in the form, condition and format in which it then exists, and in no event shall such Party be required to perform any improvement, modification, conversion, updating or reformatting of any such information, and nothing in this Section 6.1 shall expand the obligations of either Party under Section 6.4; provided, however, the Party

providing information pursuant to this Section 6.1 shall use commercially reasonable efforts to provide such information in a format that the other Party has the ability to process without undue burden. Each Party shall cause its and its Subsidiaries' employees to, and shall use commercially reasonable efforts to cause its Representatives' employees to, when on the property of SpinCo or its Subsidiaries, or when given access to any facilities, systems, infrastructure or personnel of the other Party or any members of its Group, conform to the policies and procedures of such Party and its Group concerning health, safety, conduct and security that are made known or provided to the accessing Party from time to time.

(b) Without limiting the generality of the foregoing, until the end of SpinCo's fiscal year during which the Distribution Date occurs (and for a reasonable period of time afterwards as required for each Party to prepare consolidated financial statements or complete a financial statement audit for the fiscal year during which the Distribution Date occurs), each Party shall use its commercially reasonable efforts to cooperate with the other Party's information requests to enable: (i) the other Party to meet its timetable for dissemination of its earnings releases, financial statements and management's assessment of the effectiveness of its disclosure controls and procedures and its internal control over financial reporting in accordance with Items 307 and 308, respectively, of Regulation S-K promulgated under the Exchange Act; and (ii) the other Party's accountants to timely complete their review of the quarterly financial statements and audit of the annual financial statements, including, to the extent applicable to such Party, its auditor's audit of its internal control over financial reporting and management's assessment thereof in accordance with Section 404 of the Sarbanes-Oxley Act of 2002, the SEC's and Public Company Accounting Oversight Board's rules and auditing standards thereunder and any other applicable Laws.

(c) Subject to any limitation imposed by applicable Law and to the extent that it has not done so before the Effective Time, Parent shall transfer to SpinCo any employment records (including any Form I-9, Form W-2 or other IRS forms) with respect to SpinCo Group Employees and former SpinCo Group Employees and other records reasonably required by SpinCo to enable SpinCo to properly carry out its obligations under this Agreement and the Employee Matters Agreement. Such transfer of records generally shall occur as soon as administratively practicable at or after the Effective Time. Subject to any limitation imposed by applicable Law, including privacy protection Laws or regulations, each Party shall permit the other Party reasonable access to its employee records, to the extent reasonably necessary for such accessing Party to carry out its obligations hereunder.

6.2 Ownership of Information. The provision of any information pursuant to Section 6.1 or Section 6.7 shall not affect the ownership of such information (which shall be determined solely in accordance with the terms of this Agreement and the Ancillary Agreements), or constitute a grant of rights in or to any such information.

6.3 Compensation for Providing Information. The Party requesting information after the Effective Time agrees to reimburse the other Party for the reasonable costs, if any, of creating, gathering, copying, transporting and otherwise complying with the request with respect to such information (including any reasonable costs and expenses incurred in any

review of information for purposes of protecting the Privileged Information of the providing Party or in connection with the restoration of backup media for purposes of providing the requested information). Except as may be otherwise specifically provided elsewhere in this Agreement, any Ancillary Agreement or any other agreement between the Parties, such costs shall be computed in accordance with the providing Party's standard methodology and procedures.

#### 6.4 Record Retention.

(a) To facilitate the possible exchange of information pursuant to this Article VI and other provisions of this Agreement after the Effective Time, the Parties agree to use their commercially reasonable efforts, which shall be no less rigorous than those used for retention of such Party's own information, to retain all information in their respective possession or control at the Effective Time in substantial accordance with the policies of Parent as in effect at the Effective Time or such other policies as may be adopted by Parent after the Effective Time (provided that Parent notifies SpinCo in writing of any such change). Notwithstanding the foregoing, the Tax Matters Agreement will exclusively govern the retention of Tax-related records and the exchange of Tax-related information.

(b) Each Party shall preserve and keep all documents subject to a litigation hold as of the date of this Agreement until such party has been notified that such litigation hold is no longer applicable.

6.5 Limitations of Liability. Neither Party shall have any Liability to the other Party in the event that any information exchanged or provided pursuant to this Agreement is found to be inaccurate in the absence of gross negligence, bad faith, fraud or willful misconduct by the Party providing such information. Neither Party shall have any Liability to any other Party if any information is destroyed after commercially reasonable efforts by such Party to comply with the provisions of Section 6.4.

#### 6.6 Other Agreements Providing for Exchange of Information.

(a) The rights and obligations granted under this Article VI are subject to any specific limitations, qualifications or additional provisions on the sharing, exchange, retention or confidential treatment of information set forth in any Ancillary Agreement.

(b) Any party that receives, pursuant to a request for information in accordance with this Article VI, Tangible Information that is not relevant to its request shall, at the request of the providing Party: (i) return it to the providing Party or, at the providing Party's request, destroy such Tangible Information; and (ii) deliver to the providing Party written confirmation that such Tangible Information was returned or destroyed, as the case may be, which confirmation shall be signed by an authorized representative of the requesting Party.

6.7 Production of Witnesses; Records; Cooperation.

(a) After the Effective Time, except in the case of a Dispute between Parent and SpinCo, or any members of their respective Groups (an “Adversarial Action”), each Party shall use its commercially reasonable efforts to make available to the other Party, upon written request, the former, current and future directors, officers, employees, other personnel and agents of the members of its respective Group as witnesses and any books, records or other documents within its control or which it otherwise has the ability to make available without undue burden, to the extent that any such person (giving consideration to business demands of such directors, officers, employees, other personnel and agents) or books, records or other documents may reasonably be required in connection with any Action in which the requesting Party (or member of its Group) may from time to time be involved, regardless of whether such Action is a matter with respect to which indemnification may be sought hereunder. The requesting Party shall bear all costs and expenses in connection therewith.

(b) If an Indemnifying Party chooses to defend or to seek to compromise or settle any Third-Party Claim, the other Party shall use their commercially reasonable efforts to make available to such Indemnifying Party, upon written request, the former, current and future directors, officers, employees, other personnel and agents of the members of its respective Group as witnesses and any books, records or other documents within its control or which it otherwise has the ability to make available without undue burden, to the extent that any such person (giving consideration to business demands of such directors, officers, employees, other personnel and agents) or books, records or other documents may reasonably be required in connection with such defense, settlement or compromise, or such prosecution, evaluation or pursuit, as the case may be, and shall otherwise cooperate in such defense, settlement or compromise, or such prosecution, evaluation or pursuit, as the case may be.

(c) Without limiting the foregoing, the Parties shall cooperate and consult to the extent reasonably necessary with respect to any Actions, other than Adversarial Actions.

(d) Without limiting any provision of this Section 6.7, each of the Parties agrees to cooperate, and to cause each member of its respective Group to cooperate, with each other in the defense of any infringement or similar claim with respect to any Intellectual Property Rights and shall not claim to acknowledge, or permit any member of its respective Group to claim to acknowledge, the validity or infringing use of any Intellectual Property Rights of a Third Party in a manner that would hamper or undermine the defense of such infringement or similar claim.

(e) The obligation of the Parties to provide witnesses pursuant to this Section 6.7 is intended to be interpreted in a manner so as to facilitate cooperation and shall include the obligation to provide as witnesses directors, officers, employees, other personnel and agents without regard to whether such person or the employer of such person could assert a possible business conflict (other than in connection with an Adversarial Action).

(f) Without limiting any provision of this Section 6.7 and except with respect to an Adversarial Action, each Party shall use commercially reasonable efforts to cooperate and

work together to unify, consolidate and share (to the extent permissible under applicable privacy/data protection Laws) all relevant documents, resolutions, government filings, data, payroll, employment and benefit plan information on regular timetables and cooperate as needed with respect to (i) any claims under or audit of or litigation with respect to any employee benefit plan, policy or arrangement contemplated by this Agreement or the Employee Matters Agreement, (ii) efforts to seek a determination letter, private letter ruling or advisory opinion from the IRS or U.S. Department of Labor on behalf of any employee benefit plan, policy or arrangement contemplated by this Agreement or the Employee Matters Agreement, (iii) any filings that are required to be made or supplemented to the IRS, U.S. Pension Benefit Guaranty Corporation, U.S. Department of Labor or any other Governmental Authority, and (iv) any audits by a Governmental Authority or corrective actions, relating to any benefit plan, labor or payroll practices; provided, however, that requests for cooperation must be reasonable and not interfere with daily business operations.

#### 6.8 Privileged Matters.

(a) The Parties recognize that legal and other professional services that have been and will be provided prior to the Effective Time have been and will be rendered for the collective benefit of each of the members of the Parent Group and the SpinCo Group, and that each of the members of the Parent Group and the SpinCo Group should be deemed to be the client with respect to such services for the purposes of asserting all privileges which may be asserted under applicable Law in connection therewith. The Parties recognize that legal and other professional services will be provided following the Effective Time, which services will be rendered, unless agreed otherwise, solely for the benefit of the Parent Group or the SpinCo Group, as the case may be. In furtherance of the foregoing, each Party shall authorize the delivery to and/or retention by the other Party of materials existing as of the Effective Time that are necessary for such other Party to perform or receive such services.

(b) The Parties agree as follows:

(i) Parent shall be entitled, in perpetuity, to control the assertion or waiver of all privileges and immunities in connection with any Privileged Information that relates solely to the Parent Business and not to the SpinCo Business, whether or not the Privileged Information is in the possession or under the control of any member of the Parent Group or any member of the SpinCo Group. Parent shall also be entitled, in perpetuity, to control the assertion or waiver of all privileges and immunities in connection with any Privileged Information that relates solely to any Parent Liabilities resulting from any Actions that are now pending or may be asserted in the future, whether or not the Privileged Information is in the possession or under the control of any member of the Parent Group or any member of the SpinCo Group;

(ii) SpinCo shall be entitled, in perpetuity, to control the assertion or waiver of all privileges and immunities in connection with any Privileged Information that relates solely to the SpinCo Business and not to the Parent Business, whether or not the Privileged Information is in the possession or under the control of any member of the SpinCo Group or any member of the Parent Group. SpinCo shall also be entitled, in

perpetuity, to control the assertion or waiver of all privileges and immunities in connection with any Privileged Information that relates solely to any SpinCo Liabilities resulting from any Actions that are now pending or may be asserted in the future, whether or not the Privileged Information is in the possession or under the control of any member of the SpinCo Group or any member of the Parent Group; and

(iii) if the Parties do not agree as to whether certain information is Privileged Information, then such information shall be treated as Privileged Information, and the Party that believes that such information is Privileged Information shall be entitled to control the assertion or waiver of all privileges and immunities in connection with any such information, unless the Parties otherwise agree. The Parties shall use the procedures set forth in Article VII to resolve any disputes as to whether any information relates solely to the Parent Business, solely to the SpinCo Business, or to both the Parent Business and the SpinCo Business.

(c) Subject to the remaining provisions of this Section 6.8, the Parties agree that they shall have a shared privilege or immunity with respect to all privileges and immunities not allocated pursuant to Section 6.8(b) and all privileges and immunities relating to any Actions or other matters that involve both Parties (or one (1) or more members of their respective Groups) and in respect of which both Parties have Liabilities under this Agreement, and that no such shared privilege or immunity may be waived by either Party without the consent of the other Party.

(d) If any Dispute arises between the Parties or any members of their respective Groups regarding whether a privilege or immunity should be waived to protect or advance the interests of either Party and/or any member of their respective Groups, each Party agrees that it shall: (i) negotiate with the other Party in good faith; (ii) endeavor to minimize any prejudice to the rights of the other Party; and (iii) not unreasonably withhold consent to any request for waiver by the other Party. Further, each Party specifically agrees that it shall not withhold its consent to the waiver of a privilege or immunity for any purpose, except in good faith to protect its own legitimate interests.

(e) In the event of any Dispute between Parent and SpinCo, or any members of their respective Groups, either Party may waive a privilege in information related to such Dispute, in which the other Party or member of such other Party's Group has a shared privilege, without obtaining consent pursuant to Section 6.8(c); provided that (a) the Parties intend such waiver of a shared privilege to be effective only as to the use of information with respect to the Action between the Parties and/or the applicable members of their respective Groups, and is not intended to operate as a waiver of the shared privilege with respect to any Third Party, and (b) for the avoidance of doubt, the Parties will maintain the confidentiality of the information subject to the shared privilege from third parties in accordance with Section 6.9.

(f) Upon receipt by either Party, or by any member of its respective Group, of any subpoena, discovery or other request that may reasonably be expected to result in the production or disclosure of Privileged Information subject to a shared privilege or immunity or as to which another Party has the sole right hereunder to assert a privilege or immunity, or if

either Party obtains knowledge that any of its, or any member of its respective Group's, current or former directors, officers, agents or employees have received any subpoena, discovery or other requests that may reasonably be expected to result in the production or disclosure of such Privileged Information, such Party shall (unless prohibited by Law) promptly notify the other Party of the existence of the request (which notice shall be delivered to such other Party no later than five (5) business days following the receipt of any such subpoena, discovery or other request) and shall provide the other Party a reasonable opportunity to review the Privileged Information and to assert any rights it or they may have under this Section 6.8 or otherwise, to prevent the production or disclosure of such Privileged Information.

(g) Any furnishing of, or access or transfer of, any information pursuant to this Agreement is made in reliance on the agreement between Parent and SpinCo set forth in this Section 6.8 and in Section 6.9 to maintain the confidentiality of Privileged Information and to assert and maintain all applicable privileges and immunities. The Parties agree that their respective rights to any access to information, witnesses and other Persons, the furnishing of notices and documents and other cooperative efforts between the Parties contemplated by this Agreement, and the transfer of Privileged Information between the Parties and members of their respective Groups as needed pursuant to this Agreement, shall not be deemed a waiver of any privilege that has been or may be asserted under this Agreement or otherwise.

(h) In connection with any matter contemplated by Section 6.7 or this Section 6.8, the Parties agree to, and to cause the applicable members of their Group to, use commercially reasonable efforts to maintain their respective separate and joint privileges and immunities, including by executing joint defense and/or common interest agreements where necessary or useful for this purpose.

#### 6.9 Confidentiality.

(a) *Confidentiality.* Subject to Section 6.10, and without prejudice to any longer period that may be provided for in any of the Ancillary Agreements from and after the Effective Time until the six (6)-year anniversary of the Effective Time, each of Parent and SpinCo, on behalf of itself and each member of its respective Group, agrees to hold, and to cause its respective Representatives to hold, in strict confidence, with at least the same degree of care that applies to Parent's Confidential Information pursuant to policies in effect as of the Effective Time, all Confidential Information concerning the other Party or any member of the other Party's Group or their respective businesses that is either in its possession (including Confidential Information in its possession prior to the date hereof) or furnished by any such other Party or any member of such Party's Group or their respective Representatives at any time pursuant to this Agreement, any Ancillary Agreement or otherwise, and shall not use any such Confidential Information other than for such purposes as shall be expressly permitted hereunder or thereunder, except, in each case, to the extent that such Confidential Information has been: (i) in the public domain or generally available to the public, other than as a result of a disclosure by such Party or any member of such Party's Group or any of their respective Representatives in violation of this Agreement; (ii) later lawfully acquired from other sources by such Party (or any member of such Party's Group), which sources are not themselves known by such Party (or any member of such



Party's Group) to be bound by a confidentiality obligation or other contractual, legal or fiduciary obligation of confidentiality with respect to such Confidential Information; (iii) independently developed or generated without reference to or use of any Confidential Information of the other Party or any member of such Party's Group; or (iv) was in such Party's or its Subsidiaries' possession on a non-confidential basis prior to the time of disclosure to such Party and at the time of such disclosure was not known by such Party or any of its Subsidiaries to be prohibited from being disclosed by a confidentiality obligation or other contractual, legal or fiduciary obligation of confidentiality with respect to such Confidential Information. Notwithstanding the foregoing six (6)-year period, Parent's and SpinCo's obligations with respect to Confidential Information that constitutes Trade Secrets shall survive and continue for so long as such Confidential Information retains its status as a Trade Secret. If any Confidential Information of one Party or any member of its Group is disclosed to the other Party or any member of such other Party's Group in connection with providing services to such first Party or any member of such first Party's Group under this Agreement or any Ancillary Agreement, then such disclosed Confidential Information shall be used only as required to perform such services.

(b) *No Release; Return or Destruction.* Each Party agrees not to release or disclose, or permit to be released or disclosed, any Confidential Information addressed in Section 6.9(a) to any other Person, except its Representatives who need to know such Confidential Information in their capacities as such (who shall be advised of their obligations hereunder with respect to such Confidential Information), and except in compliance with Section 6.10. Without limiting the foregoing, when any such Confidential Information is no longer needed for the purposes contemplated by this Agreement or any Ancillary Agreement, and is no longer subject to any legal hold or other document preservation obligation, each Party will promptly after request of the other Party either return to the other Party all such Confidential Information in a tangible form (including all copies thereof and all notes, extracts or summaries based thereon) or notify the other Party in writing that it has destroyed such Confidential Information (and such copies thereof and such notes, extracts or summaries based thereon); provided that the Parties may retain electronic backup versions of such information maintained on routine computer system backup tapes, disks or other backup storage devices; provided, further, that any such information so retained shall remain subject to the confidentiality provisions of this Agreement or any Ancillary Agreement.

(c) *Third-Party Information; Privacy or Data Protection Laws.* Each Party acknowledges that it and members of its Group may presently have and, following the Effective Time, may gain access to or possession of confidential or proprietary information of, or legally protected personal information (including personal health information) relating to, Third Parties (i) that was received under privacy policies or notices and/or confidentiality or non-disclosure agreements entered into between such Third Parties, on the one hand, and the other Party or members of such other Party's Group, on the other hand, prior to the Effective Time; or (ii) that, as between the two (2) Parties, was originally collected by the other Party or members of such other Party's Group and that may be subject to and protected by privacy policies or notices, as well as applicable data privacy Laws. Each Party agrees that it shall hold, protect and use, and shall cause the members of its Group and its and their respective Representatives to hold, protect and use, in strict confidence the Confidential Information of, or legally protected personal

information (including personal health information) relating to, Third Parties in accordance with privacy policies or notices, as well as data privacy Laws and the terms of any agreements that were either entered into before the Effective Time or affirmative commitments or representations that were made before the Effective Time by, between or among the other Party or members of the other Party's Group, on the one hand, and such Third Parties, on the other hand.

6.10 Protective Arrangements. In the event that a Party or any member of its Group either determines on the advice of its counsel that it is required to disclose any information pursuant to applicable Law or receives any request or demand under lawful process or from any Governmental Authority to disclose or provide information of the other Party (or any member of the other Party's Group) that is subject to the confidentiality provisions hereof, such Party shall notify the other Party (to the extent legally permitted) as promptly as practicable under the circumstances prior to disclosing or providing such information and shall cooperate, at the expense of the other Party, in seeking any appropriate protective order requested by the other Party. In the event that such other Party fails to receive such appropriate protective order in a timely manner and the Party receiving the request or demand reasonably determines that its failure to disclose or provide such information shall actually prejudice the Party receiving the request or demand, then the Party that received such request or demand may thereafter disclose or provide information to the extent required by such Law (as so advised by its counsel) or by lawful process or such Governmental Authority, and the disclosing Party shall promptly provide the other Party with a copy of the information so disclosed, in the same form and format so disclosed, together with a list of all Persons to whom such information was disclosed, in each case to the extent legally permitted.

## ARTICLE VII DISPUTE RESOLUTION

7.1 Good-Faith Officer Negotiation. Subject to Section 7.4, either Party seeking resolution of any dispute, controversy or claim arising out of or relating to this Agreement or any Ancillary Agreement (including regarding whether any Assets are SpinCo Assets, any Liabilities are SpinCo Liabilities or the validity, interpretation, breach or termination of this Agreement or any Ancillary Agreement) (a "Dispute") shall provide written notice thereof to the other Party (the "Negotiation Request"). As soon as reasonably practicable following receipt of a Negotiation Request, the Parties shall begin conducting good-faith negotiations with respect to such Dispute. All such negotiations shall be confidential and shall be treated as compromise and settlement negotiations for purposes of applicable rules of evidence. If the Parties are unable for any reason to resolve a Dispute within thirty (30) days of receipt of the Negotiation Request, and such thirty (30)-day period is not extended by mutual written consent of the Parties, the Dispute shall be submitted to mediation in accordance with Section 7.2.

7.2 Mediation. Any Dispute that is not resolved pursuant to Section 7.1 shall, at the written request of a Party (a "Mediation Request"), be submitted to nonbinding mediation in accordance with the then-current mediation procedure (the "Mediation Procedure") of the International Institute for Conflict Prevention and Resolution (the "CPR"), except as modified herein. The mediation shall be held in Philadelphia, Pennsylvania or such other place as the

Parties may mutually agree in writing. The Parties shall have twenty (20) days from receipt by a Party of a Mediation Request to agree on a mediator. If no mediator has been agreed upon by the Parties within twenty (20) days of receipt by a party of a Mediation Request, then a Party may request (on written notice to the other Party) that CPR appoint a mediator in accordance with the Mediation Procedure. All mediation pursuant to this clause shall be confidential and shall be treated as compromise and settlement negotiations for purposes of applicable rules of evidence, and no oral or documentary representations made by the Parties during such mediation shall be admissible for any purpose in any subsequent proceedings. No Party shall disclose or permit the disclosure of any information about the evidence adduced or the documents produced by the other Party in the mediation proceedings or about the existence, contents or results of the mediation without the prior written consent of such other Party, except in the course of a judicial or regulatory proceeding or as may be required by Law or requested by a Governmental Authority or securities exchange. Before making any disclosure permitted by the preceding sentence, the Party intending to make such disclosure shall, to the extent reasonably practicable, give the other Party reasonable written notice of the intended disclosure and afford the other Party a reasonable opportunity to protect its interests. If the Dispute has not been resolved within sixty (60) days of the appointment of a mediator, or within ninety (90) days after receipt by a Party of a Mediation Request (whichever occurs sooner), or within such longer period as the Parties may agree to in writing, then the Dispute shall be submitted to binding arbitration in accordance with Section 7.3.

### 7.3 Arbitration; Litigation.

(a) In the event that a Dispute has not been resolved within thirty (30) days of the receipt of a Negotiation Request in accordance with Section 7.2, or within ninety (90) days after receipt by a Party of a Mediation Request (whichever occurs sooner), or within such longer period as the Parties may agree in writing, then unless the amount in dispute, inclusive of all claims and counterclaims, totals \$100,000,000 million or more or the Dispute involves primarily non-monetary relief (in which case such Dispute shall be addressed in accordance with Section 7.3(d)) such Dispute shall, upon the written request of a Party (the "Arbitration Request") be submitted to be finally resolved by binding arbitration in accordance with the then current CPR arbitration procedure (the "Arbitration Procedure"), except as modified herein. The arbitration shall be held in (i) Philadelphia, Pennsylvania or (ii) such other place as the Parties may mutually agree in writing. Unless otherwise agreed by the Parties in writing, any Dispute to be decided pursuant to this Section 7.3 will be decided (x) before a sole arbitrator if the amount in dispute, inclusive of all claims and counterclaims, totals less than \$10,000,000 million; or (y) by a panel of three (3) arbitrators if the amount in dispute, inclusive of all claims and counterclaims, totals more than \$10,000,000 million but less than \$100,000,000 million.

(b) The panel of three (3) arbitrators shall be chosen as follows: (i) within fifteen (15) days from the date of the receipt of the Arbitration Request, each Party shall name an arbitrator; and (ii) the two (2) Party-appointed arbitrators shall thereafter, within thirty (30) days from the date on which the second (2nd) of the two (2) arbitrators was named, name a third (3rd), independent arbitrator who shall act as chairperson of the arbitral tribunal. In the event that either Party fails to name an arbitrator within fifteen (15) days from the date of receipt of the

Arbitration Request, then upon written application by either Party, that arbitrator shall be appointed pursuant to the Arbitration Procedure. In the event that the two (2) Party-appointed arbitrators fail to appoint the third (3rd), then the third (3rd) independent arbitrator shall be appointed pursuant to the Arbitration Procedure. If the arbitration shall be before a sole independent arbitrator, then the sole independent arbitrator shall be appointed by agreement of the Parties within fifteen (15) days of the date of receipt of the Arbitration Request. If the Parties cannot agree to a sole independent arbitrator during such fifteen (15)-day period, then upon written application by either party, the sole independent arbitrator shall be appointed pursuant to the Arbitration Procedure.

(c) The arbitrator(s) shall have the right to award, on an interim basis, or include in the final award, any relief that it deems proper in the circumstances, including money damages (with interest on unpaid amounts from the due date), injunctive relief (including specific performance) and attorneys' fees and costs; provided that the arbitrator(s) shall not award any relief not specifically requested by the Parties and, in any event, shall not award any indirect, punitive, exemplary, remote, speculative or similar damages in excess of compensatory damages of the other arising in connection with the transactions contemplated hereby (other than any such Liability with respect to a Third-Party Claim). Upon selection of the arbitrator(s) following any grant of interim relief by a special arbitrator or court pursuant to Section 7.4, the arbitrator(s) may affirm or disaffirm that relief, and the Parties shall seek modification or rescission of the order entered by the court as necessary to accord with the decision of the arbitrator(s). The award of the arbitrator(s) shall be final and binding on the Parties, and may be enforced in any court of competent jurisdiction. The initiation of arbitration pursuant to this Article VII shall toll the applicable statute of limitations for the duration of any such proceedings. Notwithstanding applicable state law, the arbitration and this agreement to arbitrate shall be governed by the Federal Arbitration Act, 9 U.S.C. § 1, *et seq.*

(d) If the amount in dispute, inclusive of all claims and counterclaims, totals \$100,000,000 million or more or if the Dispute involves primarily non-monetary relief, then such Dispute shall not be submitted to arbitration. Any litigation commenced in accordance with this Section 7.3 shall be subject to Section 10.2(b).

7.4 Litigation and Unilateral Commencement of Arbitration. Notwithstanding the foregoing provisions of this Article VII, (a) a Party may seek preliminary provisional or injunctive judicial relief with respect to a Dispute without first complying with the procedures set forth in Section 7.1, Section 7.2, and Section 7.3 if such action is reasonably necessary to avoid irreparable damage and (b) either Party may initiate arbitration before the expiration of the periods specified in Section 7.1, Section 7.2, and Section 7.3 if such Party has submitted an Mediation Request or an Arbitration Request, as applicable, and the other Party has failed, within the applicable periods set forth in Section 7.2 to agree upon a date for the first mediation session to take place within thirty (30) days after the appointment of such mediator or such longer period as the Parties may agree to in writing or such Party has failed to comply with Section 7.3 in good faith with respect to the commencement and engagement in arbitration. In such event, the other Party may commence and prosecute such arbitration unilaterally in accordance with the

Arbitration Procedure. In such event, the other Party may commence and prosecute such arbitration unilaterally in accordance with the Arbitration Procedure.

7.5 Conduct During Dispute Resolution Process. Unless otherwise agreed in writing, the Parties shall, and shall cause the respective members of their Groups to, continue to honor all commitments under this Agreement and each Ancillary Agreement to the extent required by such agreements during the course of dispute resolution pursuant to the provisions of this Article VII, unless such commitments are the specific subject of the Dispute at issue.

ARTICLE VIII  
FURTHER ASSURANCES AND ADDITIONAL COVENANTS

8.1 Further Assurances.

(a) In addition to the actions specifically provided for elsewhere in this Agreement, each of the Parties shall use its reasonable best efforts, prior to, on and after the Effective Time, to take, or cause to be taken, all actions, and to do, or cause to be done, all things, reasonably necessary, proper or advisable under applicable Laws, regulations and agreements to consummate and make effective the transactions contemplated by this Agreement and the Ancillary Agreements.

(b) Without limiting the foregoing, prior to, on and after the Effective Time, each Party hereto shall cooperate with the other Party, and without any further consideration, but at the expense of the requesting Party, to execute and deliver, or use its reasonable best efforts to cause to be executed and delivered, all instruments, including instruments of conveyance, assignment and transfer, and to make all filings with, and to obtain all Approvals or Notifications of, any Governmental Authority or any other Person under any permit, license, agreement, indenture or other instrument (including any consents or Governmental Approvals), and to take all such other actions as such Party may reasonably be requested to take by the other Party from time to time, consistent with the terms of this Agreement and the Ancillary Agreements, in order to effectuate the provisions and purposes of this Agreement and the Ancillary Agreements and the transfers of the SpinCo Assets and the Parent Assets and the assignment and assumption of the SpinCo Liabilities and the Parent Liabilities and the other transactions contemplated hereby and thereby. Without limiting the foregoing, each Party will, at the reasonable request, cost and expense of the requesting Party, take such other actions as may be reasonably necessary to vest in such other Party good and marketable title to the Assets allocated to such Party under this Agreement or any of the Ancillary Agreements, free and clear of any Security Interest, if and to the extent it is practicable to do so.

(c) On or prior to the Effective Time, Parent and SpinCo in their respective capacities as direct and indirect stockholders of the members of their Groups, shall each ratify any actions which are reasonably necessary or desirable to be taken by Parent, SpinCo or any of the members of their respective Groups, as the case may be, to effectuate the transactions contemplated by this Agreement and the Ancillary Agreements.

(d) Parent and SpinCo, and each of the members of their respective Groups, waive (and agree not to assert against any of the others) any claim or demand that any of them may have against any of the others for any Liabilities or other claims relating to or arising out of: (i) the failure of SpinCo or any other member of the SpinCo Group, on the one hand, or of Parent or any other member of the Parent Group, on the other hand, to provide any notification or disclosure required under any state Environmental Law in connection with the Separation or the other transactions contemplated by this Agreement, including the transfer by any member of any Group to any member of the other Group of ownership or operational control of any Assets not previously owned or operated by such transferee; or (ii) any inadequate, incorrect or incomplete notification or disclosure under any such state Environmental Law by the applicable transferor. To the extent any Liability to any Governmental Authority or any Third Party arises out of any action or inaction described in clause (i) or (ii) above, the transferee of the applicable Asset hereby assumes and agrees to pay any such Liability.

8.2 Use of the Aramark Name and Aramark Marks. SpinCo undertakes to (and to cause the members of the SpinCo Group to) discontinue the use of the name “Aramark” and the related trademark symbol as soon as commercially reasonably practicable after the Effective Time, but in any case not longer than a two (2)-year period commencing on the Distribution Date (such period, the “Transition Period”). Notwithstanding the foregoing, effective as of the Effective Time, Parent, on behalf of itself and its Affiliates, hereby grants to the members of the SpinCo Group a non-exclusive, sublicenseable, worldwide and royalty-free license to use and have used the name “Aramark” and the related starperson logo trademark symbol (1) during the applicable Transition Period and (2) following the applicable Transition Period for the sale or rental of inventory (including both finished and unfinished inventory) containing such name or trademark applied to such products created: (a) prior to the Effective Time and (b) during the applicable Transition Period; provided that SpinCo shall (and shall cause the members of the SpinCo Group and its sublicensees to) use such name or trademark at a level of quality equivalent to that in effect as of the Effective Time.

#### ARTICLE IX TERMINATION

9.1 Termination. This Agreement and all Ancillary Agreements may be terminated and the Distribution may be amended, modified or abandoned at any time prior to the Effective Time by Parent, in its sole and absolute discretion, without the approval or consent of any other Person, including SpinCo. After the Effective Time, this Agreement may not be terminated, except by an agreement in writing signed by a duly authorized officer of each of the Parties.

9.2 Effect of Termination. In the event of any termination of this Agreement prior to the Effective Time, no Party (nor any of its directors, officers or employees) shall have any Liability or further obligation to the other Party by reason of this Agreement.

ARTICLE X  
MISCELLANEOUS

10.1 Counterparts; Entire Agreement; Corporate Power.

(a) This Agreement and each Ancillary Agreement may be executed in one (1) or more counterparts, all of which shall be considered one (1) and the same agreement, and shall become effective when one (1) or more counterparts have been signed by each of the Parties and delivered to the other Party.

(b) This Agreement, the Ancillary Agreements and the Exhibits, Schedules and appendices hereto and thereto contain the entire agreement between the Parties with respect to the subject matter hereof, supersede all previous agreements, negotiations, discussions, writings, understandings, commitments and conversations with respect to such subject matter, and there are no agreements or understandings between the Parties other than those set forth or referred to herein or therein. This Agreement and the Ancillary Agreements together govern the arrangements in connection with the Separation and the Distribution and would not have been entered into independently.

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

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

(ii) this Agreement and each Ancillary Agreement to which it is a party has been duly executed and delivered by it and constitutes a valid and binding agreement of it enforceable in accordance with the terms thereof.

(d) Each Party acknowledges that it and each other Party is executing certain of the Ancillary Agreements by facsimile, stamp, electronic or mechanical signature, and that delivery of an executed counterpart of a signature page to this Agreement or any Ancillary Agreement (whether executed by manual, stamp, electronic or mechanical signature) by facsimile or by e-mail in portable document format (.pdf) shall be effective as delivery of such executed counterpart of this Agreement or any Ancillary Agreement. Each Party expressly adopts and confirms each such facsimile, stamp, electronic or mechanical signature (regardless of whether delivered in person, by mail, by courier, by facsimile or by e-mail in portable document format (.pdf)) made in its respective name as if it were a manual signature delivered in person, agrees that it will not assert that any such signature or delivery is not adequate to bind such Party to the same extent as if it were signed manually and delivered in person and agrees that, at the reasonable request of the other Party at any time, it will as promptly as reasonably practicable cause each such Ancillary Agreement to be manually executed (any such execution to be as of the date of the initial date thereof) and delivered in person, by mail or by courier.

10.2 Governing Law; Jurisdiction; Waiver of Jury Trial.

(a) This Agreement and, unless expressly provided therein, each Ancillary Agreement (and any claims or disputes arising out of or related hereto or thereto or to the transactions contemplated hereby and thereby or to the inducement of any party to enter herein and therein, whether for breach of contract, tortious conduct or otherwise and whether predicated on common law, statute or otherwise) shall be governed by and construed and interpreted in accordance with the Laws of the State of Delaware irrespective of the choice of laws principles of the State of Delaware, including all matters of validity, construction, effect, enforceability, performance and remedies.

(b) All disputes that are not subject to mandatory arbitration pursuant to Section 7.3 (including an action to enforce Article VII) shall be commenced exclusively in the Delaware Court of Chancery and any state appellate court therefrom within the State of Delaware or, if the Delaware Court of Chancery declines to accept jurisdiction over a particular matter, any federal or state court of competent jurisdiction located in the State of Delaware (the "Chosen Courts"), and, each of Parent and SpinCo (i) irrevocably submit to the exclusive jurisdiction of the Chosen Courts, (ii) waive any objection to laying venue in any such action or proceeding in the Chosen Courts and (iii) waive any objection that the Chosen Courts are an inconvenient forum or do not have jurisdiction over any party, in each case in respect of such claims.

(c) THE PARTIES EXPRESSLY WAIVE AND FOREGO ANY RIGHT TO TRIAL BY JURY.

10.3 Assignability. Except as set forth in any Ancillary Agreement, this Agreement and each Ancillary Agreement shall be binding upon and inure to the benefit of the Parties and the parties thereto, respectively, and their respective successors and permitted assigns; provided that neither Party nor any such party thereto may assign its rights or delegate its obligations under this Agreement or any Ancillary Agreement without the express prior written consent of the other Party hereto or other parties thereto, as applicable. Notwithstanding the foregoing, no such consent shall be required for the assignment of a Party's rights and obligations under this Agreement and the Ancillary Agreements (except as may be otherwise provided in any such Ancillary Agreement) in whole (*i.e.*, the assignment of a Party's rights and obligations under this Agreement and all Ancillary Agreements at the same time) in connection with a change of control of a Party so long as the resulting, surviving or transferee Person assumes all the obligations of the relevant party thereto by operation of Law or pursuant to an agreement in form and substance reasonably satisfactory to the other Party.

10.4 Third-Party Beneficiaries. Except for the indemnification rights under this Agreement and each Ancillary Agreement of any Parent Indemnitee or SpinCo Indemnitee in their respective capacities as such, (a) the provisions of this Agreement and each Ancillary Agreement are solely for the benefit of the Parties and are not intended to confer upon any Person, except the Parties, any rights or remedies hereunder, and (b) there are no third-party beneficiaries of this Agreement or any Ancillary Agreement and neither this Agreement nor any Ancillary Agreement shall provide any Third Party with any remedy, claim, Liability,



reimbursement, claim of action or other right in excess of those existing without reference to this Agreement or any Ancillary Agreement.

10.5 Notices. All notices, requests, claims, demands or other communications under this Agreement and, to the extent applicable and unless otherwise provided therein, under each of the Ancillary Agreements, shall be in writing and shall be given or made (and except as provided herein, shall be deemed to have been duly given or made upon receipt) by delivery in person, by overnight courier service, by certified mail, return receipt requested, or by electronic mail (“e-mail”), so long as confirmation of receipt of such e-mail is requested and received, to the respective Parties at the following addresses (or at such other address for a Party as shall be specified in a notice given in accordance with this Section 10.5):

If to Parent, to:

Aramark  
2400 Market Street  
Philadelphia, Pennsylvania 19103  
Attention: [       ]  
E-mail:        [       ]

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

Wachtell, Lipton, Rosen & Katz  
51 West 52nd Street  
New York, New York 10019  
Attention:     David A. Katz  
                 Alison Z. Preiss  
E-mail:        DAKatz@wlrk.com  
                 AZPreiss@wlrk.com

If to SpinCo (prior to the Effective Time), to:

Vestis Corporation  
2400 Market Street  
Philadelphia, Pennsylvania 19103  
Attention:     [       ]  
E-mail:        [       ]

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

Wachtell, Lipton, Rosen & Katz  
51 West 52nd Street  
New York, New York 10019  
Attention: David A. Katz  
Alison Z. Preiss  
E-mail: DAKatz@wlrk.com  
AZPreiss@wlrk.com

If to SpinCo (from and after the Effective Time), to:

Vestis Corporation  
500 Colonial Center Parkway, Suite 140  
Roswell, GA 30076  
Attention: [        ]  
E-mail:        [        ]

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

Wachtell, Lipton, Rosen & Katz  
51 West 52nd Street  
New York, New York 10019  
Attention: David A. Katz  
Alison Z. Preiss  
E-mail: DAKatz@wlrk.com  
AZPreiss@wlrk.com

A Party may, by notice to the other Party, change the address to which such notices are to be given or made.

10.6 Severability. If any provision of this Agreement or any Ancillary Agreement or the application thereof to any Person or circumstance is determined by a court of competent jurisdiction to be invalid, void or unenforceable, the remaining provisions hereof or thereof, or the application of such provision to Persons or circumstances or in jurisdictions other than those as to which it has been held invalid or unenforceable, shall remain in full force and effect and shall in no way be affected, impaired or invalidated thereby. Upon such determination, the Parties shall negotiate in good faith in an effort to agree upon such a suitable and equitable provision to effect the original intent of the Parties.

10.7 Force Majeure. No Party shall be deemed in default of this Agreement or, unless otherwise expressly provided therein, any Ancillary Agreement for any delay or failure to

fulfill any obligation (other than a payment obligation) hereunder or thereunder so long as and to the extent to which any delay or failure in the fulfillment of such obligation is prevented, frustrated, hindered or delayed as a consequence of circumstances of Force Majeure. In the event of any such excused delay, the time for performance of such obligations (other than a payment obligation) shall be extended for a period equal to the time lost by reason of the delay. A Party claiming the benefit of this provision shall, as soon as reasonably practicable after the occurrence of any such event: (a) provide written notice to the other Party of the nature and extent of any such Force Majeure condition; and (b) use commercially reasonable efforts to remove any such causes and resume performance under this Agreement and the Ancillary Agreements, as applicable, as soon as reasonably practicable.

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

10.9 Expenses. Except as otherwise expressly set forth in this Agreement or any Ancillary Agreement, or as otherwise agreed to in writing by the Parties, all fees, costs and expenses incurred on or prior to the Effective Time in connection with the preparation, execution, delivery and implementation of this Agreement, including the Separation and the Distribution, and any Ancillary Agreement, the Separation, the Form 10, the Information Statement, the Plan of Reorganization and the consummation of the transactions contemplated hereby and thereby will be borne by the Party or its applicable Subsidiary incurring such fees, costs or expenses. The Parties agree that certain specified costs and expenses shall be allocated between the Parties, and borne and be the responsibility of the applicable Party, as set forth on Schedule 10.9.

10.10 Headings. The article, section and paragraph headings contained in this Agreement and in the Ancillary Agreements are for reference purposes only and shall not affect in any way the meaning or interpretation of this Agreement or any Ancillary Agreement.

10.11 Survival of Covenants. Except as expressly set forth in this Agreement or any Ancillary Agreement, the covenants, representations and warranties contained in this Agreement and each Ancillary Agreement, and Liability for the breach of any obligations contained herein, shall survive the Separation and the Distribution and shall remain in full force and effect.

10.12 Waivers of Default. Waiver by a Party of any default by the other Party of any provision of this Agreement or any Ancillary Agreement shall not be deemed a waiver by the waiving Party of any subsequent or other default, nor shall it prejudice the rights of the other Party. No failure or delay by a Party in exercising any right, power or privilege under this Agreement or any Ancillary Agreement shall operate as a waiver thereof, nor shall a single or partial exercise thereof prejudice any other or further exercise thereof or the exercise of any other right, power or privilege.

10.13 Specific Performance. Subject to the provisions of Article VII, in the event of any actual or threatened default in, or breach of, any of the terms, conditions and provisions of this Agreement or any Ancillary Agreement, the Party or Parties who are, or are to be, thereby aggrieved shall have the right to specific performance and injunctive or other equitable relief in respect of its or their rights under this Agreement or such Ancillary Agreement, in addition to any and all other rights and remedies at law or in equity, and all such rights and remedies shall be cumulative. The Parties agree that the remedies at law for any breach or threatened breach, including monetary damages, are inadequate compensation for any loss and that any defense in any action for specific performance that a remedy at law would be adequate is waived. Any requirements for the securing or posting of any bond with such remedy are waived by each of the Parties.

10.14 Amendments. No provisions of this Agreement or any Ancillary Agreement shall be deemed waived, amended, supplemented or modified by a Party, unless such waiver, amendment, supplement or modification is in writing and signed by the authorized representative of the Party against whom it is sought to enforce such waiver, amendment, supplement or modification.

10.15 Interpretation. In this Agreement and any Ancillary Agreement: (a) words in the singular shall be deemed to include the plural and vice versa and words of one gender shall be deemed to include the other genders as the context requires; (b) the terms “hereof,” “herein,” and “herewith” and words of similar import shall, unless otherwise stated, be construed to refer to this Agreement (or the applicable Ancillary Agreement) as a whole (including all of the Schedules, Exhibits and Appendices hereto and thereto) and not to any particular provision of this Agreement (or such Ancillary Agreement); (c) Article, Section, Schedule, Exhibit and Appendix references are to the Articles, Sections, Schedules, Exhibits and Appendices to this Agreement (or the applicable Ancillary Agreement), unless otherwise specified; (d) unless otherwise stated, all references to any agreement (including this Agreement and each Ancillary Agreement) shall be deemed to include the exhibits, schedules and annexes (including all Exhibits, Schedules and Appendices) to such agreement; (e) the word “including” and words of similar import when used in this Agreement (or the applicable Ancillary Agreement) shall mean “including, without limitation,” unless otherwise specified; (f) the word “or” shall not be exclusive; (g) the word “extent” in the phrase “to the extent” shall mean the degree to which a subject or other thing extends, and such phrase shall not mean simply “if”; (h) unless otherwise specified in a particular case, the word “days” refers to calendar days; (i) references to “business day” shall mean any day other than a Saturday, a Sunday or a day on which banking institutions are generally authorized or required by law to close in the United States or Philadelphia, Pennsylvania; (j) references herein to this Agreement or any other agreement contemplated herein shall be deemed to refer to this Agreement or such other agreement as of the date on which it is executed and as it may be amended, modified or supplemented thereafter, unless otherwise specified; and (k) unless expressly stated to the contrary in this Agreement or in any Ancillary Agreement, all references to “the date hereof,” “the date of this Agreement,” “hereby” and “hereupon” and words of similar import shall all be references to [            ], 2023.

10.16 Limitations of Liability. Notwithstanding anything in this Agreement to the contrary, neither SpinCo or any member of the SpinCo Group, on the one hand, nor Parent or any member of the Parent Group, on the other hand, shall be liable under this Agreement to the other for any indirect, incidental, punitive, exemplary, remote, speculative or similar damages in excess of compensatory damages of the other arising in connection with the transactions contemplated hereby (other than any such Liability with respect to a Third-Party Claim).

10.17 Performance. Parent will cause to be performed, and hereby guarantees the performance of, all actions, agreements and obligations set forth in this Agreement or in any Ancillary Agreement to be performed by any member of the Parent Group. SpinCo will cause to be performed, and hereby guarantees the performance of, all actions, agreements and obligations set forth in this Agreement or in any Ancillary Agreement to be performed by any member of the SpinCo Group. Each Party (including its permitted successors and assigns) further agrees that it will (a) give timely notice of the terms, conditions and continuing obligations contained in this Agreement and any applicable Ancillary Agreement to all of the other members of its Group and (b) cause all of the other members of its Group not to take any action or fail to take any such action inconsistent with such Party's obligations under this Agreement, any Ancillary Agreement or the transactions contemplated hereby or thereby.

10.18 Mutual Drafting.

(a) This Agreement and the Ancillary Agreements shall be deemed to be the joint work product of the Parties and any rule of construction that a document shall be interpreted or construed against a drafter of such document shall not be applicable.

(b) In the event of any conflict or inconsistency between, on the one hand, the terms of this Agreement and, on the other hand, the terms of the Ancillary Agreements (other than the Transfer Documents) (each, a "Specified Ancillary Agreement"), the terms of the applicable Specified Ancillary Agreement shall control with respect to the subject matter addressed by such Specified Ancillary Agreement to the extent of such conflict or inconsistency. In the event of any conflict or inconsistency between the terms of this Agreement and the terms of the Transfer Documents, the terms of this Agreement shall control to the extent of such conflict or inconsistency. In the event of any conflict or inconsistency between the terms of this Agreement or any Specified Ancillary Agreement, on the one hand, and any Transfer Document, on the other hand, including with respect to the allocation of Assets and Liabilities as among the Parties or the members of their respective Groups, this Agreement or such Specified Ancillary Agreement shall control.

*[Remainder of page intentionally left blank]*

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

ARAMARK

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

VESTIS CORPORATION

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

*[Signature Page to Separation and Distribution Agreement]*

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**EXHIBIT A**

Amended and Restated Certificate of Incorporation  
of Vestis Corporation

*[Attached]*

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**EXHIBIT B**

Amended and Restated Bylaws  
of Vestis Corporation

*[Attached]*



**FORM OF  
AMENDED AND RESTATED  
CERTIFICATE OF INCORPORATION  
OF  
VESTIS CORPORATION**

Vestis Corporation (the “Corporation”), a corporation organized and existing under the laws of the State of Delaware, pursuant to Sections 242 and 245 of the General Corporation Law of the State of Delaware, as it may be amended (the “DGCL”), hereby certifies as follows:

1. The name of this Corporation is Vestis Corporation. The original Certificate of Incorporation was filed with the office of the Secretary of State of the State of Delaware on February 22, 2023. The name under which the Corporation was originally incorporated is Epic NewCo, Inc.
2. This Amended and Restated Certificate of Incorporation was duly adopted by the Board of Directors of the Corporation (the “Board of Directors”) in accordance with the provisions of Sections 242 and 245 of the DGCL and by the written consent of a majority of the holders of outstanding stock in accordance with Section 228 of the DGCL, and is to become effective as of [        ], Eastern Time, on [        ], 2023 (the “Effective Date”).
3. This Amended and Restated Certificate of Incorporation restates and amends the original Certificate of Incorporation to read in its entirety as follows:

**ARTICLE I  
NAME OF CORPORATION**

The name of the Corporation is Vestis Corporation.

**ARTICLE II  
REGISTERED OFFICE; REGISTERED AGENT**

The address of the registered office of the Corporation in the State of Delaware is Corporation Trust Center, 1209 Orange Street, Wilmington, County of New Castle, Delaware 19801. The name of the registered agent of the Corporation at such address is The Corporation Trust Company. The Corporation may have such other offices, either inside or outside of the State of Delaware, as the Board of Directors may designate or as the business of the Corporation may from time to time require.

**ARTICLE III  
PURPOSE**

The purpose of the Corporation is to engage in any lawful act or activity for which a corporation may be organized under the DGCL.

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ARTICLE IV  
STOCK

Section 1. Authorized Stock. The total number of authorized shares of capital stock of the Corporation shall be three hundred fifty million (350,000,000) shares, consisting of (i) three hundred million (300,000,000) shares of common stock, par value \$0.01 per share (the "Common Stock"), and (ii) fifty million (50,000,000) shares of preferred stock, par value \$0.01 per share (the "Preferred Stock").

Section 2. Common Stock. Except as otherwise provided by law, by this Amended and Restated Certificate of Incorporation, or by the resolution or resolutions adopted by the Board of Directors designating the rights, powers and preferences of any series of Preferred Stock, the holders of outstanding shares of Common Stock shall have the right to vote on all matters on which stockholders are entitled to vote, including the election of directors, to the exclusion of all other stockholders. Each holder of record of Common Stock shall be entitled to one (1) vote for each share of Common Stock standing in the name of the stockholder on the books of the Corporation.

Section 3. Preferred Stock. Shares of Preferred Stock may be authorized and issued from time-to-time in one (1) or more series. The Board of Directors (or any committee to which it may duly delegate the authority granted in this Article IV) is hereby empowered, by resolution or resolutions, to authorize the issuance from time to time of shares of Preferred Stock in one (1) or more series, for such consideration and for such corporate purposes as the Board of Directors (or such committee thereof) may from time to time determine, and by filing a certificate pursuant to applicable law of the State of Delaware as it presently exists or may hereafter be amended to establish from time to time for each such series the number of shares to be included in each such series and to fix the designations, powers, rights and preferences of the shares of each such series, and the qualifications, limitations and restrictions thereof to the fullest extent now or hereafter permitted by this Amended and Restated Certificate of Incorporation and the laws of the State of Delaware, including, without limitation, voting rights (if any), dividend rights, dissolution rights, conversion rights, exchange rights and redemption rights thereof, as shall be stated and expressed in a resolution or resolutions adopted by the Board of Directors (or such committee thereof) providing for the issuance of such series of Preferred Stock. Each series of Preferred Stock shall be distinctly designated. The authority of the Board of Directors with respect to each series of Preferred Stock shall include, but not be limited to, determination of the following:

- (a) the designation of the series, which may be by distinguishing number, letter or title;
- (b) the number of shares of the series, which number the Board of Directors may thereafter (except where otherwise provided in the certificate of designations governing such series) increase or decrease (but not below the number of shares thereof then outstanding);

- (c) the amounts payable on, and the preferences, if any, of shares of the series in respect of dividends, and whether such dividends, if any, shall be cumulative or noncumulative;
- (d) the dates at which dividends, if any, shall be payable;
- (e) the redemption rights and price or prices, if any, for shares of the series;
- (f) the terms and amount of any sinking fund provided for purchase or redemption of shares of the series;
- (g) the amounts payable on, and the preferences, if any, of shares of the series in the event of any voluntary or involuntary liquidation, dissolution or winding up of the affairs of the Corporation;
- (h) whether shares of the series shall be convertible into or exchangeable for shares of any other class or series, or any other security, of the Corporation or any other corporation, and, if so, the specification of such other class or series or such other security, the conversion or exchange price or prices or rate or rates, any adjustments thereof, the date or dates at which such shares shall be convertible or exchangeable and all other terms and conditions upon which such conversion or exchange may be made;
- (i) the restrictions on the issuance of shares of the same series or of any other class or series; and
- (j) the voting rights, if any, of the holders of shares of the series.

ARTICLE V  
TERM

The term of existence of the Corporation shall be perpetual.

ARTICLE VI  
BOARD OF DIRECTORS

Section 1. Number of Directors. Subject to any rights of the holders of any class or series of Preferred Stock, the number of directors which shall constitute the Board of Directors shall be fixed from time to time exclusively pursuant to a resolution adopted by the affirmative vote of a majority of the total number of directors that the Corporation would have if there were no vacancies (the "Whole Board").

Section 2. Election of Directors. Subject to the rights of the holders of any series of Preferred Stock provided for or fixed pursuant to this Amended and Restated Certificate of Incorporation (the "Preferred Stock Directors"), the Board of Directors shall be divided, with respect to the time for which they severally hold office, into three (3) classes, designated Class I, Class II and Class III, as nearly equal in number as reasonably possible. The first (1st) term of office for the Class I directors shall expire at the first (1st) annual meeting of stockholders held

following the Effective Date (the “First Annual Meeting”). The first (1st) term of office for the Class II directors shall expire at the second (2nd) annual meeting of stockholders held following the Effective Date (the “Second Annual Meeting”). The first (1st) term of office for the Class III directors shall expire at the third (3rd) annual meeting of stockholders held following the Effective Date (“Third Annual Meeting”). At the First Annual Meeting, the Class I directors shall be elected for a term of office to expire at the Third Annual Meeting. At the Second Annual Meeting, the Class II directors shall be elected for a term of office to expire at the Third Annual Meeting. Commencing at the Third Annual Meeting and at all subsequent annual meetings of stockholders, the Board of Directors will no longer be classified under Section 141(d) of the DGCL, and all directors shall be elected for a term of office to expire at the next succeeding annual meeting of stockholders. Prior to the Third Annual Meeting, in case of any increase or decrease, from time to time, in the number of directors (other than the Preferred Stock Directors), the number of directors in each class shall be apportioned as nearly equal in number as reasonably possible. The Board of Directors is authorized to assign members of the Board of Directors already in office to Class I, Class II or Class III, with such assignment becoming effective as of the time at which the initial classification of the Board of Directors becomes effective. Unless and except to the extent that the Amended and Restated Bylaws of the Corporation (as may hereafter be amended, the “Bylaws”) shall so require, the election of directors of the Corporation need not be by written ballot. Advance notice of stockholder nominations for the election of directors shall be given in the manner and to the extent provided in the Bylaws.

Section 3. Newly Created Directorships and Vacancies. Subject to applicable law and the rights of the holders of any series of Preferred Stock with respect to such series of Preferred Stock, and unless the Board of Directors otherwise determines, vacancies resulting from death, resignation, retirement, disqualification, removal from office or other cause, and newly created directorships resulting from any increase in the authorized number of directors, may be filled only by the affirmative vote of a majority of the remaining directors, though less than a quorum of the Board of Directors, or by a sole remaining director, and directors so chosen shall hold office until the next election of the class, if any, for which such director shall have been chosen and until his or her successor shall have been duly elected and qualified or until any such director’s earlier death, resignation, removal, retirement or disqualification. Notwithstanding the foregoing, from and after the Third Annual Meeting, any director so chosen shall hold office until the next election of directors and until his or her successor shall have been duly elected and qualified or until any such director’s earlier death, resignation, removal, retirement or disqualification. No decrease in the number of authorized directors constituting the Whole Board shall shorten the term of any incumbent director.

Section 4. Removal of Directors. Subject to the rights of the holders of any series of Preferred Stock, any director(s) of the Corporation may be removed from office at any time by the affirmative vote of the holders of at least a majority of the voting power of all outstanding shares of Common Stock entitled to vote generally in the election of directors, voting together as a single class (a) until the Third Annual Meeting or such other time as the Board of Directors is no longer classified under Section 141(d) of the DGCL, only for cause and (b) from

and including the Third Annual Meeting or such other time as the Board of Directors is no longer classified under Section 141(d) of the DGCL, with or without cause.

Section 5. Rights of Holders of Preferred Stock. Notwithstanding the provisions of this Article VI, whenever the holders of one (1) or more series of Preferred Stock issued by the Corporation shall have the right, voting separately or together by series, to elect directors at an annual or special meeting of stockholders, the election, term of office, filling of vacancies and other features of such directorship shall be governed by the rights of such Preferred Stock as set forth in the certificate of designations governing such series.

Section 6. No Cumulative Voting. Except as may otherwise be set forth in the resolution or resolutions of the Board of Directors providing the issuance of a series of Preferred Stock, and then only with respect to such series of Preferred Stock, cumulative voting in the election of directors is specifically denied.

#### ARTICLE VII STOCKHOLDER ACTION

Section 1. No Stockholder Action by Written Consent. Subject to the rights of the holders of any series of Preferred Stock with respect to such series of Preferred Stock, any action required or permitted to be taken by the stockholders of the Corporation must be effected at a duly called annual or special meeting of stockholders of the Corporation and may not be effected by any consent in writing by such stockholders.

Section 2. Special Meetings of Stockholders. Subject to the rights of the holders of any series of Preferred Stock with respect to such series of Preferred Stock, special meetings of stockholders (a) until the second (2nd) anniversary of the Effective Date, may only be called by or at the direction of (1) the Chairman of the Board of Directors or (2) the Board of Directors pursuant to a resolution adopted by a majority of the Whole Board, and (b) as of and from the second (2nd) anniversary of the Effective Date, may only be called by or at the direction of (1) the Chairman of the Board of Directors, (2) the Board of Directors pursuant to a resolution adopted by a majority of the Whole Board or (3) upon the written request of one or more stockholders that own, or who are acting on behalf of persons who own shares representing 15% or more of the voting power of the then outstanding shares of Common Stock entitled to vote on the matter or matters to be brought before the proposed special meeting. At any special meeting of stockholders, only such business shall be conducted or considered as shall have been properly brought before the meeting pursuant to the Corporation's notice of meeting.

#### ARTICLE VIII DIRECTOR AND OFFICER LIABILITY

To the fullest extent permitted by the DGCL, as the same exists or may hereafter be amended, no director or officer of the Corporation shall be personally liable either to the Corporation or to any of its stockholders for monetary damages for breach of fiduciary duty as a director or officer. Any amendment, modification or repeal of the foregoing sentence shall not adversely affect any right or protection of a director or officer of the Corporation hereunder in respect of any act or

omission occurring prior to the time of such amendment, modification or repeal. If the DGCL hereafter is amended to further eliminate or limit the liability of a director or officer, then a director or officer of the Corporation, in addition to the circumstances in which a director or officer is not personally liable as set forth in the preceding sentence, shall not be liable to the fullest extent permitted by the amended DCGL.

ARTICLE IX  
AMENDMENTS TO BYLAWS

In furtherance and not in limitation of the powers conferred by law, the Board of Directors is expressly authorized and empowered to adopt, amend, alter, change or repeal the Bylaws.

ARTICLE X  
FORUM AND VENUE

Unless the Corporation (through approval of the Board of Directors) consents in writing to the selection of an alternative forum, the Court of Chancery of the State of Delaware shall be the sole and exclusive forum for (i) any derivative action or proceeding brought on behalf of the Corporation, (ii) any action or proceeding asserting a claim for or based on a breach of a fiduciary duty owed by any current or former director or officer or other employee of the Corporation to the Corporation or to the Corporation's stockholders, including any claim alleging aiding and abetting of such a breach of fiduciary duty, (iii) any action or proceeding asserting a claim against the Corporation or any current or former director or officer or other employee of the Corporation arising pursuant to, or seeking to enforce any right, obligation or remedy under, any provision of the DGCL or this Amended and Restated Certificate of Incorporation or the Bylaws (as either may be amended from time to time), (iv) any action or proceeding asserting a claim related to or involving the Corporation or any current or former director or officer or other employee of the Corporation that is governed by the internal affairs doctrine, or (v) any action or proceeding as to which the DGCL (as it may be amended from time to time) confers jurisdiction on the Court of Chancery of the State of Delaware; provided that, if and only if the Court of Chancery of the State of Delaware dismisses any such action for lack of subject matter jurisdiction, such action or proceeding may be brought in another state court located within the State of Delaware (or, if no state court located within the State of Delaware has jurisdiction, the federal court for the District of Delaware). Any person or entity purchasing or otherwise acquiring or holding any interest in shares of capital stock of the Corporation shall be deemed to have notice of and to have consented to the personal jurisdiction of the state and federal courts located within the State of Delaware. If any provision or provisions of this Article X shall be held to be invalid, illegal or unenforceable for any reason whatsoever, the validity, legality and enforceability of the remaining provisions of this Article X shall not in any way be affected or impaired thereby.

ARTICLE XI  
AMENDMENTS

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 the laws of the State of Delaware, and all rights herein are granted subject to this reservation.





**FORM OF  
AMENDED AND RESTATED  
BYLAWS  
OF  
VESTIS CORPORATION**

These Amended and Restated Bylaws (these “Bylaws”) of Vestis Corporation, a Delaware corporation (the “Corporation”), are effective as of [            ], 2023 (the “Effective Date”) and hereby amend and restate the previous bylaws of the Corporation, which are deleted in their entirety and replaced with the following:

**ARTICLE I  
OFFICES AND RECORDS**

Section 1. Offices. The address of the registered office of the Corporation in the State of Delaware shall be as stated from time to time in the Certificate of Incorporation of the Corporation (as amended, the “Certificate of Incorporation”). The Corporation may have such other offices, either inside or outside of the State of Delaware, as the Board of Directors (the “Board”) may designate or as the business of the Corporation may from time to time require.

Section 2. Books and Records. The books and records of the Corporation may be kept inside or outside the State of Delaware at such place or places as may from time to time be designated by the Board of Directors.

**ARTICLE II  
STOCKHOLDERS**

Section 1. Meetings.

(a) Annual Meeting. The annual meeting of the stockholders of the Corporation shall be held at such date and time and in such manner as may be fixed by resolution of the Board of Directors.

(b) Special Meeting. Special meetings of the stockholders of the Corporation may be called only in the manner set forth in the Certificate of Incorporation.

(c) Place of Meeting / Record Date. The Board of Directors or the Chairman of the Board of Directors, as the case may be, may designate the place of meeting for any annual or special meeting of the stockholders or may designate that the meeting be held by means of remote communication. If no designation is so made, the place of meeting shall be the principal office of the Corporation. The record date for, and the date and time of, any special meeting shall be fixed by the Board of Directors.

(d) Notice of Meeting. Written or printed notice, stating the place, if any, date and hour of the meeting, the means of remote communications, if any, by which stockholders and proxy holders may be deemed to be present in person and vote at such meeting, and in the

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case of a special meeting, the purpose or purposes for which the meeting is called, shall be delivered by the Corporation not less than ten (10) days nor more than sixty (60) days before the date of the meeting, either personally, by electronic transmission in the manner provided in Section 232 of the General Corporation Law of the State of Delaware (as amended, the “DGCL”) (except to the extent prohibited by Section 232(e) of the DGCL) or by mail, to each stockholder of record entitled to vote at such meeting. If mailed, such notice shall be deemed to be delivered when deposited in the United States mail with postage thereon prepaid, addressed to the stockholder at such stockholder’s address as it appears on the records of the Corporation. If notice is given by electronic transmission, such notice shall be deemed to be delivered at the times provided in the DGCL. Such further notice shall be given as may be required by applicable law. Meetings may be held without notice if all stockholders entitled to vote are present, or if notice is waived by those not present in accordance with Article VIII, Section 2 of these Bylaws. Any previously scheduled meeting of the stockholders may be postponed, and unless the Certificate of Incorporation otherwise provides, any special meeting of the stockholders may be cancelled, by resolution of the Board of Directors upon public notice given prior to the date previously scheduled for such meeting of stockholders.

(e) Quorum and Adjournment. Except as otherwise provided by law or by the Certificate of Incorporation, the holders of a majority of the outstanding shares of the Corporation entitled to vote generally in the election of directors (the “Voting Stock”), represented in person or by proxy, shall constitute a quorum at a meeting of stockholders, except that when specified business is to be voted on by a class or series of stock voting as a class, the holders of a majority of the shares of such class or series shall constitute a quorum of such class or series for the transaction of such business. The Chairman of the Board of Directors or the Chief Executive Officer may adjourn the meeting from time to time, whether or not there is a quorum. No notice of the time and place, if any, of adjourned meetings need be given except as required by applicable law. The stockholders present at a duly called meeting at which a quorum is present may continue to transact business until adjournment, notwithstanding the withdrawal of enough stockholders to leave less than a quorum.

(f) Organization. Meetings of stockholders shall be presided over by such person as the Board of Directors may designate as chairman of the meeting, or in the absence of such a person, the Chairman of the Board of the Directors, or if none or in the Chairman of the Board of Directors’ absence or inability to act, the Chief Executive Officer, or if none or in the Chief Executive Officer’s absence or inability to act, the President, or if none or in the President’s absence or inability to act, a Vice President, or, if none of the foregoing is present or able to act, by a chairman to be chosen by the holders of a majority of the shares entitled to vote who are present in person or by proxy at the meeting. The Secretary, or in the Secretary’s absence, an Assistant Secretary, shall act as secretary of every meeting, but if neither the Secretary nor an Assistant Secretary is present, the presiding officer of the meeting shall appoint any person present to act as secretary of the meeting. The Board of Directors 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 the meeting to stockholders of record of the Corporation, 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 and matters which are to be voted on by ballot.

(g) Proxies. At all meetings of stockholders, a stockholder may vote by proxy executed in writing (or in such manner prescribed by the DGCL) by the stockholder, or by such stockholder's duly authorized attorney in fact. Any stockholder directly or indirectly soliciting proxies from other stockholders must use a proxy card color other than white, which shall be reserved for exclusive use by the Board of Directors.

## Section 2. Order of Business.

(a) Annual Meetings of Stockholders. At any annual meeting of the stockholders, only such nominations of individuals for election to the Board of Directors shall be made, and only such other business shall be conducted or considered, as shall have been properly brought before the meeting. For nominations to be properly made at an annual meeting, and proposals of other business to be properly brought before an annual meeting, nominations and proposals of other business must be: (i) specified in the Corporation's notice of meeting (or any supplement thereto) given by or at the direction of the Board of Directors, (ii) otherwise properly made at the annual meeting, by or at the direction of the Board of Directors, or (iii) otherwise properly requested to be brought before the annual meeting by a stockholder of the Corporation in accordance with these Bylaws. For nominations of individuals for election to the Board of Directors or proposals of other business to be properly requested by a stockholder to be made at an annual meeting, a stockholder must (A) be a stockholder of record at the time of giving of notice of such annual meeting by or at the direction of the Board of Directors and at the time of the annual meeting, (B) be entitled to vote at such annual meeting, and (C) comply with the procedures set forth in these Bylaws as to such business or nomination. Subject to Article II, Section 8 of these Bylaws, the immediately preceding sentence shall be the exclusive means for a stockholder to make nominations or other business proposals (other than matters properly brought under Rule 14a-8 under the Securities Exchange Act of 1934, as amended (the "Exchange Act") and included in the Corporation's notice of meeting) before an annual meeting of stockholders.

(b) Special Meetings of Stockholders. At any special meeting of the stockholders, only such business shall be conducted or considered as shall have been properly brought before the meeting pursuant to the Corporation's notice of meeting. To be properly brought before a special meeting, proposals of business must be (i) specified in the Corporation's notice of meeting (or any supplement thereto) given by or at the direction of the Board of Directors or (ii) otherwise properly brought before the special meeting, by or at the direction of the Board of Directors; provided, however, that nothing herein shall prohibit the Board of

Directors from submitting additional matters to stockholders at any such special meeting. If the Board of Directors has determined that directors shall be elected at a special meeting of stockholders and the Corporation's notice of meeting specifies that such business shall be conducted at the special meeting, then nominations of individuals for election to the Board of Directors may be made at such special meeting by any stockholder of the Corporation who (A) is a stockholder of record at the time of giving of notice of such special meeting and at the time of the special meeting, (B) is entitled to vote at the meeting, and (C) complies with the procedures set forth in these Bylaws as to such nomination. This Article II, Section 2(b) shall be the exclusive means for a stockholder to make nominations or other business proposals (other than matters properly brought under Rule 14a-8 under the Exchange Act and included in the Corporation's notice of meeting) before a special meeting of stockholders.

(c) General. Except as otherwise provided by law, the Certificate of Incorporation or these Bylaws, the chairman of any annual or special meeting shall have the power to determine whether a nomination or any other business proposed to be brought before the meeting was made or proposed, as the case may be, in accordance with these Bylaws and, if any proposed nomination or other business is not in compliance with these Bylaws, to declare that no action shall be taken on such nomination or other proposal and such nomination or other proposal shall be disregarded.

### Section 3. Advance Notice of Nominations and Business.

(a) Annual Meeting of Stockholders. Without qualification or limitation, subject to Article II, Section 3(c)(v) of these Bylaws, for any nominations or any other business to be properly brought before an annual meeting by a stockholder pursuant to Article II, Section 2(a) of these Bylaws, the stockholder must have given timely notice thereof (including, in the case of any nomination of individuals for election to the Board of Directors, the completed and signed questionnaire, representation and agreement required by Article II, Section 4 of these Bylaws), and timely updates and supplements thereof, in each case in proper form, in writing to the Secretary, and such other business must otherwise be a proper matter for stockholder action.

To be timely, a stockholder's notice shall be delivered to the Secretary at the principal executive offices of the Corporation not earlier than the close of business on the one hundred and twentieth (120<sup>th</sup>) day and not later than the close of business on the ninetieth (90<sup>th</sup>) day prior to the first (1st) anniversary of the preceding year's annual meeting; provided, however, that in the event that the date of the annual meeting is more than thirty (30) days before or more than sixty (60) days after such anniversary date, notice by the stockholder must be so delivered not earlier than the close of business on the one hundred and twentieth (120<sup>th</sup>) day prior to the date of such annual meeting and not later than the close of business on the later of the ninetieth (90<sup>th</sup>) day prior to the date of such annual meeting or, if the first (1st) public announcement of the date of such annual meeting is less than one hundred (100) days prior to the date of such annual meeting, the tenth (10<sup>th</sup>) day following the day on which public announcement of the date of such meeting is first made by the Corporation. In no event shall any adjournment or postponement of an annual meeting, or the public announcement thereof, commence a new time period for the giving of a stockholder's

notice as described above. For the avoidance of doubt, a stockholder shall not be entitled to make additional or substitute nominations following the expiration of the time periods set forth in these Bylaws.

Notwithstanding anything in the immediately preceding paragraph to the contrary, in the event that the number of directors to be elected to the Board of Directors is increased by the Board of Directors, and there is no public announcement by the Corporation naming all of the nominees for director or specifying the size of the increased Board of Directors at least ten (10) days prior to the deadline for nominations that would otherwise be applicable under this Article II, Section 3(a), a stockholder's notice required by this Article II, Section 3(a) shall also be considered timely, but only with respect to nominees for any new positions created by such increase, if it shall be delivered to the Secretary at the principal executive offices of the Corporation not later than the close of business on the tenth (10<sup>th</sup>) day following the day on which such public announcement is first made by the Corporation. The number of nominees a stockholder may nominate for election shall not exceed the number of directors to be elected at the annual meeting.

In addition, to be considered timely, a stockholder's notice shall further be updated and supplemented, if necessary, so that the information provided or required to be provided in such notice shall be true and correct as of the record date for the meeting and as of the date that is ten (10) days prior to the meeting or any adjournment or postponement thereof, and such update and supplement shall be delivered to the Secretary at the principal executive offices of the Corporation not later than five (5) days after the record date for the meeting in the case of the update and supplement required to be made as of the record date, and not later than eight (8) days prior to the date for the meeting or any adjournment or postponement thereof in the case of the update and supplement required to be made as of ten (10) days prior to the meeting or any adjournment or postponement thereof. The obligation to update and supplement as set forth in this paragraph or any other Section of these Bylaws shall not limit the Corporation's rights with respect to any deficiencies in any notice provided by a stockholder, extend any applicable deadlines hereunder or enable or be deemed to permit a stockholder who has previously submitted notice hereunder to amend or update any proposal or to submit any new proposal, including by changing or adding nominees, matters, business and or resolutions proposed to be brought before a meeting of the stockholders.

(b) Special Meetings of Stockholders. Only such business shall be conducted at a special meeting of stockholders as shall have been brought before the meeting pursuant to the Corporation's notice of meeting, subject to the provisions of this Article II, Section 3(b) of these Bylaws. Subject to Article II, Section 3(c)(v) of these Bylaws, if the Corporation calls a special meeting of stockholders for the purpose of electing one (1) or more directors to the Board of Directors, then, subject to the provisions of this Article II, Section 2(b) of these Bylaws, any stockholder may nominate an individual or individuals (as the case may be) for election to such position(s) as specified in the Corporation's notice of meeting; provided that the stockholder gives timely notice thereof (including the completed and signed questionnaire, representation and agreement required by Article II, Section 4 of these Bylaws), and timely updates and supplements thereof in each case in proper form, in writing, to the Secretary.

To be timely, a stockholder's notice shall be delivered to the Secretary at the principal executive offices of the Corporation not earlier than the close of business on the one hundred and twentieth (120<sup>th</sup>) day prior to the date of such special meeting and not later than the close of business on the later of the ninetieth (90<sup>th</sup>) day prior to the date of such special meeting or, if the first (1st) public announcement of the date of such special meeting is less than one hundred (100) days prior to the date of such special meeting, the tenth (10<sup>th</sup>) day following the day on which public announcement is first made of the date of the special meeting and of the nominees proposed by the Board of Directors to be elected at such meeting. In no event shall any adjournment or postponement of a special meeting of stockholders, or the public announcement thereof, commence a new time period for the giving of a stockholder's notice as described above. For the avoidance of doubt, a stockholder shall not be entitled to make additional or substitute nominations following the expiration of the time periods set forth in these Bylaws.

Notwithstanding anything in the immediately preceding paragraph to the contrary, in the event that the number of directors to be elected to the Board of Directors is increased by the Board of Directors, and there is no public announcement by the Corporation naming all of the nominees for director or specifying the size of the increased Board of Directors at least ten (10) days prior to the deadline for nominations that would otherwise be applicable under this Article II, Section 3(b), a stockholder's notice required by this Article II, Section 3(b) shall also be considered timely, but only with respect to nominees for any new positions created by such increase, if it shall be delivered to the Secretary at the principal executive offices of the Corporation not later than the close of business on the tenth (10<sup>th</sup>) day following the day on which such public announcement is first made by the Corporation.

In addition, to be considered timely, a stockholder's notice shall further be updated and supplemented, if necessary, so that the information provided or required to be provided in such notice shall be true and correct as of the record date for the meeting and as of the date that is ten (10) days prior to the meeting or any adjournment or postponement thereof, and such update and supplement shall be delivered to the Secretary at the principal executive offices of the Corporation not later than five (5) days after the record date for the meeting in the case of the update and supplement required to be made as of the record date, and not later than eight (8) days prior to the date for the meeting, any adjournment or postponement thereof in the case of the update and supplement required to be made as of ten (10) days prior to the meeting or any adjournment or postponement thereof.

(c) Disclosure Requirements.

(i) To be in proper form, a stockholder's notice pursuant to Article II, Section 2 or this Article II, Section 3 of these Bylaws must include the following, as applicable:

(A) As to the stockholder giving the notice and the beneficial owner, if any, on whose behalf the nomination or proposal, as applicable, is made, a stockholder's notice must set forth: (1) the name and address of such stockholder, as they appear on the Corporation's books, of such

beneficial owner, if any, and of their respective affiliates or associates or others acting in concert therewith, if any; (2) (a) the class or series and number of shares of the Corporation which are, directly or indirectly, owned beneficially and of record by such stockholder, such beneficial owner, if any, and their respective affiliates or associates or others acting in concert therewith, if any, together with proof of ownership similar to that required under Rule 14a-8 of the Exchange Act, (b) any option, warrant, convertible security, stock appreciation right, or similar right with an exercise or conversion privilege or a settlement payment or mechanism at a price related to any class or series of shares of the Corporation or with a value derived in whole or in part from the value of any class or series of shares of the Corporation, or any derivative or synthetic arrangement having the characteristics of a long position in any class or series of shares of the Corporation, or any contract, future, forward, derivative, swap or other transaction or series of transactions designed to produce economic benefits and risks that correspond substantially to the ownership of any class or series of shares of the Corporation, including due to the fact that the value of such contract, future, forward, derivative, swap or other transaction or series of transactions is determined by reference to the price, value or volatility of any class or series of shares of the Corporation, whether or not such instrument, contract or right shall be subject to settlement in the underlying class or series of shares of the Corporation, through the delivery of cash or other property, or otherwise, and without regard to whether the stockholder of record, the beneficial owner, if any, or any affiliates or associates or others acting in concert therewith, if any, may have entered into transactions that hedge or mitigate the economic effect of such instrument, contract or right, or any other direct or indirect opportunity to profit or share in any profit (including profits interests) derived from any increase or decrease in the value of shares of the Corporation (any of the foregoing, a “Derivative Instrument”) directly or indirectly owned beneficially by such stockholder, the beneficial owner, if any, or any affiliates or associates or others acting in concert therewith, if any, (c) any proxy, contract, agreement, arrangement, understanding, or relationship (whether written or oral) pursuant to which such stockholder, such beneficial owner, if any, or any of their respective affiliates or associates or others acting in concert therewith, if any, has any right to vote any class or series of shares of the Corporation, (d) any agreement, arrangement, understanding, relationship or otherwise, including any repurchase or similar so-called “stock borrowing” or “stock loaning” agreement or arrangement, involving such stockholder, such beneficial owner, if any, or any of their respective affiliates or associates or others acting in concert therewith, if any, directly or indirectly, the purpose or effect of which is to mitigate loss to, reduce the economic risk (of ownership or otherwise) of any class or series of the shares of the Corporation by, manage the risk or benefit of share price changes for, or

increase or decrease the voting power of, such stockholder, such beneficial owner, if any, or any of their respective affiliates or associates or others acting in concert therewith, if any, with respect to any class or series of the shares of the Corporation, or which provides, directly or indirectly, the opportunity to profit or share in any profit derived from any decrease in the price or value of any class or series of the shares of the Corporation (any of the foregoing, a “Short Interest”), (e) any rights to dividends on the shares of the Corporation owned beneficially by such stockholder, such beneficial owner, if any, or any of their respective affiliates or associates or others acting in concert therewith, if any, that are separated or separable from the underlying shares of the Corporation, (f) any proportionate interest in shares of the Corporation or Derivative Instruments held, directly or indirectly, by a general or limited partnership in which such stockholder, such beneficial owner, if any, or any of their respective affiliates or associates or others acting in concert therewith, if any, is a general partner or, directly or indirectly, beneficially owns an interest in a general partner of such general or limited partnership, (g) any performance-related fees (other than an asset-based fee) to which such stockholder, such beneficial owner, if any, or any of their respective affiliates or associates or others acting in concert therewith, if any, is entitled based on any increase or decrease in the value of shares of the Corporation or Derivative Instruments, if any, including without limitation any such interests held by members of the immediate family sharing the same household of such stockholder, such beneficial owner, if any, and their respective affiliates or associates or others acting in concert therewith, if any, (h) any significant equity interests or any Derivative Instruments or Short Interests in any principal competitor of the Corporation held by such stockholder, such beneficial owner, if any, or any of their respective affiliates or associates or others acting in concert therewith, if any, and (i) any direct or indirect interest of such stockholder, such beneficial owner, if any, and their respective affiliates or associates or others acting in concert therewith, if any, in any contract with the Corporation, any affiliate of the Corporation or any principal competitor of the Corporation (including, in any such case, any employment agreement, collective bargaining agreement or consulting agreement); (3) if any such stockholder, such beneficial owner or any of their respective affiliates or associates, or others acting in concert therewith, intends to engage in a solicitation with respect to a nomination or other business pursuant to this Section 3 or Section 8, a statement disclosing the name of each participant in such solicitation (as defined in Item 4 of Schedule 14A under the Exchange Act) and if involving a nomination a representation that such stockholder, such beneficial owner or any of their respective affiliates or associates, or others acting in concert, therewith intends to deliver a proxy statement and form of proxy to holders of at least sixty-seven percent (67%) of the Voting Stock; (4) a certification that each such



stockholder, such beneficial owner or any of their respective affiliates or associates, or others acting in concert therewith, has complied with all applicable federal, state and other legal requirements in connection with its acquisition of shares or other securities of the Corporation and such person's acts or omissions as a stockholder of the Corporation; (5) the names and addresses of other shareholders (including beneficial owners) known by any such stockholder, such beneficial owner or any of their respective affiliates or associates, or others acting in concert therewith, to financially or otherwise materially support (it being understood, for example, that statement of an intent to vote for, or delivery of a revocable proxy to such proponent, does not require disclosure under this section, but solicitation of other stockholders by such supporting stockholder would require disclosure under this section) such nomination(s) or proposal(s), and to the extent known the class and number of all shares of the Corporation's capital stock owned beneficially or of record by, and any other information contemplated by clause (3) of this Article II, Section 3(c)(i)(A), with respect to, such other stockholder(s) or other beneficial owner(s); (6) all information that would be required to be set forth in a Schedule 13D filed pursuant to Rule 13d-1(a) or an amendment pursuant to Rule 13d-2(a) if such a statement were required to be filed under the Exchange Act and the rules and regulations promulgated thereunder by such stockholder, such beneficial owner, if any, and their respective affiliates or associates or others acting in concert therewith, if any; and (7) any other information relating to such stockholder, such beneficial owner, if any, or any of their respective affiliates or associates or others acting in concert therewith, if any, that would be required to be disclosed in a proxy statement and form of proxy or other filings required to be made in connection with solicitations of proxies for, as applicable, the proposal and/or for the election of directors in a contested election pursuant to Section 14 of the Exchange Act and the rules and regulations promulgated thereunder;

(B) If the notice relates to any business other than a nomination of a director or directors that the stockholder proposes to bring before the meeting, a stockholder's notice must, in addition to the matters set forth in paragraph (A) above, also set forth: (1) a brief description of the business desired to be brought before the meeting, the reasons for conducting such business at the meeting and any material interest of such stockholder, such beneficial owner, if any, and each of their respective affiliates or associates or others acting in concert therewith, if any, in such business, (2) the text of the proposal or business (including the text of any resolutions proposed for consideration and, in the event that such proposal or business includes a proposal to amend the Bylaws of the Corporation, the text of the proposed amendment), and (3) a description of all agreements, arrangements and understandings (whether written or oral)

between such stockholder, such beneficial owner, if any, and any of their respective affiliates or associates or others acting in concert therewith, if any, and any other person or persons (including their names) in connection with the proposal of such business by such stockholder;

(C) As to each individual, if any, whom the stockholder proposes to nominate for election or reelection to the Board of Directors, a stockholder's notice must, in addition to the matters set forth in paragraph (A) above, also set forth: (1) the name, age, business and residence addresses of such person, (2) the principal occupation or employment of such person, (3) all information relating to such individual that would be required to be disclosed in a proxy statement or other filings required to be made in connection with solicitations of proxies for election of directors in a contested election pursuant to Section 14 of the Exchange Act and the rules and regulations promulgated thereunder (including such individual's written consent to being named in any proxy statement relating to the Corporation's next annual meeting or special meeting, as applicable, and to serving as a director if elected), and (4) a reasonably detailed description of all direct and indirect compensation and other monetary agreements, arrangements and understandings (whether written or oral), including the amount of any payment or payments received or receivable thereunder, and any other material relationships, between or among such stockholder and beneficial owner, if any, and their respective affiliates and associates, or others acting in concert therewith, if any, on the one hand, and each proposed nominee, and his or her respective affiliates and associates, or others acting in concert therewith, if any, on the other hand, including, without limitation, all information that would be required to be disclosed pursuant to Rule 404 or any successor provision promulgated under Regulation S-K if the stockholder making the nomination and any beneficial owner on whose behalf the nomination is made, if any, or any affiliate or associate thereof or person acting in concert therewith, if any, were the "registrant" for purposes of such rule and the nominee were a director or executive officer of such registrant; and

(D) With respect to each individual, if any, whom the stockholder proposes to nominate for election or reelection to the Board of Directors, a stockholder's notice must, in addition to the matters set forth in paragraphs (A) and (C) above, also include a completed and signed questionnaire, representation and agreement required by Article II, Section 4 of these Bylaws. The Corporation may require any proposed nominee to furnish such other information as may reasonably be required by the Corporation to determine the eligibility of such proposed nominee to serve as an independent director of the Corporation or that could be material to a reasonable stockholder's understanding of the independence, or lack thereof, of such nominee. Notwithstanding anything to the contrary, only

persons who are nominated in accordance with the procedures set forth in these Bylaws, including without limitation, Article II, Section 2, 3 or 4, shall be eligible for election as directors. In addition, if the stockholder giving the notice has delivered to the Corporation a notice relating to the nomination of directors, the stockholder giving the notice shall deliver to the Corporation no later than five (5) business days prior to the date of the meeting or, if practicable, any adjournment, recess, rescheduling or postponement thereof (or, if not practicable, on the first practicable date prior to the date to which the meeting has been adjourned, recessed, rescheduled, or postponed) reasonable evidence that it has complied with the requirements of Rule 14a-19 of the Exchange Act.

(ii) A stockholder seeking to submit business at a meeting must promptly provide any other information reasonably requested by the Corporation. Unless otherwise required by applicable law, if the stockholder (or a qualified representative of the stockholder) submitting business does not appear at a meeting of stockholders to present such business, the nomination shall be disregarded and the proposed business shall not be transacted, as the case may be, notwithstanding that proxies in favor thereof may have been received by the Corporation.

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

(iv) Notwithstanding the provisions of these Bylaws, a stockholder shall also comply with all applicable requirements of the Exchange Act and the rules and regulations thereunder with respect to the matters set forth in this Bylaw; provided, however, that any references in these Bylaws to the Exchange Act or the rules promulgated thereunder are not intended to and shall not limit the separate and additional requirements set forth in these Bylaws with respect to nominations or proposals as to any other business to be considered. Notwithstanding anything to the contrary contained in this Article II, Section 3, the Board of Directors may waive any of the provisions of this Article II, Section 3.

(v) Notwithstanding the foregoing provisions of this Article II, Section 3(c), if the stockholder giving the notice (or a qualified representative thereof) does not appear at the annual or special meeting of stockholders of the Corporation to present a nomination or proposed business, such nomination shall be disregarded and such proposed business shall not be transacted, notwithstanding that proxies in respect of such vote may have been received by the Corporation.

(vi) Except as otherwise provided by law, the Board of Directors or the chair of the meeting shall have the power to determine whether a nomination or any business proposed to be brought before the meeting was made or proposed, as the case

may be, in accordance with the procedures set forth in this Article II, Section 3(c), including whether the stockholder or beneficial owner, if any, on whose behalf the nomination or business proposal is made solicited (or is part of a group which solicited) or did not so solicit, as the case may be, proxies in support of such stockholder's nominee or business proposal in compliance with such stockholder's representation as required by Article II, Section 4 of these Bylaws if any proposed nomination or business was not made or proposed in compliance with this Article II, Section 3(c), or if any of the information provided to the Corporation pursuant to this Article II, Section 3(c), was inaccurate, to declare that such nomination shall be disregarded or that such proposed business shall not be transacted.

(vii) Nothing in these Bylaws shall be deemed to affect any rights

(A) of stockholders to request inclusion of proposals in the Corporation's proxy statement pursuant to Rule 14a-8 under the Exchange Act or (B) of the holders of any series of stock having a preference over the Common Stock of the Corporation as to dividends, voting or upon liquidation ("Preferred Stock") if and to the extent provided for under law, the Certificate of Incorporation or these Bylaws. Subject to Rule 14a-8 under the Exchange Act and Article II, Section 8, nothing in these Bylaws shall be construed to permit any stockholder, or give any stockholder the right, to include or have disseminated or described in the Corporation's proxy statement any nomination of a director or directors or any other business proposal.

Section 4. Submission of Questionnaire, Representation and Agreement. To be eligible to be a nominee for election or reelection as a director of the Corporation, a person nominated by a stockholder for election or reelection to the Board of Directors must deliver (in accordance with the time periods prescribed for delivery of notice under Article II, Section 3 of these Bylaws) to the Secretary at the principal executive offices of the Corporation a written questionnaire with respect to the background and qualification of such individual and the background of any other person or entity on whose behalf, directly or indirectly, the nomination is being made (which questionnaire shall be provided by the Secretary upon written request), and a written representation and agreement (in the form provided by the Secretary upon written request) that such individual (a) is not and will not become a party to (i) any agreement, arrangement or understanding (whether written or oral) with, and has not given any commitment or assurance to, any person or entity as to how such person, if elected as a director of the Corporation, will act or vote on any issue or question (a "Voting Commitment") that has not been disclosed to the Corporation, or (ii) any Voting Commitment that could limit or interfere with such individual's ability to comply, if elected as a director of the Corporation, with such individual's fiduciary duties under applicable law, (b) is not and will not become a party to any agreement, arrangement or understanding (whether written or oral) with any person or entity other than the Corporation with respect to any direct or indirect compensation, reimbursement or indemnification in connection with service or action as a director that has not been disclosed therein, (c) will comply with the Corporation's corporate governance guidelines and other policies applicable to its directors, and has disclosed therein whether all or any portion of securities of the Corporation were purchased with any financial assistance provided by any other person and whether any other person has any interest in such securities, (d) in such individual's

personal capacity and on behalf of any person or entity on whose behalf, directly or indirectly, the nomination is being made, would be in compliance, if elected as a director of the Corporation, and will comply, with all applicable corporate governance, conflict of interest, confidentiality and stock ownership and trading policies and guidelines of the Corporation publicly disclosed from time to time, (e) consents to being named as a nominee in any proxy statement relating to the next annual meeting or special meeting, as applicable, pursuant to Rule 14a-4(d) under the Exchange Act and any associated proxy card and agrees to serve if elected as a director, and (f) will abide by the requirements of Article II, Section 5 of these Bylaws.

Section 5. Procedure for Election of Directors; Required Vote.

(a) Except as set forth below, election of directors at all meetings of the stockholders at which directors are to be elected shall be by ballot, and, subject to the rights of the holders of any series of Preferred Stock, a majority of the votes cast at any meeting for the election of directors at which a quorum is present shall elect directors. For purposes of this Bylaw, a majority of votes cast shall mean that the number of shares voted “for” a director’s election exceeds fifty percent (50%) of the number of votes cast with respect to that director’s election. Votes cast shall include votes against in each case and exclude abstentions and broker nonvotes with respect to that director’s election. Notwithstanding the foregoing, in the event of a “contested election” of directors, directors shall be elected by the vote of a plurality of the votes cast at any meeting for the election of directors at which a quorum is present. For purposes of this Bylaw, a “contested election” shall mean any election of directors in which the number of candidates for election as directors exceeds the number of directors to be elected, with the determination thereof being made by the Secretary as of the later of (i) the close of the applicable notice of nomination period set forth in Article II, Section 3 of these Bylaws or under applicable law and (ii) the last day on which a Nomination Notice may be delivered in accordance with the procedures set forth in Article II, Section 8, based on whether one (1) or more notice(s) of nomination or Nomination Notice(s) were timely filed in accordance with said Article II, Section 3 and/or Section 8, as applicable; provided, however, that the determination that an election is a “contested election” shall be determinative only as to the timeliness of a notice of nomination and not otherwise as to its validity. If, prior to the time the Corporation mails its initial proxy statement in connection with such election of directors, one (1) or more notices of nomination are withdrawn such that the number of candidates for election as director no longer exceeds the number of directors to be elected, the election shall not be considered a contested election, but in all other cases, once an election is determined to be a contested election, directors shall be elected by the vote of a plurality of the votes cast.

(b) If a nominee for director who is an incumbent director is not elected and no successor has been elected at such meeting, the director shall promptly tender his or her resignation to the Board of Directors in accordance with the agreement contemplated by Article II, Section 4 of these Bylaws. The Nominating, Governance and Corporate Responsibility Committee of the Corporation’s Board of Directors (the “Nominating, Governance and Corporate Responsibility Committee”) shall make a recommendation to the Board of Directors as to whether to accept or reject the tendered resignation, or whether other action should be taken. The Board of Directors shall act on the tendered resignation, taking into account the

Nominating, Governance and Corporate Responsibility Committee's recommendation, and publicly disclose (by a press release, a filing with the Securities and Exchange Commission or other broadly disseminated means of communication) its decision regarding the tendered resignation and the rationale behind the decision within ninety (90) days from the date of the certification of the election results. The Nominating, Governance and Corporate Responsibility Committee in making its recommendation, and the Board of Directors in making its decision, may each consider any factors or other information that it considers appropriate and relevant. The director who tenders his or her resignation shall not participate in the recommendation of the Nominating, Governance and Corporate Responsibility Committee or the decision of the Board of Directors with respect to his or her resignation. If such incumbent director's resignation is not accepted by the Board of Directors, such director shall continue to serve until the next annual meeting and until his or her successor is duly elected, or his or her earlier resignation or removal. If a director's resignation is accepted by the Board of Directors pursuant to this Bylaw, or if a nominee for director is not elected and the nominee is not an incumbent director, then the Board of Directors, in its sole discretion, may fill any resulting vacancy pursuant to the provisions of Article III, Section 9 of these Bylaws or may decrease the size of the Board of Directors pursuant to the provisions of Article III, Section 2 of these Bylaws.

(c) Except as otherwise provided by law, the Certificate of Incorporation, or these Bylaws, in all matters other than the election of directors, the affirmative vote of a majority of the shares present in person or represented by proxy at the meeting and entitled to vote on the matter shall be the act of the stockholders.

(d) Any individual who is nominated for election to the Board of Directors and included in the Corporation's proxy materials for an annual meeting, including pursuant to Article II, Section 8 shall tender an irrevocable resignation effective immediately, upon a determination by the Board of Directors or any committee thereof that (i) the information provided to the Corporation by such individual, or if applicable, by the Eligible Stockholder (as defined in Article II, Section 8) (or any stockholder, fund that is a Qualifying Fund (as defined in Article II, Section 8) and/or beneficial owner whose stock ownership is counted for the purposes of qualifying as an Eligible Stockholder) who nominated such individual, was untrue in any material respect or omitted to state a material fact necessary in order to make the statements made, in light of the circumstances under which they were made, not misleading or (ii) such individual, or if applicable, the Eligible Stockholder (including each stockholder, fund that is a Qualifying Fund and/or beneficial owner whose stock ownership is counted for the purposes of qualifying as an Eligible Stockholder) who nominated such individual, shall have breached any representations or obligations owed to the Corporation under these Bylaws.

Section 6. Inspectors of Elections; Opening and Closing the Polls. The Board of Directors by resolution shall appoint one (1) or more inspectors, which inspector or inspectors may, but does not need to, include individuals who serve the Corporation in other capacities, including, without limitation, as officers, employees, agents or representatives, to act at the meetings of stockholders and make a written report thereof. One (1) or more persons may be designated as alternate inspectors to replace any inspector who fails to act. If no inspector or alternate has been appointed to act or is able to act at a meeting of stockholders, the chairman of

the meeting shall appoint one (1) or more inspectors to act at the meeting. Each inspector, before discharging his or her duties, shall take and sign an oath faithfully to execute the duties of inspector with strict impartiality and according to the best of his or her ability. The inspectors shall have the duties prescribed by law.

The chairman of the meeting shall fix and announce at the meeting the date and time of the opening and the closing of the polls for the matters upon which the stockholders will vote at a meeting.

Section 7. No Stockholder Action by Written Consent. Subject to the rights of the holders of any series of Preferred Stock with respect to such series of Preferred Stock, any action required or permitted to be taken by the stockholders of the Corporation must be effected at a duly called annual or special meeting of stockholders of the Corporation and may not be effected by any consent in writing by such stockholders.

Section 8. Inclusion of Stockholder Nominees in Proxy Statement.

(a) Subject to the terms and conditions set forth in these Bylaws, the Corporation shall include in its proxy materials for an annual meeting of stockholders the name, together with the Required Information (as defined below), of any person nominated for election (the “Stockholder Nominee”) to the Board of Directors by a stockholder or group of stockholders that satisfy the requirements of this Article II, Section 8, including qualifying as an Eligible Stockholder (as defined in paragraph (e) below) and that expressly elects at the time of providing the written notice required by this Article II, Section 8 (a “Proxy Access Notice”) to have its nominee included in the Corporation’s proxy materials pursuant to this Article II, Section 8.

(b) For purposes of this Article II, Section 8, the “Required Information” that the Corporation will include in its proxy statement is: (i) the information concerning the Stockholder Nominee and the Eligible Stockholder that the Corporation determines is required to be disclosed in the Corporation’s proxy statement by the regulations promulgated under the Exchange Act; and (ii) if the Eligible Stockholder so elects, a Statement (as defined in paragraph (g) below). The Corporation shall also include the name of the Stockholder Nominee in its proxy card. For the avoidance of doubt, and any other provision of these Bylaws notwithstanding, the Corporation may in its sole discretion solicit against, and include in the proxy statement (and other proxy materials) its own statements or other information relating to, any Eligible Stockholder and/or Stockholder Nominee, including any information provided to the Corporation with respect to the foregoing.

(c) To be timely, a stockholder’s Proxy Access Notice must be delivered to the principal executive offices of the Corporation within the time periods applicable to stockholder notices of nominations pursuant to Article II, Section 3 of these Bylaws. In no event shall any adjournment, recess, rescheduling or postponement of an annual meeting, the date of which has been announced by the Corporation, commence a new time period for the giving of a Proxy Access Notice.

(d) The number of Stockholder Nominees (including Stockholder Nominees that were submitted by an Eligible Stockholder for inclusion in the Corporation's proxy materials pursuant to this Article II, Section 8 but either are subsequently withdrawn or that the Board of Directors decides to nominate as Board of Directors' nominees) appearing in the Corporation's proxy materials with respect to an annual meeting of stockholders shall not exceed the greater of (x) two (2) and (y) the largest whole number that does not exceed twenty percent (20%) of the number of directors in office as of the last day on which a Proxy Access Notice may be delivered in accordance with the procedures set forth in this Article II, Section 8 (such greater number, the "Permitted Number"); provided, however, that the Permitted Number shall be reduced by:

(i) the number of such director candidates for which the Corporation shall have received one or more valid stockholder notices nominating director candidates pursuant to Article II, Section 2 and Article II, Section 3 (but not this Article II, Section 8) of these Bylaws;

(ii) the number of directors in office or director candidates that in either case will be included in the Corporation's proxy materials with respect to such annual meeting as an unopposed (by the Corporation) nominee pursuant to an agreement, arrangement or other understanding with a stockholder or group of stockholders (other than any such agreement, arrangement or understanding entered into in connection with an acquisition of Voting Stock, by such stockholder or group of stockholders, from the Corporation), other than any such director referred to in this clause who at the time of such annual meeting will have served as a director continuously, as a nominee of the Board of Directors, for at least one (1) annual term, but only to the extent the Permitted Number after such reduction with respect to this clause equals or exceeds one (1); and

(iii) the number of directors in office that will be included in the Corporation's proxy materials with respect to such annual meeting or whose term of office will continue beyond the date of such annual meeting, regardless of the outcome of such meeting for whom access to the Corporation's proxy materials was previously provided pursuant to this Article II, Section 8, other than any such director referred to in this clause who at the time of such annual meeting will have served as a director continuously, as a nominee of the Board of Directors, for at least one (1) annual term;

provided, further, that in the event the Board of Directors resolves to reduce the size of the Board of Directors effective on or prior to the date of the annual meeting, the Permitted Number shall be calculated based on the number of directors in office as so reduced. An Eligible Stockholder submitting more than one Stockholder Nominee for inclusion in the Corporation's proxy statement pursuant to this Article II, Section 8 shall rank such Stockholder Nominees based on the order that the Eligible Stockholder desires such Stockholder Nominees to be selected for inclusion in the Corporation's proxy statement and include such specified rank in its Proxy Access Notice. If the number of Stockholder Nominees pursuant to this Article II, Section 8 for an annual meeting of stockholders exceeds the Permitted Number, then the highest ranking qualifying Stockholder Nominee from each Eligible Stockholder will be selected by the Corporation for inclusion in the proxy statement until the Permitted Number is reached, going in



order of the amount (largest to smallest) of the ownership position as disclosed in each Eligible Stockholder's Proxy Access Notice. If the Permitted Number is not reached after the highest ranking Stockholder Nominee from each Eligible Stockholder has been selected, this selection process will continue as many times as necessary, following the same order each time, until the Permitted Number is reached.

(e) An "Eligible Stockholder" is one or more stockholders of record who own and have owned, or are acting on behalf of one or more beneficial owners who own and have owned (in each case as defined above), in each case continuously for at least three (3) years as of both the date that the Proxy Access Notice is received by the Corporation pursuant to this or whose term of office will continue beyond the date of such annual meeting, regardless of the outcome of such meeting, and as of the record date for determining stockholders eligible to vote at the annual meeting, at least three percent (3%) of the aggregate voting power of the Voting Stock (the "Proxy Access Request Required Shares"), and who continue to own the Proxy Access Request Required Shares at all times between the date such Proxy Access Notice is received by the Corporation and the date of the applicable annual meeting; provided that the aggregate number of stockholders, and, if and to the extent that a stockholder is acting on behalf of one or more beneficial owners, of such beneficial owners, whose stock ownership is counted for the purpose of satisfying the foregoing ownership requirement shall not exceed twenty (20). Two (2) or more collective investment funds that are part of the same family of funds by virtue of being under common management and investment control, under common management and sponsored primarily by the same employer or a "group of investment companies" (as such term is defined in Section 12(d)(1)(G)(ii) of the Investment Company Act of 1940, as amended) (a "Qualifying Fund") shall be treated as one stockholder for the purpose of determining the aggregate number of stockholders in this paragraph (e); provided that each fund included within a Qualifying Fund otherwise meets the requirements set forth in this Article II, Section 8. No shares may be attributed to more than one group constituting an Eligible Stockholder under this Article II, Section 8 (and, for the avoidance of doubt, no stockholder may be a member of more than one group constituting an Eligible Stockholder). A record holder acting on behalf of one or more beneficial owners will not be counted separately as a stockholder with respect to the shares owned by beneficial owners on whose behalf such record holder has been directed in writing to act, but each such beneficial owner will be counted separately, subject to the other provisions of this paragraph (e), for purposes of determining the number of stockholders whose holdings may be considered as part of an Eligible Stockholder's holdings. For the avoidance of doubt, Proxy Access Request Required Shares will qualify as such if and only if the beneficial owner of such shares as of the date of the Proxy Access Notice has itself individually beneficially owned such shares continuously for the three-year (3-year) period ending on that date and through the other applicable dates referred to above (in addition to the other applicable requirements being met).

(f) No later than the final date when a Proxy Access Notice pursuant to this Article II, Section 8 may be timely delivered to the Secretary, an Eligible Stockholder must provide the following information in writing to the Secretary:

(i) with respect to each Constituent Holder, the name and address of, and number of shares of Voting Stock owned by, such person;

(ii) one or more written statements from the record holder of the shares (and from each intermediary through which the shares are or have been held during the requisite three-year (3-year) holding period) verifying that, as of a date within seven (7) days prior to the date the Proxy Access Notice is delivered to the Corporation, such person owns, and has owned continuously for the preceding three (3) years, the Proxy Access Request Required Shares, and such person's agreement to provide:

(A) within ten (10) days after the record date for the annual meeting, written statements from the record holder and intermediaries verifying such person's continuous ownership of the Proxy Access Request Required Shares through the record date, together with any additional information reasonably requested to verify such person's ownership of the Proxy Access Request Required Shares; and

(B) immediate notice if the Eligible Stockholder ceases to own any of the Proxy Access Request Required Shares prior to the date of the applicable annual meeting of stockholders;

(iii) the information, representations and agreements contemplated by Article II, Section 3(c) of these Bylaws (with references to a "stockholder" therein to include such Eligible Stockholder (including each Constituent Holder));

(iv) a representation that such person:

(A) acquired the Proxy Access Request Required Shares in the ordinary course of business and neither the Eligible Stockholder nor the Stockholder Nominee nor their respective affiliates and associates acquired or is holding any securities of the Corporation with the intent to change or influence control of the Corporation;

(B) has not nominated and will not nominate for election to the Board of Directors at the annual meeting any person other than the Stockholder Nominee(s) being nominated pursuant to this Article II, Section 8;

(C) has not engaged and will not engage in, and has not been and will not be a "participant" in another person's, "solicitation" within the meaning of Rule 14a-1(l) under the Exchange Act in support of the

election of any individual as a director at the annual meeting other than its Stockholder Nominee(s) or a nominee of the Board of Directors;

(D) will not distribute to any stockholder any form of proxy for the annual meeting other than the form distributed by the Corporation; and

(E) will provide facts, statements and other information in all communications with the Corporation and its stockholders that are and will be true and correct in all material respects and do not and will not omit to state a material fact necessary in order to make the statements made, in light of the circumstances under which they were made, not misleading, and will otherwise comply with all applicable laws, rules and regulations in connection with any actions taken pursuant to this Article II, Section 8;

(v) in the case of a nomination by a group of stockholders that together is such an Eligible Stockholder, the designation by all group members of one group member that is authorized to act on behalf of all members of the nominating stockholder group with respect to the nomination and matters related thereto, including withdrawal of the nomination; and

(vi) an undertaking that such person agrees to:

(A) assume all liability stemming from, and indemnify and hold harmless the Corporation and each of its directors, officers, and employees individually against any liability, loss or damages in connection with any threatened or pending action, suit or proceeding, whether legal, administrative or investigative, against the Corporation or any of its directors, officers or employees arising out of any legal or regulatory violation arising out of the Eligible Stockholder's communications with the stockholders of the Corporation or out of the information that the Eligible Stockholder (including such person) provided to the Corporation;

(B) promptly provide to the Corporation such other information as the Corporation may reasonably request; and

(C) file with the Securities and Exchange Commission any solicitation by the Eligible Stockholder of stockholders of the Corporation relating to the annual meeting at which the Stockholder Nominee will be nominated.

In addition, no later than the final date when a nomination pursuant to this Article II, Section 8 may be delivered to the Corporation, a Qualifying Fund whose stock ownership is counted for purposes of qualifying as an Eligible Stockholder must provide to the Secretary documentation reasonably satisfactory to the Board of Directors that demonstrates that the funds included within the Qualifying Fund satisfy the definition thereof. In order to be considered

timely, any information required by this Article II, Section 8 to be provided to the Corporation must be supplemented (by delivery to the Secretary): (1) no later than ten (10) days following the record date for the applicable annual meeting, to disclose the foregoing information as of such record date; and (2) no later than eight (8) days before the annual meeting, to disclose the foregoing information as of the date that is no earlier than ten (10) days prior to such annual meeting. For the avoidance of doubt, the requirement to update and supplement such information shall not permit any Eligible Stockholder or other person to change or add any proposed Stockholder Nominee or be deemed to cure any defects or limit the remedies (including, without limitation, under these Bylaws) available to the Corporation relating to any defect.

(g) The Eligible Stockholder may provide to the Secretary, at the time the information required by this Article II, Section 8 is originally provided, a written statement for inclusion in the Corporation's proxy statement for the annual meeting, not to exceed five hundred (500) words, in support of the candidacy of such Eligible Stockholder's Stockholder Nominee (the "Statement").

(h) Notwithstanding anything to the contrary contained in this Article II, Section 8, the Corporation may omit from its proxy materials any information or Statement that it, in good faith, believes is untrue in any material respect (or omits a material fact necessary in order to make the statements made, in light of the circumstances under which they are made, not misleading), or would violate any applicable law, rule, regulation or listing standard.

(i) No later than the final date when a nomination pursuant to this Article II, Section 8 may be delivered to the Corporation, each Stockholder Nominee must provide the completed and signed questionnaire, representation and agreement required by Article II, Section 4 of these Bylaws and:

(i) provide an executed agreement, in a form deemed satisfactory by the Board of Directors or its designee (which form shall be provided by the Corporation reasonably promptly upon written request of a stockholder), that such Stockholder Nominee consents to being named in the Corporation's proxy statement and form of proxy card as a nominee and intends to serve as a director of the Corporation for the entire term if elected;

(ii) complete, sign and submit all questionnaires, representations and agreements required by Article II, Section 4 of these Bylaws or of the Corporation's directors generally; and

(iii) provide such additional information as necessary to permit the Board of Directors to determine: (A) if any of the matters referred to in paragraph (k) below apply; (B) if such Stockholder Nominee has any direct or indirect relationship with the Corporation other than those relationships that have been deemed categorically immaterial pursuant to the Corporation's corporate governance guidelines; or (C) is or has been subject to any event specified in Rule 506(d)(1) of Regulation D (or any successor rule) under the Securities Act of 1933, as amended (the "Securities Act") or

Item 401(f) of Regulation S-K (or any successor rule) under the Exchange Act, without reference to whether the event is material to an evaluation of the ability or integrity of such Stockholder Nominee.

In the event that any information or communications provided by the Eligible Stockholder (or any Constituent Holder) or the Stockholder Nominee to the Corporation or its stockholders ceases to be true and correct in all material respects or omits a material fact necessary to make the statements made, in light of the circumstances under which they were made, not misleading, each Eligible Stockholder or Stockholder Nominee, as the case may be, shall promptly notify the Secretary of any defect in such previously provided information and of the information that is required to correct any such defect; it being understood for the avoidance of doubt that providing any such notification shall not be deemed to cure any such defect or limit the remedies (including, without limitation, under these Bylaws) available to the Corporation relating to any such defect.

(j) Any Stockholder Nominee who is included in the Corporation's proxy materials for a particular annual meeting of stockholders but withdraws from or becomes ineligible or unavailable for election at that annual meeting (other than by reason of such Stockholder Nominee's disability or other health reason) will be ineligible to be a Stockholder Nominee pursuant to this [Article II, Section 8](#) for the next two (2) annual meetings. Any Stockholder Nominee who is included in the Corporation's proxy statement for a particular annual meeting of stockholders, but subsequently is determined not to satisfy the eligibility requirements of this [Article II, Section 8](#) or any other provision of these Bylaws, the Certificate of Incorporation or any applicable regulation any time before the annual meeting of stockholders, will not be eligible for election at the relevant annual meeting of stockholders.

(k) The Corporation shall not be required to include, pursuant to this [Article II, Section 8](#), a Stockholder Nominee in its proxy materials for any annual meeting of stockholders, or, if the proxy statement already has been filed, to allow the nomination of (or vote with respect to) a Stockholder Nominee (and may declare such nomination ineligible), notwithstanding that proxies in respect of such vote may have been received by the Corporation:

(i) who is not independent under the listing standards of the principal U.S. exchange upon which the common stock of the Corporation is listed, any applicable rules of the Securities and Exchange Commission and any publicly disclosed standards used by the Board of Directors in determining and disclosing independence of the Corporation's directors, who is not a "non-employee director" for the purposes of Rule 16b-3 under the Exchange Act (or any successor rule), in each case as determined by the Board of Directors;

(ii) whose service as a member of the Board of Directors would violate or cause the Corporation to be in violation of these Bylaws, the Certificate of Incorporation, the rules and listing standards of the principal U.S. exchange upon which the common stock of the Corporation is traded, or any applicable law, rule or regulation;

(iii) who is an officer or director of a competitor, as defined in Section 8 of the Clayton Antitrust Act of 1914, as amended, or who is a subject of a pending criminal proceeding, has been convicted in a criminal proceeding within the past ten (10) years or is subject to an order of the type specified in Rule 506(d) of Regulation D promulgated under the Securities Act;

(iv) if the Eligible Stockholder (or any Constituent Holder) or applicable Stockholder Nominee otherwise breaches or fails to comply in any material respect with its obligations pursuant to this Article II, Section 8 or any agreement, representation or undertaking required by this Article II, Section 8; or

(v) if the Eligible Stockholder ceases to be an Eligible Stockholder for any reason, including, but not limited to, not owning the Proxy Access Request Required Shares through the date of the applicable annual meeting.

Clauses (i), (ii), and (iii) and, to the extent related to a breach or failure by the Stockholder Nominee, clause (iv), will result in the exclusion from the proxy materials pursuant to this Article II, Section 8 of the specific Stockholder Nominee to whom the ineligibility applies, or, if the proxy statement already has been filed, the ineligibility of such Stockholder Nominee to be nominated; provided, however, that clause (v) and, to the extent related to a breach or failure by an Eligible Stockholder (or any Constituent Holder), clause (iv) will result in the Voting Stock owned by such Eligible Stockholder (or Constituent Holder) being excluded from the Proxy Access Request Required Shares (and, if as a result the Proxy Access Notice shall no longer have been filed by an Eligible Stockholder, the exclusion from the proxy materials pursuant to this Article II, Section 8 of all of the applicable stockholder's Stockholder Nominees from the applicable annual meeting of stockholders or, if the proxy statement has already been filed, the ineligibility of all of such stockholder's Stockholder Nominees to be nominated).

(l) Notwithstanding the foregoing provisions of this Article II, Section 8, if the Eligible Stockholder giving the Proxy Access Notice (or a qualified representative thereof) does not appear at the annual meeting of stockholders of the Corporation to present a nomination or proposed business, such nomination shall be disregarded and such proposed business shall not be transacted, notwithstanding that proxies in respect of such vote may have been received by the Corporation.

### ARTICLE III DIRECTORS

Section 1. Duties and Powers. The business and affairs of the Corporation shall be managed by or under the direction of the Board of Directors. In addition to the powers and authorities by these Bylaws expressly conferred upon them, the Board of Directors may exercise all powers of the Corporation and perform all lawful acts and things as are not by statute or by the Certificate of Incorporation or by these Bylaws required to be exercised or performed by the stockholders.

Section 2. Number and Tenure. Subject to the rights of the holders of any class or series of Preferred Stock, the number of directors which shall constitute the Board of Directors shall be fixed from time to time exclusively pursuant to a resolution adopted by a majority of the total number of directors which the Corporation would have if there were no vacancies (the "Whole Board"), subject to a maximum number of sixteen (16) directors. No decrease in the number of authorized directors constituting the Whole Board shall shorten the term of any incumbent director.

Except as otherwise provided in the Certificate of Incorporation, subject to the rights of the holders of any series of Preferred Stock provided for or fixed pursuant to the Certificate of Incorporation (the "Preferred Stock Directors"), the Board of Directors shall be divided, with respect to the time for which they severally hold office, into three (3) classes, designated Class I, Class II and Class III, as nearly equal in number as reasonably possible. The first (1st) term of office for the Class I directors shall expire at the first (1st) annual meeting of stockholders held following the Effective Date (the "First Annual Meeting"). The first (1st) term of office for the Class II directors shall expire at the second (2nd) annual meeting of stockholders held following the Effective Date (the "Second Annual Meeting"). The first (1st) term of office for the Class III directors shall expire at the third (3rd) annual meeting of stockholders held following the Effective Date ("Third Annual Meeting"). At the First Annual Meeting, the Class I directors shall be elected for a term of office to expire at the Third Annual Meeting. At the Second Annual Meeting, the Class II directors shall be elected for a term of office to expire at the Third Annual Meeting. Commencing at the Third Annual Meeting and at all subsequent annual meetings of stockholders, the Board of Directors will no longer be classified under Section 141(d) of the DGCL, and all directors shall be elected for a term of office to expire at the next succeeding annual meeting of stockholders. Prior to the Third Annual Meeting, in case of any increase or decrease, from time to time, in the number of directors (other than the Preferred Stock Directors), the number of directors in each class shall be apportioned as nearly equal in number as reasonably possible.

Section 3. Election of Directors. The directors shall be elected at the annual meetings of stockholders as specified in the Certificate of Incorporation except as otherwise provided in the Certificate of Incorporation and in these Bylaws, and each director of the Corporation shall hold office until such director's successor is elected and qualified or until such director's earlier death, resignation or removal.

Section 4. Regular Meetings. A regular meeting of the Board of Directors shall be held without other notice than this Bylaw immediately after, and at the same place as, the annual meeting of stockholders, or such other date, time and place as the Board of Directors may determine. The Board of Directors may, by resolution, provide the date, time and place, if any, for the holding of additional regular meetings without other notice than such resolution.

Section 5. Special Meetings. Special meetings of the Board of Directors shall be called at the request of the Chairman of the Board of Directors, the Chief Executive Officer or a majority of the Board of Directors then in office. The person or persons authorized to call

special meetings of the Board of Directors may fix the place, if any, date and time of the meetings.

Section 6. Telephone Meetings. Any or all directors may participate in a meeting of the Board of Directors or a committee thereof by means of conference telephone or videoconference or any means of communication by which all persons participating in the meeting are able to hear each other, and such participation in a meeting shall constitute presence in person at such meeting.

Section 7. Notice of Meetings. Notice of any special meeting of directors shall be given to each director at such person's business or residence in writing by hand delivery, first-class or overnight mail or courier service, email or facsimile transmission, or orally by telephone. If mailed by first-class mail, such notice shall be deemed adequately delivered when deposited in the U.S. mails so addressed, with postage thereon prepaid, at least five (5) days before such meeting. If by overnight mail or courier service, such notice shall be deemed adequately delivered when the notice is delivered to the overnight mail or courier service company at least twenty-four (24) hours before such meeting. If by email, facsimile transmission, telephone or by hand, such notice shall be deemed adequately delivered when the notice is transmitted at least twelve (12) hours before such meeting. Neither the business to be transacted at, nor the purpose of, any regular or special meeting of the Board of Directors need be specified in the notice of such meeting. A meeting may be held at any time without notice if all the directors are present or if those not present waive notice of the meeting in accordance with Article VIII, Section 2 of these Bylaws.

Section 8. Quorum. Subject to Article III, Section 9 of these Bylaws, a whole number of directors equal to at least a majority of the Whole Board shall constitute a quorum for the transaction of business, but if at any meeting of the Board of Directors there shall be less than a quorum present, a majority of the directors present may adjourn the meeting from time to time without further notice. The act of the majority of the directors present at a meeting at which a quorum is present shall be the act of the Board of Directors. The directors present at a duly organized meeting may continue to transact business until adjournment, notwithstanding the withdrawal of enough directors to leave less than a quorum.

Section 9. Vacancies. Subject to applicable law and the rights of the holders of any series of Preferred Stock with respect to such series of Preferred Stock, and unless the Board of Directors otherwise determines, vacancies resulting from death, resignation, retirement, disqualification, removal from office or other cause, and newly created directorships resulting from any increase in the authorized number of directors, may be filled only by the affirmative vote of a majority of the remaining directors, though less than a quorum of the Board of Directors, or by a sole remaining director, and directors so chosen shall hold office until the next election of the class, if any, for which such director shall have been chosen and until his or her successor shall have been duly elected and qualified or until any such director's earlier death, resignation, removal, retirement or disqualification. Notwithstanding the foregoing, from and after the Third Annual Meeting, any director so chosen shall hold office until the next election of directors and until his or her successor shall have been duly elected and qualified or until any



such director's earlier death, resignation, removal, retirement or disqualification. No decrease in the number of authorized directors constituting the Whole Board shall shorten the term of any incumbent director.

Section 10. Chairman of the Board of Directors. The Chairman of the Board of Directors shall be chosen from among the directors and may be the Chief Executive Officer. The Chairman shall preside over all meetings of the Board of Directors. In the absence of the Chairman of the Board of Directors, a Vice Chairman of the Board of Directors, the Chief Executive Officer, the President, or another director, in the order designated by the Chairman of the Board of Directors, shall preside at meetings of the Board of Directors.

Section 11. Committees. The Board of Directors may designate any such committee as the Board of Directors considers appropriate, which shall consist of one (1) or more directors of the Corporation. The Board of Directors may designate one (1) or more directors as alternate members of any committee, who may replace any absent or disqualified member at any meeting of the committee. Any such committee may to the extent permitted by law exercise such powers and shall have such responsibilities as shall be specified in the designating resolution. Each committee shall keep written minutes of its proceedings and shall report such proceedings to the Board of Directors as appropriate.

A majority of any committee may determine its action and fix the time and place of its meetings, unless the Board of Directors shall otherwise provide. Notice of such meetings shall be given to each member of the committee in the manner provided for in Article III, Section 7 of these Bylaws. The Board of Directors shall have power at any time to fill vacancies in, to change the membership of, or to dissolve, any such committee. Nothing herein shall be deemed to prevent the Board of Directors from appointing one (1) or more committees consisting in whole or in part of persons who are not directors of the Corporation; provided, however, that no such committee shall have or may exercise any authority of the Board of Directors.

Section 12. Removal. Subject to the rights of the holders of any series of Preferred Stock, any director(s) of the Corporation may be removed from office at any time by the affirmative vote of the holders of at least a majority of the Voting Stock (a) until the Third Annual Meeting or such other time as the Board of Directors is no longer classified under Section 141(d) of the DGCL, only for cause by the affirmative vote of the holders of a majority of the Voting Stock and (b) from and including the Third Annual Meeting or such other time as the Board of Directors is no longer classified under Section 141(d) of the DGCL, with or without cause, by the affirmative vote of the holders of a majority of the Voting Stock.

Section 13. Action Without a Meeting. The Board of Directors or a committee thereof may take any action required or permitted to be taken at any meeting of the Board of Directors or committee, as the case may be, without a meeting if, prior or subsequent to such action, all members of the Board of Directors or committee, as the case may be, consent thereto in writing, or by electronic transmission and the writing or writings or electronic 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 14. Compensation of Directors. The Board of Directors may, by the affirmative vote of a majority of the directors then in office, fix fees or compensation of the directors for services to the Corporation, including attendance at meetings of the Board of Directors or committees thereof. Nothing herein contained shall be construed to preclude any director from serving the Corporation in any other capacity and receiving compensation therefor.

#### ARTICLE IV OFFICERS

Section 1. Elected Officers. The elected officers of the Corporation shall be a Chief Executive Officer, a President, a Treasurer, a Secretary and such other officers or assistant officers as the Board of Directors from time to time may deem proper. Any number of offices may be held by the same person. All officers and assistant officers elected by the Board of Directors shall each have such powers and duties as generally pertain to their respective offices, subject to the specific provisions of this Article IV. Such officers and assistant officers shall also have such powers and duties as from time to time may be conferred by the Board of Directors or by any committee thereof. The Board of Directors or any committee thereof may from time to time elect such other officers and assistant officers (including one (1) or more Assistant Vice Presidents, Assistant Secretaries, and Assistant Treasurers) and such agents, as may be necessary or desirable for the conduct of the business of the Corporation. Assistant officers and agents also may be appointed by the Chief Executive Officer. Such other officers, assistant officers and agents shall have such duties and shall hold their offices for such terms as shall be provided in these Bylaws or as may be prescribed by the Board of Directors or such committee or by the Chief Executive Officer, as the case may be.

Section 2. Election and Term of Office. The elected officers of the Corporation shall be elected by the Board of Directors. Each officer shall hold office until such officer's successor shall have been duly elected and shall have qualified or until such officer's earlier death, resignation or removal.

Section 3. Chief Executive Officer. The Chief Executive Officer shall be responsible for the general management and supervision over and responsibility for the business and affairs of the Corporation and shall perform all duties incident to the office which may be required by applicable law and all such other duties as are properly required of the Chief Executive Officer by the Board of Directors. The Chief Executive Officer of the Corporation may also serve as President, if so elected by the Board of Directors.

Section 4. President. If the Board of Directors elects a President who is not the Chief Executive Officer, the President shall act in a general executive capacity and shall assist the Chief Executive Officer in the administration and operation of the Corporation's business and general supervision of its policies and affairs.

Section 5. Vice Presidents. Each Vice President, including any Vice President designated as Executive, Senior, or otherwise, shall have such powers and shall perform such duties as shall be assigned to such Vice President by the Board of Directors, the Chief Executive Officer or the President.

Section 6. Treasurer. The Treasurer shall exercise general supervision over the receipt, custody and disbursement of corporate funds. The Treasurer shall, in general, perform all the duties incident to the office of Treasurer and shall have such further powers and duties as shall be prescribed from time to time by the Board of Directors, the Chief Executive Officer or the President.

Section 7. Secretary. The Secretary shall keep or cause to be kept, in one (1) or more books provided for that purpose, the minutes of all meetings of the Board of Directors, the committees of the Board of Directors and the stockholders. The Secretary shall see that all notices are duly given in accordance with the provisions of these Bylaws and as required by applicable law. The Secretary shall see that the books, reports, statements, certificates and other documents and records required by applicable law to be kept and filed are properly kept and filed. The Secretary shall, in general, perform all the duties incident to the office of Secretary and such other duties as from time to time may be assigned to such Secretary by the Board of Directors, the Chief Executive Officer or the President.

Section 8. Compensation of Officers. The salaries of the officers shall be fixed from time to time by the Board of Directors. Nothing contained herein shall preclude any officer from serving the Corporation in any other capacity, including that of director, or from serving any of its stockholders, subsidiaries or affiliated corporations in any capacity and receiving proper compensation therefor.

Section 9. Compensation of Assistant Officers and Agents. Unless otherwise determined by the Board of Directors, the Chief Executive Officer shall have the authority to fix and determine, and change from time to time, the compensation of all assistant officers and agents of the Corporation elected or appointed by the Board of Directors or by the Chief Executive Officer, including, but not restricted to, monthly or other periodic compensation and incentive or other additional compensation.

Section 10. Removal. Any officer elected, or agent appointed, by the Board of Directors may be removed from office with or without cause by the affirmative vote of a majority of the Whole Board. Any assistant officer or agent appointed by the Chief Executive Officer may be removed from office by the Chief Executive Officer with or without cause. No elected officer or assistant officer shall have any contractual rights against the Corporation for compensation by virtue of such election beyond the date of the election of his or her successor, his or her death, or his or her resignation or removal from office, whichever event shall first occur, except as otherwise provided in an employment contract or under an employee deferred compensation plan.

Section 11. Vacancies. A newly created elected office and a vacancy in any elected office because of death, resignation, or removal may be filled by the Board of Directors. Any vacancy in an office appointed by the Chief Executive Officer or the President because of death, resignation, or removal may be filled by the Chief Executive Officer or the President.

ARTICLE V  
STOCK CERTIFICATES AND TRANSFERS

Section 1. Stock; Transfers. Unless otherwise determined by the Board of Directors, the interest of each stockholder of the Corporation will be uncertificated.

The shares of the stock of the Corporation shall be transferred on the books of the Corporation, in the case of certificated shares of stock, if any, by the holder thereof in person or by such person's attorney duly authorized in writing, upon surrender for cancellation of certificates for at least the same number of shares, with an assignment and power of transfer endorsed thereon or attached thereto, duly executed, with such proof of the authenticity of the signature as the Corporation or its agents may reasonably require; and, in the case of uncertificated shares of stock, upon receipt of proper transfer instructions from the registered holder of the shares or by such person's attorney duly authorized in writing, and upon compliance with appropriate procedures for transferring shares in uncertificated form. No transfer of stock shall be valid as against the Corporation for any purpose until it shall have been entered in the stock records of the Corporation by an entry showing from and to whom transferred.

The certificates of stock, if any, shall be signed, countersigned and registered in such manner as the Board of Directors may by resolution prescribe, which resolution may permit all or any of the signatures on such certificates to be in facsimile. In case any officer, transfer agent or registrar who has signed or whose facsimile signature has been placed upon a certificate has ceased to be such officer, transfer agent or registrar before such certificate is issued, it may be issued by the Corporation with the same effect as if such person were such officer, transfer agent or registrar at the date of issue.

Notwithstanding anything to the contrary in these Bylaws, at all times that the Corporation's stock is listed on a stock exchange, the shares of the stock of the Corporation shall comply with all direct registration system eligibility requirements established by such exchange, including any requirement that shares of the Corporation's stock be eligible for issue in book-entry form. All issuances and transfers of shares of the Corporation's stock shall be entered on the books of the Corporation with all information necessary to comply with such direct registration system eligibility requirements, including the name and address of the person to whom the shares of stock are issued, the number of shares of stock issued and the date of issue. The Board of Directors shall have the power and authority to make such rules and regulations as it may deem necessary or proper concerning the issue, transfer and registration of shares of stock of the Corporation in both the certificated (if any) and uncertificated form.

Section 2. Lost, Stolen or Destroyed Certificates. As applicable, no certificate for shares of stock in the Corporation shall be issued in place of any certificate alleged to have been lost, destroyed or stolen, except on production of such evidence of such loss, destruction or theft and on delivery to the Corporation of a bond of indemnity in such amount, upon such terms and secured by such surety, as the Board of Directors or any financial officer may in its or such person's discretion require.

Section 3. Record Owners. 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 to hold liable for calls and assessments a person registered on its books as the owner of shares, and shall not be bound to recognize any equitable or other claim to or interest in such share or shares on the part of any other person, whether or not it shall have express or other notice thereof, except as otherwise required by applicable law.

Section 4. Transfer and Registry Agents. The Corporation may from time to time maintain one (1) or more transfer offices or agencies and registry offices or agencies at such place or places as may be determined from time to time by the Board of Directors or by the Chief Executive Officer or the President.

ARTICLE VI  
CONTRACTS, PROXIES, ETC.

Section 1. Contracts. Except as otherwise required by applicable law, the Certificate of Incorporation or these Bylaws, any contracts or other instruments may be executed and delivered in the name and on behalf of the Corporation by such officer or officers of the Corporation as the Board of Directors may from time to time direct. Such authority may be general or confined to specific instances as the Board of Directors may determine. The Chairman of the Board of Directors, any Vice Chairman of the Board of Directors, the Chief Executive Officer, the President, any Vice President, the Secretary, the Treasurer and any other officer of the Corporation elected by the Board of Directors may sign, acknowledge, verify, make, execute and/or deliver on behalf of the Corporation any agreement, application, bond, certificate, consent, guarantee, mortgage, power of attorney, receipt, release, waiver, contract, deed, lease and any other instrument, or any assignment or endorsement thereof. Subject to any restrictions imposed by the Board of Directors or the Chairman of the Board of Directors, the Chief Executive Officer, the President, any Vice President, the Secretary, the Treasurer or any other officer of the Corporation elected by the Board of Directors may delegate contractual powers to others under his or her jurisdiction, it being understood, however, that any such delegation of power shall not relieve such officer of responsibility with respect to the exercise of such delegated power.

Section 2. Proxies. Unless otherwise provided by resolution adopted by the Board of Directors, the Chairman of the Board of Directors, the Chief Executive Officer, the President or any officer of the Corporation elected by the Board of Directors may from time to time appoint an attorney or attorneys or agent or agents of the Corporation, in the name and on behalf of the Corporation, to cast the votes which the Corporation may be entitled to cast as the holder of stock or other securities in any other entity, any of whose stock or other securities may be held by the Corporation, at meetings of the holders of the stock or other securities of such other entity, or to consent in writing, in the name of the Corporation as such holder, to any action by such other entity, and may instruct the person or persons so appointed as to the manner of casting such votes or giving such consent, and may execute or cause to be executed in the name and on behalf of the Corporation and under its corporate seal or otherwise, all such written proxies or other instruments as he or she may deem necessary or proper in the premises.

ARTICLE VII  
DIVIDENDS

Dividends may be declared and paid at such times and in such amounts as the Board of Directors may in its absolute discretion determine and designate, subject to the restrictions and limitations imposed by law and the Certificate of Incorporation.

ARTICLE VIII  
MISCELLANEOUS PROVISIONS

Section 1. Seal. The corporate seal, if the Corporation shall have a corporate seal, shall have inscribed thereon the words “Corporate Seal, Delaware,” the name of the Corporation and the year of its organization. The seal may be used by causing it or a facsimile thereof to be impressed or affixed or in any other manner reproduced.

Section 2. Waiver of Notice. Whenever any notice is required to be given to any stockholder or director of the Corporation under the provisions of the DGCL, the Certificate of Incorporation or these Bylaws, a waiver thereof in writing, signed by the person or persons entitled to such notice, or a waiver by electronic transmission by the person entitled to notice, whether before or after the time stated therein, shall be deemed equivalent to the giving of such notice. Neither the business to be transacted at, nor the purpose of, any annual or special meeting of the stockholders or the Board of Directors or committee thereof need be specified in any waiver of notice of such meeting. Attendance of a person at a meeting shall constitute a waiver of notice of such meeting, except when the person attends a meeting for the express purpose of objecting, at the beginning of the meeting, to the transaction of any business because the meeting is not lawfully called or convened.

Section 3. Resignations. Any director or any officer, whether elected or appointed, may resign at any time by giving written notice of such resignation to the Chairman of the Board of Directors, the Chief Executive Officer or the Secretary, and such resignation shall be deemed to be effective as of the close of business on the date said notice is received by the Chairman of the Board of Directors, the Chief Executive Officer or the Secretary, or at such later time as is specified therein. Except to the extent specified in such notice, no formal action shall be required of the Board of Directors or the stockholders to make any such resignation effective.

ARTICLE IX  
FISCAL YEAR

The fiscal year of the Corporation shall end on the Friday nearest the thirtieth (30th) day of September in each year; provided that the Board of Directors shall have the power, from time to time, to fix a different fiscal year of the Corporation by a duly adopted resolution.

ARTICLE X  
INDEMNIFICATION

Section 1. Indemnification. Each person who was or is a party to or is threatened to be made a party to any threatened, pending or completed action, suit or proceeding, whether civil, criminal, administrative or investigative (other than an action by or in the right of the Corporation) (hereinafter a “proceeding”), by reason of the fact that he or she, or a person of whom he or she is the legal representative is or was, at any time during which this Article X is in effect (whether or not such person continues to serve in such capacity at the time any indemnification or advancement of expenses pursuant hereto is sought or at the time any proceeding relating thereto exists or is brought), is or was a director or an officer of the Corporation, or is or was serving at the request of the Corporation as a director, officer, employee, or agent of another corporation, partnership, joint venture, trust or other enterprise (each such director or officer, hereinafter, an “indemnitee”), shall be (and shall be deemed to have a contractual right to be) indemnified and held harmless by the Corporation (and any successor of the Corporation by merger or otherwise) to the fullest extent authorized or permitted by the DGCL as the same exists or may hereafter be amended or modified from time to time (but, in the case of any such amendment or modification, only to the extent that such amendment or modification permits the Corporation to provide greater indemnification rights than the DGCL permitted the Corporation to provide prior to such amendment or modification) against all expenses (including attorneys’ fees), judgments, fines and amounts paid in settlement actually and reasonably incurred by such person in connection therewith if such person acted in good faith and in a manner such person reasonably believed to be in or not opposed to the best interests of the Corporation, and, with respect to any criminal proceeding had no reasonable cause to believe such person’s conduct was unlawful.

Section 2. Advancement of Expenses. To the fullest extent permitted by the DGCL as the same exists or may hereafter be amended or modified from time to time (but, in the case of any such amendment or modification, only to the extent that such amendment or modification permits the Corporation to provide greater rights to advancement of expenses than said law permitted the Corporation to provide prior to such amendment or modification), each indemnitee shall have (and shall be deemed to have a contractual right to have) the right, without the need for any action by the Board of Directors, to be paid by the Corporation (and any successor of the Corporation by merger or otherwise) the expenses incurred by such indemnitee in connection with a proceeding in advance of the final disposition of such proceeding; such advances to be paid by the Corporation within twenty (20) days after the receipt by the Corporation of a statement or statements from the claimant requesting such advance or advances from time to time; provided that, if the DGCL requires, the payment of such expenses incurred by a director or officer in his or her capacity as a director or officer (and not, except to the extent specifically required by applicable law, in any other capacity in which service was or is rendered by such person while a director or officer, including, without limitation, service to an employee benefit plan) shall be made only upon delivery to the Corporation of an undertaking by or on behalf of such director or officer, to repay all amounts so advanced if it shall ultimately be determined by final judicial decision from which there is no further right of appeal (a “final disposition”) that

such director or officer is not entitled to be indemnified for such expenses under this Bylaw or otherwise.

Section 3. Determination of Indemnification. Any indemnification under this Article X (unless ordered by a court) shall be made by the Corporation only as authorized in the specific case upon a determination that indemnification of the indemnitee is proper in the circumstances, because such person has met the applicable standard of conduct set forth in the DGCL. With respect to an indemnitee who is a director or officer of the Corporation at the time of such determination, such determination shall be made (i) by a majority vote of the directors who are not parties to such proceeding, even though less than a quorum, (ii) by a committee of such directors designated by majority vote of such directors, even though less than a quorum, (iii) if there are no such directors, or if such directors so direct, by independent legal counsel in a written opinion of such independent legal counsel, or (iv) by the stockholders.

Section 4. Non-Exclusivity of Rights. The rights conferred on any person in this Article X shall not be exclusive of any other right that such person may have or hereafter acquire under any statute, provision of the Certificate of Incorporation, Bylaws, agreement, vote or consent of stockholders or directors. Additionally, nothing in this Article X shall limit the ability of the Corporation, in its discretion, to indemnify or advance expenses to persons whom the Corporation is not obligated to indemnify or advance expenses pursuant to this Article X. The Board of Directors shall have the power to delegate to such officer or other person as the Board of Directors shall specify the determination of whether indemnification shall be given to any person pursuant to this paragraph.

Section 5. Indemnification Agreements. The Board of Directors is authorized to cause the Corporation to enter into indemnification contracts with any director, officer, employee or agent of the Corporation, or any person serving at the request of the Corporation as a director, officer, employee or agent of another corporation, partnership, joint venture, trust or other enterprise, including employee benefit plans, providing indemnification rights to such person. Such rights may be greater than those provided in this Article X.

Section 6. Continuation of Indemnification. The rights to indemnification and to advancement of expenses provided by, or granted pursuant to, this Article X shall continue, notwithstanding that the person has ceased to be an indemnitee and shall inure to the benefit of his or her estate, heirs, executors and administrators; provided, however, that the Corporation shall indemnify any such person seeking indemnity in connection with a proceeding (or part thereof) initiated by such person only if such proceeding (or part thereof) was authorized by the Board of Directors.

Section 7. Effect of Amendment or Repeal. The provisions of this Article X shall constitute a contract between the Corporation, on the one hand, and, on the other hand, each individual who serves or has served as an indemnitee (whether before or after the adoption of these Bylaws), in consideration of such person's performance of such services, and pursuant to this Article X, the Corporation intends to be legally bound to each such current or former indemnitee. With respect to current and former indemnitees, the rights conferred under this Article X are present contractual rights and such rights are fully vested, and shall be deemed to



have vested fully, immediately upon adoption of these Bylaws. With respect to any indemnitee who commence service following adoption of these Bylaws, the rights conferred under this Article X shall be present contractual rights, and such rights shall fully vest, and be deemed to have vested fully, immediately upon such indemnitee's service in the capacity which is subject to the benefits of this Article X. No elimination of or amendment to this Article X shall deprive any person of any rights hereunder arising out of alleged or actual acts or omissions occurring prior to such elimination or amendment.

Section 8. Notice. Any notice, request or other communication required or permitted to be given to the Corporation under this Article X shall be in writing and either delivered in person or sent by telecopy, overnight mail or courier service, or certified or registered mail, postage prepaid, return receipt requested, to the Secretary of the Corporation and shall be effective only upon receipt by the Secretary.

Section 9. Severability. If any provision or provisions of this Bylaw shall be held to be invalid, illegal or unenforceable for any reason whatsoever: (1) the validity, legality and enforceability of the remaining provisions of this Bylaw (including, without limitation, each portion of any paragraph of this Bylaw containing any such provision held to be invalid, illegal or unenforceable, that is not itself held to be invalid, illegal or unenforceable) shall not in any way be affected or impaired thereby; and (2) to the fullest extent possible, the provisions of this Bylaw (including, without limitation, each such portion of any paragraph of this Bylaw containing any such provision held to be invalid, illegal or unenforceable) shall be construed so as to give effect to the intent manifested by the provision held invalid, illegal or unenforceable.

## ARTICLE XI AMENDMENTS

Section 1. By the Stockholders. Subject to the provisions of the Certificate of Incorporation, these Bylaws may be amended, altered, changed or repealed, or new Bylaws adopted, at any special meeting of the stockholders of the Corporation if duly called for that purpose (provided that, in the notice of such special meeting, notice of such purpose shall be given), or at any annual meeting, by the affirmative vote of the holders of a majority of the Voting Stock.

Section 2. By the Board of Directors. Subject to the laws of the State of Delaware, the Certificate of Incorporation and these Bylaws, these Bylaws may also be amended, altered, changed or repealed, or new Bylaws adopted, by the Board of Directors.

**FORM OF TRANSITION SERVICES AGREEMENT**

**BY AND BETWEEN**

**ARAMARK**

**AND**

**VESTIS CORPORATION**

**DATED AS OF [        ], 2023**

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## TABLE OF CONTENTS

	<u>Page</u>
ARTICLE I DEFINITIONS	2
Section 1.1.    Definitions	2
ARTICLE II SERVICES	8
Section 2.1.    Services	8
Section 2.2.    Performance of Services	9
Section 2.3.    Charges for Services	10
Section 2.4.    Reimbursement for Out-of-Pocket Costs and Expenses	10
Section 2.5.    Changes in the Performance of Services	11
Section 2.6.    Transitional Nature of Services	11
Section 2.7.    Subcontracting	12
Section 2.8.    Contract Manager	12
Section 2.9.    Use of Services	12
ARTICLE III BILLING; TAXES	13
Section 3.1.    Procedure	13
Section 3.2.    Late Payments	13
Section 3.3.    Taxes	13
Section 3.4.    No Set-Off	14
ARTICLE IV TERM AND TERMINATION	14
Section 4.1.    Term	14
Section 4.2.    Early Termination	14
Section 4.3.    Extension of Services	15
Section 4.4.    Interdependencies	16
Section 4.5.    Effect of Termination	16
Section 4.6.    Information Transmission	17
ARTICLE V CONFIDENTIALITY; PROTECTIVE ARRANGEMENTS	17
Section 5.1.    Parent and SpinCo Obligations	17
Section 5.2.    No Release; Return or Destruction	18
Section 5.3.    Privacy and Data Protection Laws	18

Section 5.4.	Protective Arrangements	21
ARTICLE VI LIMITED LIABILITY AND INDEMNIFICATION		22
Section 6.1.	Limitations on Liability	22
Section 6.2.	Obligation to Re-Perform; Liabilities	23
Section 6.3.	Third-Party Claims	23
Section 6.4.	Indemnification Procedures	23
ARTICLE VII MISCELLANEOUS		23
Section 7.1.	Mutual Cooperation	23
Section 7.2.	Further Assurances	24
Section 7.3.	Audit Assistance	24
Section 7.4.	Intellectual Property	24
Section 7.5.	Independent Contractors	25
Section 7.6.	Counterparts; Entire Agreement; Corporate Power	25
Section 7.7.	Governing Law	26
Section 7.8.	Assignability	26
Section 7.9.	Third-Party Beneficiaries	26
Section 7.10.	Notices	26
Section 7.11.	Severability	27
Section 7.12.	Force Majeure	27
Section 7.13.	Headings	28
Section 7.14.	Survival of Covenants	28
Section 7.15.	Waivers of Default	28
Section 7.16.	Dispute Resolution	28
Section 7.17.	Specific Performance	28
Section 7.18.	Amendments	29
Section 7.19.	Precedence of Schedules	29
Section 7.20.	Interpretation	29
Section 7.21.	Mutual Drafting	30

## TRANSITION SERVICES AGREEMENT

This TRANSITION SERVICES AGREEMENT, dated as of [ ], 2023 (this “Agreement”), by and between Aramark, a Delaware corporation (“Parent”), and Vestis Corporation, a Delaware corporation and a subsidiary of Parent (“SpinCo”).

### R E C I T A L S

WHEREAS, the Board of Directors of Parent (the “Parent Board”) has determined that it is in the best interests of Parent and its stockholders to create a new publicly traded company that shall operate the SpinCo Business;

WHEREAS, in furtherance of the foregoing, the Parent Board has determined that it is appropriate and desirable to separate the SpinCo Business from the Parent Business (the “Separation”) and, following the Separation, make a distribution, on a *pro rata* basis, to holders of Parent Shares on the Record Date of all of the SpinCo Shares held by Parent at such time, which shall constitute 100 percent (100%) of the outstanding SpinCo Shares (other than the SpinCo Shares, if any, contributed or to be contributed by Aramark Services, Inc., a Delaware corporation (“D-One”), Aramark Intermediate HoldCo Corporation, a Delaware corporation (“D-Two”) or Parent to a donor advised fund pursuant to the Plan of Reorganization) (the “Distribution”);

WHEREAS, SpinCo has been incorporated solely for these purposes and has not engaged in activities, except in connection with the Separation and the Distribution;

WHEREAS, in order to effectuate the Separation and the Distribution, Parent and SpinCo have entered into that certain Separation and Distribution Agreement, dated as of [ ], 2023 (together with the schedules, exhibits and appendices thereto, the “Separation and Distribution Agreement”);

WHEREAS, pursuant to the Plan of Reorganization and the terms of the Separation and Distribution Agreement, as part of the Separation and prior to the Distribution, among other things, (a) Parent completed the Canadian Separation, (b) D-One contributed certain SpinCo Assets to SpinCo in exchange for the assumption of certain SpinCo Liabilities and the constructive issuance of SpinCo Shares (such contribution, the “Contribution”), (c) SpinCo borrowed funds from third-party lenders and lent all or a portion of such funds to Aramark Uniform & Career Apparel Group, Inc., a Delaware corporation (“AUCA”) and such funds the “AUCA Proceeds”), (d) AUCA used the AUCA Proceeds to repay a note payable to D-One, (e) D-One distributed to D-Two, all of the SpinCo Shares held by D-One at such time, which constituted all of the issued and outstanding SpinCo Shares (other than the SpinCo Shares, if any, contributed or to be contributed by D-One to a donor advised fund pursuant to the Plan of Reorganization) (the “First Internal Distribution”), and (f) D-Two distributed to Parent all of the SpinCo Shares held by D-Two at such time, which constituted all of the issued and outstanding SpinCo Shares (other than the SpinCo Shares, if any, contributed or to be contributed by D-One or D-Two to a donor advised fund pursuant to the Plan of Reorganization) (the “Second Internal Distribution”);

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WHEREAS, for U.S. federal income tax purposes, (a) each of the Canadian Contribution and the Fourth Canadian Distribution, taken together, and the Contribution and the First Internal Distribution, taken together, are intended to qualify as a transaction that is generally tax-free for U.S. federal income tax purposes under Sections 355 and 368(a)(1)(D) of the Code, and (b) each of the First Canadian Distribution, the Second Canadian Distribution, the Third Canadian Distribution, the Second Internal Distribution and the Distribution is intended to qualify as a transaction that is generally tax-free for U.S. federal income tax purposes under Section 355(a) of the Code;

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

WHEREAS, in order to facilitate and provide for an orderly transition in connection with the Separation and the Distribution, the Parties desire to enter into this Agreement to set forth the terms and conditions pursuant to which each of the Parties shall provide Services to the other Party for a transitional period; and

WHEREAS, the Parties acknowledge that this Agreement, the Separation and Distribution Agreement, and the other Ancillary Agreements represent the integrated agreement of Parent and SpinCo relating to the Separation and the Distribution, are being entered into together, and would not have been entered into independently.

NOW, THEREFORE, in consideration of the mutual agreements, provisions and covenants contained in this Agreement, and for other good and valuable consideration, the receipt and sufficiency of which are hereby acknowledged, the Parties, intending to be legally bound, hereby agree as follows:

#### ARTICLE I DEFINITIONS

Section 1.1. Definitions. For purposes of this Agreement (including the Recitals hereof), the following terms shall have the following meanings, and capitalized terms used but not otherwise defined herein shall have the meaning ascribed to them in the Separation and Distribution Agreement:

“Action” shall mean any demand, action, claim, dispute, suit, countersuit, arbitration, inquiry, subpoena, proceeding or investigation of any nature (whether criminal, civil, legislative, administrative, regulatory, prosecutorial or otherwise) by or before any federal, state, local, foreign or international Governmental Authority or any arbitration or mediation tribunal.

“Additional Services” shall have the meaning set forth in Section 2.1(b).

“Affiliate” shall have the meaning set forth in the Separation and Distribution Agreement.

“Agreement” shall have the meaning set forth in the Preamble.

“Ancillary Agreements” shall have the meaning set forth in the Separation and Distribution Agreement.

“AUCA” shall have the meaning set forth in the Recitals.

“AUCA Proceeds” shall have the meaning set forth in the Recitals.

“CCPA” shall have the meaning set forth in Section 5.3(c).

“Charge” and “Charges” shall have the meaning set forth in Section 2.3.

“Confidential Information” shall have the meaning set forth in the Separation and Distribution Agreement.

“Contract Manager” shall have the meaning set forth in Section 2.8.

“Contribution” shall have the meaning set forth in the Recitals.

“D-One” shall have the meaning set forth in the Recitals.

“D-Two” shall have the meaning set forth in the Recitals.

“Dispute” shall have the meaning set forth in Section 7.16(a).

“Distribution” shall have the meaning set forth in the Recitals.

“Distribution Date” shall mean the date of the consummation of the Distribution, which shall be determined by the Parent Board in its sole and absolute discretion.

“e-mail” shall have the meaning set forth in Section 7.10.

“Effective Time” shall mean 12:01 A.M., Philadelphia, Pennsylvania time, on the Distribution Date.

“First Internal Distribution” shall have the meaning set forth in the Recitals.

“Force Majeure” shall mean, with respect to a Party, an event beyond the reasonable control of such Party (or any Person acting on its behalf), which event (a) does not arise or result from the fault or negligence of such Party (or any Person acting on its behalf) and (b) by its nature would not reasonably have been foreseen by such Party (or such Person), or, if it would reasonably have been foreseen, was unavoidable, and includes acts of God, acts of civil or military authority, acts of terrorism, cyberattacks, embargoes, epidemics, pandemics (including Pandemic Measures), war, riots, insurrections, fires, explosions, earthquakes, floods, unusually severe weather conditions, labor problems or unavailability of parts, or, in the case of computer systems, any significant and prolonged failure in electrical or air conditioning equipment. Notwithstanding the foregoing, the receipt by a Party of an unsolicited takeover offer or other

acquisition proposal, even if unforeseen or unavoidable, and such Party's response thereto shall not be deemed an event of Force Majeure.

“Governmental Authority” shall mean any nation or government, any state, province, municipality or other political subdivision thereof, and any entity, body, agency, commission, department, board, bureau, court, tribunal or other instrumentality, whether federal, state, provincial, local, domestic, foreign or multinational, exercising executive, legislative, judicial, regulatory, administrative or other similar functions of, or pertaining to, government and any executive official thereof.

“Information” shall mean information, whether or not patentable or copyrightable, in written, oral, electronic or other tangible or intangible forms, stored in any medium, including studies, reports, records, books, contracts, instruments, surveys, discoveries, ideas, concepts, know-how, techniques, designs, specifications, drawings, blueprints, diagrams, models, prototypes, samples, flow charts, data, computer data, disks, diskettes, tapes, computer programs or other software, marketing plans, customer names, communications by or to attorneys (including attorney-client privileged communications), memos and other materials prepared by attorneys or under their direction (including attorney work product), and other technical, financial, employee or business information or data; provided that “Information” shall not include Intellectual Property Rights.

“Information Security Incident” shall have the meaning set forth in Section 5.3(i)(i).

“Intellectual Property Rights” has the meaning set forth in the Separation and Distribution Agreement.

“Interest Payment” shall have the meaning set forth in Section 3.2.

“Law” shall mean any national, supranational, federal, state, provincial, local or similar law (including common law), statute, code, order, ordinance, rule, regulation, treaty (including any income tax treaty), license, permit, authorization, approval, consent, decree, injunction, binding judicial or administrative interpretation or other requirement, in each case, enacted, promulgated, issued or entered by a Governmental Authority.

“Level of Service” shall have the meaning set forth in Section 2.2(c).

“Liabilities” shall mean all debts, guarantees, assurances, commitments, liabilities, responsibilities, Losses, remediation, deficiencies, damages, fines, penalties, settlements, sanctions, costs, expenses, interest and obligations of any nature or kind, whether accrued or fixed, absolute or contingent, matured or unmatured, accrued or not accrued, asserted or unasserted, liquidated or unliquidated, foreseen or unforeseen, known or unknown, reserved or unreserved, or determined or determinable, including those arising under any Law, claim (including any Third-Party Claim), demand, Action, or order, writ, judgment, injunction, decree, stipulation, determination or award entered by or with any Governmental Authority or arbitration tribunal, and those arising under any contract, agreement, obligation, indenture, instrument,



lease, promise, arrangement, release, warranty, commitment or undertaking, or any fines, damages or equitable relief that is imposed, in each case, including all costs and expenses relating thereto.

“Losses” shall mean actual losses (including any diminution in value), costs, damages, penalties and expenses (including legal and accounting fees and expenses and costs of investigation and litigation), whether or not involving a Third-Party Claim.

“Minimum Service Period” shall mean the period commencing on the Distribution Date and ending ninety (90) days after the Distribution Date, unless otherwise specified with respect to a particular service on the Schedules hereto.

“Pandemic Measures” shall mean any quarantine, “shelter in place,” “stay at home,” workforce reduction, social distancing, shut down, closure, sequester, immunization requirements, safety or similar Law, directive, guidelines or recommendations promulgated by any Governmental Authority, including the Centers for Disease Control and Prevention and the World Health Organization, in each case, in connection with or in response to a pandemic.

“Parent” shall have the meaning set forth in the Preamble.

“Parent Board” shall have the meaning set forth in the Recitals.

“Parent Business” shall have the meaning set forth in the Separation and Distribution Agreement.

“Parent Shares” shall mean the shares of common stock, par value \$0.01 per share, of Parent.

“Party” or “Parties” shall mean the parties to this Agreement.

“Party Information” shall have the meaning set forth in Section 5.3(b).

“Person” shall mean an individual, a general or limited partnership, a corporation, a trust, a joint venture, an unincorporated organization, a limited liability entity, any other entity and any Governmental Authority.

“Personal Information” shall have the meaning set forth in Section 5.3(a).

“Privacy and Security Rules” shall have the meaning set forth in Section 5.3.

“Provider” shall mean, with respect to any Service, the Party providing (or causing to be provided) such Service.

“Provider Indemnitees” shall have the meaning set forth in Section 6.3.

“Quarterly Invoice” shall have the meaning set forth in Section 3.1(b).

“Recipient” shall mean, with respect to any Service, the Party receiving (or the Party the Subsidiary of which is receiving) such Service.

“Record Date” shall mean means the close of business on the date to be determined by the Parent Board as the record date for determining holders of Parent Shares entitled to receive SpinCo Shares pursuant to the Distribution.

“Representatives” shall mean, with respect to any Person, any of such Person’s directors, officers, employees, agents, consultants, advisors, accountants, attorneys or other representatives.

“Reversion Notice” shall have the meaning set forth in Section 4.2(a)(i).

“Sales and Service Taxes” shall have the meaning set forth in Section 3.3.

“Second Internal Distribution” shall have the meaning set forth in the Recitals.

“Separation” shall have the meaning set forth in the Recitals.

“Separation and Distribution Agreement” shall have the meaning set forth in the Recitals.

“Service Baseline Period” shall have the meaning set forth in Section 2.2(c).

“Service Extension” shall have the meaning set forth in Section 4.3.

“Service Period” shall mean, with respect to any Service, the period commencing on the Distribution Date and ending on the earliest of (a) the date that a Party terminates the provision of such Service pursuant to Section 4.2, (b) the date that is the two (2)-year anniversary of the Distribution Date and (c) the date specified for termination of such Service on the Schedules hereto.

“Service Suspension Period” shall have the meaning set forth in Section 4.3.

“Services” shall have the meaning set forth in Section 2.1(a).

“SpinCo” shall have the meaning set forth in the Preamble.

“SpinCo Business” shall have the meaning set forth in the Separation and Distribution Agreement.

“SpinCo Change of Control” shall mean the first of the following events, if any, to occur following the Distribution Date:

(i) the acquisition by any person, entity or “group” (as defined in Section 13(d) of the Exchange Act) of beneficial ownership of fifty percent (50%) or more of the combined voting power of SpinCo’s then-outstanding voting securities, other than any

such acquisition by SpinCo, any of its Subsidiaries, any employee benefit plan of SpinCo or any of its Subsidiaries, or any Affiliates of any of the foregoing;

(ii) the merger, consolidation or other similar transaction involving SpinCo, as a result of which persons who were stockholders of SpinCo immediately prior to such merger, consolidation, or other similar transaction do not, immediately thereafter, own, directly or indirectly, more than fifty percent (50%) of the combined voting power entitled to vote generally in the election of directors of the merged or consolidated company;

(iii) within any twenty-four (24)-month period, the persons who were directors of SpinCo at the beginning of such period shall cease to constitute at least a majority of the directors of SpinCo; or

(iv) the sale, transfer or other disposition of all or substantially all of the assets of SpinCo and its Subsidiaries.

“SpinCo Shares” shall mean the shares of common stock, par value \$0.01 per share, of SpinCo.

“Subsidiary” shall mean, with respect to any Person, any corporation, limited liability company, joint venture or partnership of which such Person (a) beneficially owns, either directly or indirectly, fifty percent (50%) or more of (i) the total combined voting power of all classes of voting securities, (ii) the total combined equity interests or (iii) the capital or profit interests, in the case of a partnership, or (b) otherwise has the power to vote, either directly or indirectly, sufficient securities to elect a majority of the board of directors or similar governing body.

“Tax” shall mean any and all forms of taxation, whenever created or imposed by a Taxing Authority, and, without limiting the generality of the foregoing, shall include net income, alternative or add-on minimum, estimated, gross income, sales, use, ad valorem, gross receipts, value-added, franchise, profits, license, transfer, recording, withholding, payroll, employment, excise, severance, stamp, occupation, premium, property, windfall profit, custom duty or other tax, governmental fee or other like assessment or charge of any kind whatsoever, together with any related interest, penalties or other additions to tax, or additional amounts imposed by any such Taxing Authority.

“Taxing Authority” shall mean a national, foreign, municipal, state, federal or other Governmental Authority responsible for the administration of any Tax.

“Term” shall have the meaning set forth in Section 4.1.

“Termination Charges” shall mean, with respect to the termination of any Service pursuant to Section 4.2(a)(i), any and all costs, fees and expenses unless otherwise specified with respect to a particular Service on the Schedules hereto, or in the other Ancillary Agreements,

payable by Provider or its Subsidiaries to a Third Party to the extent resulting from the early termination of such Service.

“Third Party” shall mean any Person other than the Parties or any of their respective Affiliates.

“Third-Party Claim” shall mean any Action commenced by any Third Party against any Party or any of its Affiliates.

ARTICLE II  
SERVICES

Section 2.1. Services.

(a) Commencing as of the Effective Time, Provider agrees to provide, or to cause one (1) or more of its Subsidiaries to provide, to Recipient, or any Subsidiary of Recipient, the applicable services (the “Services”) set forth on the Schedules hereto.

(b) If, after the date of this Agreement, Recipient identifies a service that Provider provided to Recipient within twelve (12) months prior to the Distribution Date that Recipient reasonably needs in order for the SpinCo Business or the Parent Business, as applicable, to continue to operate in substantially the same manner in which the SpinCo Business or the Parent Business, as applicable, operated prior to the Distribution Date, and such service was not included on the Schedules hereto (other than because the Parties agreed such service shall not be provided) and Recipient provides written notice to Provider within sixty (60) days after the Distribution Date requesting such additional services, then Provider shall use its commercially reasonable efforts to provide such requested additional services (such requested additional services, the “Additional Services”); provided, however, that Provider shall not be obligated to provide any Additional Service (A) if Provider does not, in its commercially reasonable judgment, have adequate resources to provide such Additional Service, (B) or if the provision of such Additional Service would significantly disrupt the operation of Provider’s or its Subsidiaries’ businesses, (C) if the Parties, acting reasonably and in good faith, are unable to reach agreement on the terms thereof (including with respect to Charges therefor), (D) if Recipient is reasonably in a position to provide such Additional Services to itself or obtain such Additional Services from a Third Party on the same time frame as such services would be available from Provider or (E) if the Parties, despite the use of commercially reasonable efforts, are unable to obtain a required Third-Party consent, license or approval for such Additional Service or the performance of such Additional Service by Provider would constitute a violation of any applicable Law. In connection with any request for Additional Services in accordance with this Section 2.1(b), the Parties shall negotiate in good faith the terms of a supplement to the applicable Schedule, which terms shall be consistent with the terms of, and the pricing methodology used for, similar Services provided under this Agreement. Upon the mutual written agreement of the Parties, the supplement to the applicable Schedule shall describe in reasonable detail the nature, scope, Service Period(s), termination provisions and other terms applicable to such Additional Services in a manner similar to that in which the Services are described in the existing Schedules. Each supplement to the applicable Schedule, as agreed to in writing by the

Parties, shall be deemed part of this Agreement as of the date of such agreement and the Additional Services set forth therein shall be deemed “Services” provided under this Agreement, in each case subject to the terms and conditions of this Agreement.

Section 2.2. Performance of Services.

(a) Subject to Section 2.5, Provider shall perform, or shall cause one or more of its Subsidiaries to perform (directly, through one (1) or more of its Subsidiaries, or through a Third-Party service provider in accordance herewith), all Services to be provided in a manner that is based on its past practice and that is substantially similar in nature, quality and timeliness to analogous services provided by or on behalf of Provider prior to the Effective Time.

(b) Nothing in this Agreement shall require Provider to perform or cause to be performed any Service to the extent that the manner of such performance would constitute a violation of any applicable Law or any existing contract or agreement with a Third Party. If Provider is or becomes aware of the potential for any such violation, Provider shall promptly advise Recipient of such potential violation, and the Parties will mutually seek an alternative that addresses such potential violation. The Parties agree to cooperate in good faith and use commercially reasonable efforts to obtain any necessary Third-Party consents, licenses or approvals required under any existing contract or agreement with a Third Party to allow Provider to perform, or cause to be performed, all Services to be provided hereunder in accordance with the standards set forth in this Section 2.2. Recipient shall reimburse Provider for all reasonable and documented out-of-pocket costs and expenses (if any) incurred by Provider or any of its Subsidiaries in connection with obtaining any such Third-Party consent that is required to allow Provider to perform or cause to be performed such Services. If, with respect to a Service (a) the Parties, despite the use of such commercially reasonable efforts, are unable to obtain a required Third-Party consent, license or approval or the performance of such Service by Provider would constitute a violation of any applicable Law or (b) Provider is unable to provide the Services due to the non-performance by a Third Party pursuant to an existing contract or agreement with such Third Party (or any extension thereof), Provider shall have no obligation whatsoever to perform or cause to be performed such Service.

(c) Unless otherwise provided with respect to a specific Service on the Schedules hereto, Provider shall not be obligated to perform or cause to be performed any Service in a manner that is materially more burdensome (with respect to service quality or quantity) than analogous services provided by Provider or its applicable functional group or Subsidiary (collectively referred to as the “Level of Service”) during the one (1)-year period ending on the last day of Provider’s last fiscal quarter completed on or prior to the date of the Distribution (the “Service Baseline Period”).

(d) EXCEPT AS EXPRESSLY SET FORTH HEREIN, RECIPIENT ACKNOWLEDGES AND AGREES THAT ALL SERVICES ARE PROVIDED ON AN “AS-IS” BASIS, THAT RECIPIENT ASSUMES ALL RISK AND LIABILITY ARISING FROM OR RELATING TO ITS USE OF AND RELIANCE UPON THE SERVICES, AND THAT PROVIDER MAKES NO OTHER REPRESENTATIONS, STATEMENTS OR COVENANTS, OR GRANTS ANY WARRANTIES, EXPRESS OR IMPLIED, EITHER IN FACT OR BY

OPERATION OF LAW, BY STATUTE OR OTHERWISE, WITH RESPECT TO THE SERVICES. PROVIDER SPECIFICALLY DISCLAIMS ANY OTHER WARRANTIES, WHETHER WRITTEN OR ORAL, OR EXPRESS OR IMPLIED, INCLUDING ANY WARRANTY OF QUALITY, MERCHANTABILITY, OR FITNESS FOR A PARTICULAR USE OR PURPOSE OR THE NON-INFRINGEMENT OF ANY INTELLECTUAL PROPERTY RIGHTS OF THIRD PARTIES.

(e) Each Party shall be responsible for its own compliance with any and all Laws applicable to its performance under this Agreement. No Party shall knowingly take any action in violation of any such applicable Law that results in Liability being imposed on the other Party.

Section 2.3. Charges for Services. Unless otherwise provided with respect to a specific Service on the Schedules hereto, Recipient shall or cause one of its Subsidiaries to pay Provider (or its applicable Subsidiary, as directed by Provider) a fee (either one (1)-time or recurring) for such Services (or category of Services, as applicable) (each fee, constituting a “Charge” and, collectively, “Charges”), which Charges shall be set forth on the applicable Schedules hereto, or if not so set forth, then, unless otherwise provided with respect to a specific Service on the Schedule hereto, based upon the cost of providing such Services as shall be agreed by the Parties from time to time. During the term of this Agreement, the amount of a Charge for any Service may be modified to the extent of (a) any adjustments mutually agreed to by the Parties, (b) any adjustments due to a change in Level of Service requested by Recipient and agreed upon by Provider, (c) any adjustment in the rates or charges imposed by any Third-Party provider that is providing Services and (d) any adjustments due to error(s) in determining the amount of a Charge, as determined by Provider acting in good faith; provided that Provider will notify Recipient in writing of any such change in rates at least thirty (30) days prior to the effective date of such rate change. Together with any invoice for Charges, Provider shall provide Recipient with reasonable documentation, including any additional documentation reasonably requested by Recipient to the extent that such documentation is in Provider’s or its Subsidiaries’ possession or control, to support the calculation of such Charges.

Section 2.4. Reimbursement for Out-of-Pocket Costs and Expenses. In addition to any increase to a Charge contemplated by Section 2.3, Recipient shall reimburse Provider for reasonable and documented out-of-pocket costs and expenses incurred by Provider or any of its Subsidiaries in connection with providing the Services (including reasonable travel-related expenses) to the extent that such costs and expenses are not reflected in the Charges for such Services; provided, however, that any such cost or expense in excess of one thousand dollars (\$1,000) individually, or ten thousand dollars (\$10,000) in the aggregate, that is not consistent with historical practice between the Parties for any individual Service (including business travel and related expenses) shall be submitted to Recipient in writing in advance of the incurrence of such cost or expense, and Recipient shall have 48 hours upon receipt to reject the incurrence of such cost or expense in writing; provided, further, that if Recipient rejects the incurrence of such cost or expense and the incurrence of such cost or expense is reasonably necessary for Provider to provide such Service in accordance with the standards set forth in this Agreement, Provider shall not be required to perform such Service. Any authorized travel-

related expenses incurred in performing the Services shall be charged to Recipient in accordance with Provider's then-applicable business travel policies.

Section 2.5. Changes in the Performance of Services.

(a) Subject to the performance standards for Services set forth in Section 2.2(a), 2.2(b) and 2.2(c), Provider may from time to time, in its good faith determination, modify, change or enhance the manner, nature, quality and/or standard of care of any Service provided to Recipient to the extent Provider is making similar changes in performing analogous services for itself or its Affiliates or to the extent that such change is in connection with the relocation of Provider's employees and if Provider furnishes to Recipient reasonable prior written notice (in content and timing) of such changes; provided that if such change shall materially adversely affect the timeliness or quality of, or the Charges for, the applicable Service, the Parties shall cooperate in good faith to agree on modifications to such Services as are commercially reasonable in consideration of the circumstances. Without limiting the generality of the foregoing, Recipient acknowledges and agrees that the provision of the Services is subject to any upgrades, changes and modifications that Provider may implement to its information technology services in the ordinary course or otherwise in connection with the relocation of its employees (including, for the avoidance of doubt, any such upgrades, changes and modifications pursuant to the requirements of a Third Party). Notwithstanding the foregoing, if as a result of requirements of applicable Law (including any changes under the requirements of applicable Law) or guidance by any Governmental Authority, Provider must, in its good-faith determination, modify, change or enhance the manner, nature, quality and/or standard of care of any Service provided to Recipient, Provider shall provide reasonably prompt notice to such Recipient and shall have the right to make such modifications, changes or enhancements, in each case solely to the extent necessary to comply with such applicable Law or guidance and, to the extent legally permissible, provide the Recipient with advance notice, as promptly as practicable, setting forth in reasonable detail the modifications contemplated and the reasons therefor. Any incremental cost or expense incurred by Provider (for the avoidance of doubt, in excess of any cost or expense that would be incurred notwithstanding the performance of the Services hereunder) in making any such good-faith modification, change or enhancement to the Services performed hereunder or in providing such Services on an ongoing basis shall be paid by Recipient to the Provider in accordance with Article III in addition to the charges for the Services included on the applicable Schedule.

(b) Subject to the limitations on Additional Services set forth in Section 2.1(b), Recipient may request a change to a Service by submitting a request in writing to Provider describing the proposed change in reasonable detail. Provider shall respond to the request as soon as reasonably practicable, and the Parties shall use commercially reasonable efforts to agree to such request, unless the change requested would adversely impact the cost, liability, or risk associated with providing or receiving the applicable Service, or cause any other disruption or adverse impact on the business or operations of Recipient or its Affiliates. Each agreed upon change shall be documented by an amendment in writing to the applicable Schedule.

Section 2.6. Transitional Nature of Services. The Parties acknowledge the transitional nature of the Services and that Recipient shall be responsible with respect to

transitioning off of the provision of Services. Provider agrees to reasonably cooperate with Recipient, upon Recipient's written request, in the transition of the Services from Provider to Recipient (or its designee). Recipient agrees to use commercially reasonable efforts to reduce or eliminate its and its Affiliates' dependency on each Service to the extent and as soon as is reasonably practicable. Recipient shall transition responsibility for the performance of Services from Provider to Recipient in a manner that minimizes, to the extent reasonably possible, disruption to the Parent Business or the SpinCo Business, as applicable, and the continuing operations of Provider and its relevant Affiliates. Provider shall have no obligation to perform any Services following the Term. The Parties acknowledge and agree that time is of the essence with respect to the foregoing in this Section 2.6.

Section 2.7. Subcontracting. Provider may hire or engage one (1) or more Third Parties to perform any or all of its obligations under this Agreement; provided, however, that (a) Provider shall use the same degree of care (but at least reasonable care) in selecting each such Third Party as it would if such Third Party was being retained to provide similar services to Provider and (b) Provider shall in all cases remain responsible (as primary obligor) for all of its obligations under this Agreement with respect to the scope of the Services, the performance standard for Services set forth in Section 2.2(a), 2.2(b) and 2.2(c) and the content of the Services provided to Recipient. Provider shall be liable for any breach of its obligations under this Agreement by any Third-Party service provider engaged by Provider. Subject to the confidentiality provisions set forth in Article V and any bona fide confidentiality obligations owed by Provider to a Third Party, Provider shall, and shall cause its Affiliates to, provide, upon fifteen (15) business days' prior written notice, any Information within Provider's or its Affiliates' control that Recipient reasonably requests in connection with any Services being provided to Recipient by a Third Party, including any applicable invoices, agreements documenting the arrangements between such Third Party and Provider and other supporting documentation; provided, further, that Recipient shall make no more than one (1) such request per Third Party during any calendar quarter.

Section 2.8. Contract Manager. Each Party shall appoint an individual to act as its primary point of operational contact for the administration and operation of this Agreement (each, a "Contract Manager") who shall have overall responsibility for coordinating all activities undertaken by such Party hereunder, for acting as a day-to-day contact with the other Party, and for making available to the other Party the data, facilities, resources and other support services required for the performance of the services in accordance with the terms of this Agreement; provided that for each Service, the Contract Manager shall be permitted to delegate the foregoing responsibilities for such Service to an individual identified on the Schedules, and such representative shall be deemed to be the Contract Manager with respect to such Service. The initial Contract Managers for the Parties are set forth on the applicable Schedules. The Parties may change their respective Contract Managers from time to time upon notice to the other Party in accordance herewith.

Section 2.9. Use of Services. Provider shall not be required to provide Services to any Person other than Recipient and its Subsidiaries. Recipient shall not, and shall



not permit its or any of its Subsidiaries' Representatives to, resell any Services to any Third Party or permit the use of any Services by any Third Party.

ARTICLE III  
BILLING; TAXES

Section 3.1. Procedure.

(a) Charges for the Services shall be charged to and payable by Recipient. Amounts payable pursuant to this Agreement shall be paid by wire transfer or Automated Clearing House payment (or such other method of payment as may be agreed between the Parties from time to time) to Provider (as directed by Provider). All amounts due and payable hereunder shall be paid in U.S. dollars. In the event of any billing dispute, Recipient shall promptly pay any undisputed amount.

(b) At the beginning of each calendar quarter during the Term, beginning with the calendar quarter beginning October 1, 2023, Provider shall provide to Recipient an invoice (the "Quarterly Invoice") for the full amount of any Charges anticipated to be payable for such calendar quarter. The Quarterly Invoice shall also reflect any discrepancies from the Charges invoiced in the prior Quarterly Invoice to the Charges and other amounts payable for the recently elapsed calendar quarter, as applicable, due to any modifications to Charges pursuant to Section 2.3 or otherwise and such discrepancy shall be reconciled in the Quarterly Invoice with the amount of any Charges anticipated to be payable for the upcoming calendar quarter. The amount stated in the Quarterly Invoice shall be paid by Recipient within thirty (30) days of Recipient's receipt of the Quarterly Invoice, including reasonable documentation pursuant to Section 2.3.

Section 3.2. Late Payments. Charges not paid when due pursuant to this Agreement and which are not disputed in good faith (and any amounts billed or otherwise invoiced or demanded and properly payable that are not paid within ten (10) days of the receipt of such bill, invoice or other demand) shall accrue interest at a rate per annum equal to the prime rate set forth in *The Wall Street Journal* in effect on the date such payment was required to be made plus two percent (2%) (the "Interest Payment"). Failure to pay such Charges due hereunder within ten (10) days from receipt of a non-payment notice from Provider pursuant to the terms of this Agreement shall constitute Recipient's failure to perform a material obligation under Section 4.2(b) and Provider may terminate this Agreement with respect to the applicable Service for which such payment failure applies under Section 4.2(b) (after the applicable cure period set forth therein).

Section 3.3. Taxes. Without limiting any provisions of this Agreement, Recipient shall bear any and all Taxes and other similar charges (and any related interest and penalties) imposed on, or payable with respect to, any fees or charges, including any Charges, payable by it pursuant to this Agreement, including all sales, use, value-added, and similar Taxes, but excluding any Taxes on Provider's income ("Sales and Services Taxes"). Notwithstanding anything to the contrary in the previous sentence or elsewhere in this Agreement, Recipient (or its applicable Subsidiary) shall be entitled to withhold from any payments to Provider (or its applicable Subsidiary) any Taxes that Recipient (or its applicable

Subsidiary) is required by applicable Law to withhold and shall pay such Taxes to the applicable Taxing Authority. Any Sales and Services Taxes so deducted or withheld will be grossed up such that Provider (or its applicable Subsidiary) receives the amount due prior to the withholding (including any withholding imposed in respect of any additional amounts paid hereunder); provided that all other amounts deducted or withheld shall be treated for all purposes of this Agreement as having been paid to the Person in respect of whom such deduction or withholding was made. Each Party agrees to, and shall cause its Affiliates to, cooperate in good faith to reduce or eliminate any withholding applicable to amounts payable hereunder and to comply with all laws applicable to withholding and payment of Taxes hereunder and to provide (or cause to be provided) the other with any relevant Tax forms or other information necessary for the furtherance thereof.

Section 3.4. No Set-Off. Except as mutually agreed in writing by the Parties, no Party nor any of its Affiliates shall have any right of set-off or other similar rights with respect to (a) any amounts received pursuant to this Agreement or (b) any other amounts claimed to be owed to the other Party or any of its Subsidiaries arising out of this Agreement.

#### ARTICLE IV TERM AND TERMINATION

Section 4.1. Term. This Agreement shall commence at the Effective Time and shall terminate upon the earliest to occur of (a) the last date on which Provider is obligated to provide any Service to Recipient in accordance with the terms of this Agreement; (b) the mutual written agreement of the Parties to terminate this Agreement in its entirety; and (c) the date that is the twenty four (24)-month anniversary of the Distribution Date (the "Term"). Unless otherwise terminated pursuant to Section 4.2, this Agreement shall terminate with respect to each Service as of the close of business on the last day of the Service Period for such Service.

#### Section 4.2. Early Termination.

(a) Without prejudice to Recipient's rights with respect to Force Majeure, Recipient may from time to time terminate this Agreement with respect to the entirety of any Service (Recipient may terminate any Service set forth on any part of the Schedules hereto without terminating all or any other Services set forth on the same Schedule as such terminated Service; provided, however, that Recipient must terminate the entirety of any Service, and not just a portion thereof):

(i) for any reason or no reason, upon the giving of at least sixty (60) days' prior written notice (or such other number of days specified in the Schedules hereto) to Provider, unless prohibited by the applicable Schedule hereto; provided, however, that any such termination (x) may not be effective prior to the end of the Minimum Service Period, (y) may only be effective as of the last day of a calendar month and (z) shall be subject to the obligation to pay any applicable Termination Charges pursuant to Section 4.5; provided, further, that if after the giving of prior written notice by Recipient pursuant to the foregoing, Recipient gives written notice to Provider that it no longer desires to terminate any such Service (a "Reversion Notice"), Provider must use commercially reasonable efforts to continue to perform such Services, in

which case the Service Period for such Service shall be such Service Period as was in effect immediately prior to the giving of the Reversion Notice and the performance standards for Services set forth in Section 2.2(a), 2.2(b) and 2.2(c), shall thereafter be adjusted to reflect the level of performance able to be performed by Provider in its commercially reasonable efforts upon the receipt of a Reversion Notice (for the avoidance of doubt any Termination Charges incurred in connection with the continued performance of such Service shall be borne by Recipient); or

(ii) if Provider has failed to perform any of its material obligations under this Agreement with respect to such Service, and such failure to perform materially and adversely affects the provision of such Service or Recipient or an Affiliate thereof or the SpinCo Business or the Parent Business, as applicable, and such failure shall continue to be uncured by Provider for a period of at least thirty (30) days after receipt by Provider of written notice of such failure from Recipient; provided, however, that Recipient shall not be entitled to terminate this Agreement with respect to the applicable Service if, as of the end of such period, there remains a good-faith Dispute between the Parties (undertaken in accordance with the terms of Section 7.16) as to whether Provider has cured the applicable breach.

(b) Provider may terminate this Agreement with respect to the entirety or portion of any Service at any time upon prior written notice to Recipient if Recipient has failed to perform any of its material obligations under this Agreement with respect to such Service, including making payment of Charges, which are not disputed in good faith, for such Service when due, and such failure shall continue to be uncured by Recipient for a period of at least thirty (30) days after receipt by Recipient of a written notice of such failure from Provider; provided, however, that Provider shall not be entitled to terminate this Agreement with respect to the applicable Service if, as of the end of such period, there remains a good-faith Dispute between the Parties (undertaken in accordance with the terms of Section 7.16) as to whether Recipient has cured the applicable breach.

(c) Parent may terminate this Agreement with respect to all Services if there is a SpinCo Change of Control.

(d) The Schedules hereto shall be updated to reflect any terminated Service.

Section 4.3. Extension of Services. Upon written notice by Recipient to Provider at least sixty (60) days prior to the end of the applicable Service Period for any Service (unless the Schedules hereto specify that such Service is not eligible for extension), Recipient shall have the right to request that Provider extend the Service Period of any Service so that such Service ends on the earlier of (a) ninety (90) days following the last date on which Service Provider is obligated to provide such Service in accordance with the terms of this Agreement and (b) the Term (each such extension, a "Service Extension"). If Provider agrees to provide such Service during the requested Service Extension period, then (i) the Parties shall in good faith negotiate the terms of an amendment to the Schedules hereto, which amendment shall be consistent with the terms of the applicable Service; and (ii) the Charge for such Service during the Service Extension period shall be equal to one hundred twenty five percent (125%) of the Charge for such Service *plus* all costs, fees and expenses unless otherwise specified with respect

to a particular Service on the Schedules hereto, or in the other Ancillary Agreements, payable by Provider or its Subsidiaries to a Third Party to the extent resulting from such Service Extension (to the extent not already included in such Charge); provided that, if such Service Extension is the result of Provider's failure to provide the Service during the applicable Service Period (the amount of time that Service Provider so failed to provide such Service, the "Service Suspension Period"), then the Charge for such Service during the Service Extension period shall be equal to (x) one hundred percent (100%) of the Charge for such Service, for a number of days equal to the Service Suspension Period and (y) one hundred twenty five percent (125%) of the Charge for such Service *plus* all costs, fees and expenses unless otherwise specified with respect to a particular Service on the Schedules hereto, or in the other Ancillary Agreements, payable by Provider or its Subsidiaries to a Third Party to the extent resulting from such Service Extension (to the extent not already included in such Charge), for the remaining days of the Service Extension period, if any. Notwithstanding the foregoing, the Service Period of any particular Service (1) may not be extended more than once and (2) may not be extended later than the Term. Each amendment of the Schedules hereto, as agreed to in writing by the Parties, shall be deemed part of this Agreement as of the date of such agreement and any Services provided pursuant to such Service Extensions shall be deemed "Services" provided under this Agreement, in each case subject to the terms and conditions of this Agreement.

Section 4.4. Interdependencies. The Parties acknowledge and agree that (a) there may be interdependencies among the Services being provided under this Agreement; (b) upon the request of either Party, the Parties shall cooperate and act in good faith to determine whether (i) any such interdependencies exist with respect to the particular Service that Recipient is seeking to terminate pursuant to Section 4.2, and (ii) in the case of such termination, Provider's ability to provide a particular Service in accordance with this Agreement would be materially and adversely affected by such termination of another Service; and (c) in the event that the Parties have determined that such interdependencies exist and such termination would materially and adversely affect Provider's ability to provide a particular Service in accordance with this Agreement, the Parties shall (i) negotiate in good faith to amend the Schedules hereto with respect to such impacted Service prior to such termination, which amendment shall be consistent with the terms of comparable Services, and (ii) if after such negotiation, the Parties are unable to agree on such amendment, Provider's obligation to provide such Service shall terminate automatically with such termination.

Section 4.5. Effect of Termination. Upon the termination of any Service pursuant to this Agreement, Provider shall have no further obligation to provide the terminated Service, and Recipient shall have no obligation to pay any future Charges relating to such Service; provided, however, that Recipient shall remain obligated to Provider for (a) the Charges owed and payable in respect of Services provided prior to the effective date of termination for such Service and (b) any applicable Termination Charges (which, in the case of clause (b), shall not be payable in the event that Recipient terminates any Service pursuant to Section 4.2(a)(ii)). In connection with the termination of any Service, the provisions of this Agreement not relating solely to such terminated Service shall survive any such termination, and in connection with a termination of this Agreement, Article I, this Article IV, Article VI and

Article VII, all confidentiality obligations under this Agreement and Liability for all due and unpaid Charges and Termination Charges shall continue to survive indefinitely.

Section 4.6. Information Transmission. Provider, on behalf of itself and its Subsidiaries, shall use commercially reasonable efforts to provide or make available, or cause to be provided or made available, to Recipient, in accordance with Section 6.1 of the Separation and Distribution Agreement, any Information received or computed by Provider for the benefit of Recipient concerning the relevant Service during the Service Period; provided, however, that, except as otherwise agreed in writing by the Parties, (a) Provider shall not have any obligation to provide, or cause to be provided, Information in any nonstandard format, (b) Provider and its Subsidiaries shall be reimbursed for their reasonable costs in accordance with Section 6.3 of the Separation and Distribution Agreement for creating, gathering, copying, transporting and otherwise providing such Information, (c) Provider shall use commercially reasonable efforts to maintain any such Information in accordance with Section 6.4 of the Separation and Distribution Agreement and (d) Provider shall not have any obligation to provide, or cause to be provided, Information which may not be provided pursuant to bona fide Third Party confidentiality restrictions.

#### ARTICLE V CONFIDENTIALITY; PROTECTIVE ARRANGEMENTS

Section 5.1. Parent and SpinCo Obligations. Subject to Section 5.4, until the six (6)-year anniversary of the date of the Effective Time, each of Parent and SpinCo, on behalf of itself and each of its Subsidiaries, agrees to hold, and to cause its respective Representatives to hold, in strict confidence, with at least the same degree of care that applies to Parent's Confidential Information pursuant to policies in effect as of the Effective Time, all Confidential Information concerning the other Party or its Subsidiaries or their respective businesses that is either in its possession (including Confidential Information in its possession prior to the date hereof) or furnished by such other Party or such other Party's Subsidiaries or their respective Representatives at any time pursuant to this Agreement, shall not access any such Confidential Information except on a need-to-know basis, and shall not use any such Confidential Information other than for such purposes as shall be expressly permitted hereunder, except, in each case, to the extent that such Confidential Information has been (a) in the public domain or is generally available to the public, other than as a result of a disclosure by such Party or any of its Subsidiaries or any of their respective Representatives in violation of this Agreement; (b) later lawfully acquired from other sources by such Party or any of its Subsidiaries, which sources are not themselves known by such Party or any of its Subsidiaries to be bound by a confidentiality obligation or other contractual, legal or fiduciary obligation of confidentiality with respect to such Confidential Information; (c) independently developed or generated without reference to or use of any Confidential Information of the other Party or any of its Subsidiaries; or (d) in such Party's or its Subsidiaries' possession on a non-confidential basis prior to the time of disclosure to such Party and at the time of such disclosure was not known by such Party or any of its Subsidiaries to be prohibited from being disclosed by a confidentiality obligation or other contractual, legal or fiduciary obligation of confidentiality with respect to such Confidential Information. If any Confidential Information of a Party or any of its

Subsidiaries is disclosed to the other Party or any of its Subsidiaries in connection with providing the Services, then such disclosed Confidential Information shall be used only as required to perform such Services.

Section 5.2. No Release; Return or Destruction. Each Party agrees (a) not to release or disclose, or permit to be released or disclosed, any Confidential Information addressed in Section 5.1 to any other Person, except its Representatives who need to know such Confidential Information in their capacities as such (who shall be advised of their obligations hereunder with respect to such Confidential Information) and except in compliance with Section 5.4, and (b) to use commercially reasonable efforts to maintain such Confidential Information in accordance with Section 6.4 of the Separation and Distribution Agreement. Without limiting the foregoing, when any such Confidential Information is no longer needed for the purposes contemplated by the Separation and Distribution Agreement, this Agreement or any other Ancillary Agreements, and is no longer subject to any legal hold or other document preservation obligation, each Party will promptly after request of the other Party either return to the other Party all such Confidential Information in a tangible form (including all copies thereof and all notes, extracts or summaries based thereon) or notify the other Party in writing that it has destroyed such information (and such copies thereof and such notes, extracts or summaries based thereon); provided that the Parties may retain electronic back-up versions of such Confidential Information maintained on routine computer system back-up tapes, disks or other back-up storage devices; and provided, further, that any such information so retained shall remain subject to the confidentiality provisions of this Agreement.

Section 5.3. Privacy and Data Protection Laws. Each Party shall comply with all applicable state, federal and foreign privacy and data protection Laws that are or that may in the future be applicable to the provision of the Services under this Agreement (“Privacy and Security Rules”).

(a) Each Party represents and warrants that it shall: (i) maintain adequate physical, electronic and administrative security, at least to the level of industry standards, to prevent the unauthorized disclosure of any information identifies, relates to, describes, is capable of being associated with, or could reasonably be linked, directly or indirectly, with a particular individual or household (“Personal Information”); (ii) comply with all applicable laws, regulations and orders regarding the security of Personal Information; and (iii) shall notify the other Party promptly, but in every instance in less than seventy-two (72) hours, of any known or reasonably suspected Information Security Incident, as defined below.

(b) For the avoidance of doubt, neither Party shall process for marketing purposes, sell, aggregate, analyze or anonymize, or otherwise use, any and all information, data, materials, works, expressions, prompts, searches, inquiries, Personal Information, or other content, provided or accessed by a Party (“Party Information”) unless necessary to provide or receive the Services or as otherwise approved by the providing Party in writing. Neither Party shall knowingly perform the Services in a manner that causes the other Party to violate any Privacy and Security Rules. Where either Party believes that compliance with any instruction infringes any Privacy and Security Rules, such Party shall immediately notify the other Party.

(c) Neither Party will: (i) retain, use, or disclose the other Party's Party Information for any purpose other than for the purposes set forth in the instructions and in this section or to provide or receive the Services as described in this Agreement; (ii) sell such information, as such term is defined in the California Consumer Privacy Act ("CCPA"); (iii) retain, use, or disclose the other Party's Party Information outside of the direct business relationship between the Parties; (iv) share the other Party's Party Information with a third party for Cross-Context Behavioral Advertising or Targeted Advertising, as those terms are defined in the CCPA; or (v) use the other Party's Party Information for another business or person unless necessary to detect information security incidents, or protect against fraudulent or illegal activity. Each Party is providing its Party Information for a business purpose, and nothing about this Agreement or the Services involves a "selling" or "sale" of Personal Information under the laws identified in the Privacy and Security Rules.

(d) To the extent a Party or its resources processes aggregated and anonymized Party Information provided by the other Party, the receiving Party represents and undertakes, as follows:

(i) it shall not make any attempts to re-identify the aggregated and anonymized Party Information;

(ii) Each Party has implemented and will maintain technical safeguards that prohibit re-identification of aggregated and anonymized Party Information;

(iii) Each Party has implemented and will maintain business processes that prohibit re-identification of aggregated and anonymized Party Information and prevent inadvertent release of aggregated and anonymized Party Information; and

(iv) Each Party will periodically reassess its technical safeguards and processes to ensure that they are still adequate to prevent the re-identification or the inadvertent release of aggregated and anonymized Party Information.

(e) Promptly after (i) a Party no longer needs to process the other Party's Party Information to perform or receive the Services, (ii) this Agreement terminates or expires, or (iii) upon written request, each Party shall return to the other Party or securely dispose of, and require all such Party's resources to return or securely dispose of, all originals and copies of the other Party's Party Information. Each Party shall provide a written statement to the other Party certifying that it has complied with the requirements in this Section 5.3. Neither Party shall be required to return, destroy, or erase any of the other Party's Party Information if prohibited by applicable law or commercial impracticability, in which case the retaining Party shall retain, in its then current state, all such Party Information within its control or possession in accordance with this Agreement and perform its obligations under this Agreement as soon as such law or commercial impracticability no longer prevents it from doing so, provided that for as long as the Party Information is stored by such Party, and each Party shall only make such use of the other Party's Party Information as required by law.

(f) In order to address changing obligations under Privacy and Security Rules, Provider may provide Recipient with additional privacy and information security terms. Both Parties shall (i) negotiate in good faith any additional privacy and information security terms that Provider or Recipient deems appropriate to address obligations under any Privacy and Security Rules; and (ii) promptly obtain the agreement of any Party resource to comply with such additional terms.

(g) In the event a Party will have access to the other Party's systems, each Party shall access such the other Party's system solely for the purpose of receiving or providing the Services, as applicable, and shall only provide access to its Recipient or Provider personnel and other resources, as applicable, with a legitimate business need in order to receive or provide such Services, as applicable. Each Party will periodically review its access controls to confirm that access to the other Party's computer network is limited to its authorized Recipient or Provider personnel and resources, as applicable. Each Party will maintain the confidentiality of access credentials to the other Party's computer network and any Party Information of the other Party. Each Party will immediately notify the other Party of any potential loss, disclosure, or unauthorized access of or to its access credentials to the other Party's computer network or any Party Information of the other Party. Each Party is solely responsible for activity associated with its access credentials. Neither Party will knowingly introduce any malware or any other code that is designed to disrupt, disable, erase, alter, harm or otherwise impair the other Party, the other Party's Party Information or the computer network.

(h) Each Party shall make relevant personnel available for interviews and provide all information and assistance reasonably requested by the other Party regarding the processing of the other Party's Party Information. Upon request, each Party will promptly complete a questionnaire regarding the processing of the other Party's Party Information. In addition, Recipient shall provide Provider with any documents requested by Provider related to the foregoing, including without limitation, any security assessment and security control audit reports. Provider shall make such a request no more than once a year, except in the event of an information security incident. If any assessment requested by Provider shows a material breach by Recipient of this Agreement, Recipient will pay or reimburse Provider for all reasonable assessment costs, and reasonable costs incurred by Provider for investigating or remediating the breach. Recipient shall maintain reasonably detailed records of (i) its processing activities, (ii) its compliance with this Agreement, and (iii) information security incidents, which shall be made available to Provider for review upon request.

(i) Information Security Incident.

(i) In the event of an any actual or reasonably suspected: (A) loss or theft of Party Information; (B) unauthorized use, disclosure, destruction, loss alteration or acquisition of or access to, or other unauthorized processing of Party Information; or (C) unauthorized access to or use of, inability to access, or malicious infection of a Party's systems that reasonably may compromise the privacy or confidentiality of Party Information (an "Information Security Incident"), a Party will (1) appoint a primary contact to assist the other



Party in resolving issues associated with an Information Security Incident, and (2) send the other party the primary contact's name and contact information.

(ii) Each Party will keep a record of any Information Security Incidents and provide such record to the other Party and/or the appropriate authorities upon request.

(iii) Each Party will take, at its sole cost, immediate steps to remedy any Information Security Incident, including properly documenting responsive actions taken. The compromised Party will reimburse the other Party for expenses reasonably incurred in connection with an Information Security Incident, including expenses (A) to provide warning or notice of the Information Security Incident to affected individuals and entities, regulators, law enforcement agencies, consumer reporting agencies, the media, and other third parties; (B) to investigate, assess, or remediate the Information Security Incident; (C) to hire any public relations consultants to respond to the Information Security Incident; (D) to provide credit monitoring services to individuals affected by the Information Security Incident; (E) to retain a call center to respond to inquiries regarding the Information Security Incident; (F) to respond to or address any investigation by regulators, law enforcement agencies, or other Third Parties; and (G) related to remediation actions required by applicable law. The Parties hereto agree that this section is not a liquidated damages provision and shall in no way or manner limit any amounts payable to, or recovery by, a Party. Further, the compromised Party will promptly take all appropriate actions to prevent a recurrence of the Information Security Incident. As part of the remediation, each Party may suspend the other Party's processing of its Party Information, terminate the other Party's connectivity with its systems, or request other appropriate actions.

(iv) Except as may be strictly required by any Privacy and Security Rules, and in relation to any Provider Party Information, no Party will inform any third party of any Information Security Incident with respect to the other Party's Party Information without first obtaining the other Party's prior written consent. If any Privacy and Security Rules require a Party to independently notify a third party of an Information Security Incident, and do not permit such Party to delegate such duty to the other Party, such Party will inform the other Party in writing of such obligation prior to notifying the third party. The Parties will fully cooperate connection with issuing any notice related to the Information Security Incident. Regarding its Party Information, each Party will have the sole right to determine: (A) whether notice of the Information Security Incident is to be made; (B) the contents of such notice; (C) whether any type of remediation may be offered to affected persons; and (D) the nature and extent of any such remediation. Any such notice or remediation will be at the other Party's sole cost and expense.

(v) Each Party shall cooperate with the other Party in any litigation or other formal action by or against third parties arising from an Information Security Incident.

Section 5.4. Protective Arrangements. In the event that a Party or any of its Subsidiaries either determines on the advice of its counsel that it is required to disclose any information pursuant to applicable Law or receives any request or demand under lawful process or from any Governmental Authority to disclose or provide information of the other Party (or any of its Subsidiaries) that is subject to the confidentiality provisions hereof, such Party shall notify

the other Party (to the extent legally permitted) as promptly as practicable under the circumstances prior to disclosing or providing such information and shall cooperate, at the expense of the other Party, in seeking any appropriate protective order requested by the other Party. In the event that such other Party fails to receive such appropriate protective order in a timely manner and the Party receiving the request or demand reasonably determines that its failure to disclose or provide such information shall actually prejudice the Party receiving the request or demand, then the Party that received such request or demand may thereafter disclose or provide information to the extent required by such Law (as so advised by its counsel) or by lawful process or such Governmental Authority and will exercise reasonable efforts to obtain assurance that confidential treatment will be accorded to such Confidential Information, and the disclosing Party shall promptly provide the other Party with a copy of the information so disclosed, in the same form and format so disclosed, together with a list of all Persons to whom such information was disclosed, in each case to the extent legally permitted. The obligations in this Article V shall survive any expiration or termination of this Agreement until the six (6)-year anniversary of the date of the Effective Time; provided, however, that, with respect to each trade secret of a Party or its Affiliates, such obligations shall continue as long as such trade secret remains otherwise protectable as a trade secret.

ARTICLE VI  
LIMITED LIABILITY AND INDEMNIFICATION

Section 6.1. Limitations on Liability.

(a) SUBJECT TO SECTION 6.2, THE LIABILITIES OF PROVIDER AND ITS SUBSIDIARIES AND THEIR RESPECTIVE REPRESENTATIVES, COLLECTIVELY, UNDER THIS AGREEMENT FOR ANY ACT OR FAILURE TO ACT IN CONNECTION HERewith (INCLUDING THE PERFORMANCE OR BREACH OF THIS AGREEMENT), OR FROM THE SALE, DELIVERY, PROVISION OR USE OF ANY SERVICES PROVIDED UNDER OR CONTEMPLATED BY THIS AGREEMENT, WHETHER IN CONTRACT, TORT (INCLUDING NEGLIGENCE AND STRICT LIABILITY) OR OTHERWISE, SHALL NOT EXCEED THE AGGREGATE CHARGES PAID OR PAYABLE TO SUCH PROVIDER UNDER THIS AGREEMENT OVER THE PREVIOUS TWELVE (12) MONTHS OR SINCE THE DATE OF THIS AGREEMENT (IF PRIOR TO THE FIRST ANNIVERSARY OF THIS AGREEMENT) WITH RESPECT TO THE SERVICES GIVING RISE TO SUCH LIABILITY.

(b) IN NO EVENT SHALL EITHER PARTY, ITS SUBSIDIARIES OR THEIR RESPECTIVE REPRESENTATIVES BE LIABLE TO THE OTHER PARTY FOR ANY LOST PROFITS, SPECIAL, INDIRECT, INCIDENTAL, CONSEQUENTIAL, PUNITIVE, EXEMPLARY, REMOTE, SPECULATIVE OR SIMILAR DAMAGES IN EXCESS OF COMPENSATORY DAMAGES OF THE OTHER PARTY IN CONNECTION WITH THE PERFORMANCE OF THIS AGREEMENT REGARDLESS OF WHETHER SUCH PARTY HAS BEEN NOTIFIED OF THE POSSIBILITY OF, OR THE FORESEEABILITY OF, SUCH DAMAGES (OTHER THAN ANY SUCH LIABILITY WITH RESPECT TO A THIRD-PARTY CLAIM), AND EACH PARTY HEREBY WAIVES ON

BEHALF OF ITSELF, ITS SUBSIDIARIES AND ITS REPRESENTATIVES ANY CLAIM FOR SUCH DAMAGES, WHETHER ARISING IN CONTRACT, TORT OR OTHERWISE.

(c) The limitations in Section 6.1(a) and Section 6.1(b) shall not apply in respect of any Liability arising out of or in connection with (i) either Party's Liability for breaches of confidentiality under Article V, (ii) the Parties' respective obligations under Section 6.3 or (iii) the willful misconduct or fraud of or by the Party to be charged.

Section 6.2. Obligation to Re-Perform; Liabilities. In the event of any breach of this Agreement by Provider with respect to the provision of any Services (with respect to which Provider can reasonably be expected to re-perform in a commercially reasonable manner), Provider shall, at the request of Recipient, promptly correct in all material respects such error, defect or breach or re-perform in all material respects such Services at the sole cost and expense of Provider. The remedy set forth in this Section 6.2 shall be the sole and exclusive remedy of Recipient for any such breach of this Agreement; provided, however, that the foregoing shall not prohibit Recipient from exercising its right to terminate this Agreement in accordance with the provisions of Section 4.2(a) or seeking specific performance in accordance with Section 7.17. Any request for re-performance in accordance with this Section 6.2 by Recipient must be in writing and specify in reasonable detail the particular error, defect or breach, and such request must be made no more than one (1) month from the later of (a) the date on which such breach occurred and (b) the date on which such breach was reasonably discovered by Recipient.

Section 6.3. Third-Party Claims. In addition to (but not in duplication of) its other indemnification obligations (if any) under the Separation and Distribution Agreement, this Agreement or any other Ancillary Agreement, Recipient shall indemnify, defend and hold harmless Provider, its Subsidiaries and each of their respective Representatives, and each of the successors and assigns of any of the foregoing (collectively, the "Provider Indemnitees"), from and against any and all claims of Third Parties relating to, arising out of or resulting from Recipient's use or receipt of the Services provided by Provider hereunder, other than Third-Party Claims arising out of the gross negligence, willful misconduct or fraud of any Provider Indemnitee.

Section 6.4. Indemnification Procedures. The procedures for indemnification set forth in Article IV of the Separation and Distribution Agreement shall govern claims for indemnification under this Agreement.

## ARTICLE VII MISCELLANEOUS

Section 7.1. Mutual Cooperation. Each Party shall, and shall cause its Subsidiaries to, cooperate with the other Party and its Subsidiaries in connection with the performance of the Services hereunder; provided, however, that such cooperation shall not unreasonably disrupt the normal operations of such Party or its Subsidiaries; and, provided, further, that this Section 7.1 shall not require such Party to incur any out-of-pocket costs or

expenses, unless and except as expressly provided in this Agreement or otherwise agreed in writing by the Parties.

Section 7.2. Further Assurances. Subject to the terms of this Agreement, each Party shall take, or cause to be taken, any and all reasonable actions, including the execution, acknowledgment, filing and delivery of any and all documents and instruments that any other Party may reasonably request in order to effect the intent and purpose of this Agreement and the transactions contemplated hereby.

Section 7.3. Audit Assistance. Each of the Parties and their respective Subsidiaries are or may be subject to regulation and audit by a Governmental Authority (including a Taxing Authority), standards organizations, customers or other parties to contracts with such Parties or their respective Subsidiaries under applicable Law, standards or contract provisions. If a Governmental Authority, standards organization, customer or other party to a contract with a Party or its Subsidiary exercises its right to examine or audit such Party's or its Subsidiary's books, records, documents or accounting practices and procedures pursuant to such applicable Law, standards or contract provisions, and such examination or audit relates to the Services, then the other Party shall provide, at the sole cost and expense of the requesting Party, all assistance reasonably requested by the Party that is subject to the examination or audit in responding to such examination or audits or requests for Information, to the extent that such assistance or Information is within the reasonable control of the cooperating Party and is related to the Services.

Section 7.4. Intellectual Property.

(a) Except as expressly provided for under the terms of this Agreement or the Separation and Distribution Agreement, Recipient acknowledges that it shall acquire no right, title or interest (except for the express license rights set forth in Section 7.4(b)) in any Intellectual Property Rights that is owned or licensed by Provider, by reason of the provision of the Services hereunder. Recipient shall not remove or alter any copyright, trademark, confidentiality or other proprietary notices that appear on any Intellectual Property Rights owned or licensed by Provider, and Recipient shall reproduce any such notices on any and all copies thereof. Recipient shall not attempt to decompile, translate, reverse engineer or make excessive copies of any Intellectual Property Rights owned or licensed by Provider, and Recipient shall promptly notify Provider of any such attempt, regardless of whether by Recipient or any Third Party, of which Recipient becomes aware.

(b) Without affecting the rights and obligations of the Parties in the Separation and Distribution Agreement, with respect to each of the Services:

(i) Recipient hereby grants to Provider a nonexclusive, nontransferable (subject to Section 7.8), worldwide right during the Service Period under Intellectual Property Rights owned or controlled by Recipient or any of its Affiliates that is required for its use of the Services or Provider's provision of the Services only to the extent necessary and for the sole purpose of performing Provider's obligations under this Agreement, and not for any other purpose.

(ii) Provider hereby grants to Recipient nonexclusive, nontransferable (subject to Section 7.8), worldwide right during the Service Period to use Intellectual Property Rights owned or controlled by Provider or any of its Affiliates that is required for its provision of the Services or Recipient's use of the Services only to the extent necessary and for the sole purpose of receiving the Services under this Agreement, and not for any other purpose.

The limited rights granted in this Section 7.4 for each of the Services will terminate at the end of the applicable Service Period for such Service or the earlier termination of such Service in accordance with this Agreement, and will under no circumstances survive the termination or expiration of this Agreement.

Section 7.5. Independent Contractors. The Parties each acknowledge and agree that they are separate entities, each of which has entered into this Agreement for independent business reasons. The relationships of the Parties hereunder are those of independent contractors and nothing contained herein shall be deemed to create a joint venture, partnership or any other relationship between the Parties. Employees performing Services hereunder do so on behalf of, under the direction of, and as employees of, Provider, and Recipient shall have no right, power or authority to direct such employees, unless otherwise specified with respect to a particular Service on the Schedules hereto.

Section 7.6. Counterparts; Entire Agreement; Corporate Power.

(a) This Agreement may be executed in one (1) or more counterparts, all of which shall be considered one (1) and the same agreement, and shall become effective when one (1) or more counterparts have been signed by each of the Parties and delivered to the other Party.

(b) This Agreement, the Separation and Distribution Agreement and the other Ancillary Agreements and the Exhibits, Schedules and appendices hereto and thereto contain the entire agreement between the Parties with respect to the subject matter hereof, supersede all previous agreements, negotiations, discussions, writings, understandings, commitments and conversations with respect to such subject matter, and there are no agreements or understandings between the Parties other than those set forth or referred to herein or therein. This Agreement, the Separation and Distribution Agreement, and the other Ancillary Agreements govern the arrangements in connection with the Separation and the Distribution and would not have been entered into independently.

(c) Parent represents on behalf of itself and, to the extent applicable, each of its Subsidiaries, and SpinCo represents on behalf of itself and, to the extent applicable, each of its Subsidiaries, as follows:

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

(ii) this Agreement has been duly executed and delivered by it and constitutes a valid and binding agreement of it and is enforceable in accordance with the terms hereof.

(d) Each Party acknowledges and agrees that delivery of an executed counterpart of a signature page to this Agreement (whether executed by manual, stamp or mechanical signature) by facsimile or by e-mail in portable document format (PDF) shall be effective as delivery of such executed counterpart of this Agreement. Each Party expressly adopts and confirms each such facsimile, stamp or mechanical signature (regardless of whether delivered in person, by mail, by courier, by facsimile or by e-mail in portable document format (PDF)) made in its respective name as if it were a manual signature delivered in person, agrees that it will not assert that any such signature or delivery is not adequate to bind such Party to the same extent as if it were signed manually and delivered in person and agrees that, at the reasonable request of the other Party at any time, it will as promptly as reasonably practicable cause this Agreement to be manually executed (any such execution to be as of the date of the initial date thereof) and delivered in person, by mail or by courier.

Section 7.7. Governing Law. This Agreement (and any claims or disputes arising out of or related hereto or to the transactions contemplated hereby or to the inducement of any Party to enter herein, whether for breach of contract, tortious conduct or otherwise and whether predicated on common law, statute or otherwise) shall be governed by and construed and interpreted in accordance with the Laws of the State of Delaware, irrespective of the choice of Laws principles of the State of Delaware, including all matters of validity, construction, effect, enforceability, performance and remedies.

Section 7.8. Assignability. This Agreement shall be binding upon and inure to the benefit of the Parties and their respective successors and permitted assigns; provided, however, that neither Party may assign its rights or delegate its obligations under this Agreement without the express prior written consent of the other Party. Notwithstanding the foregoing, Provider may assign this Agreement or all of its rights or obligations hereunder to any Affiliate without Recipient's prior written consent solely to the extent such Affiliate can continue to deliver the Services hereunder without interruption, and Provider shall deliver prompt written notice to Recipient of such any such assignment.

Section 7.9. Third-Party Beneficiaries. Except as provided in Article VI with respect to the Provider Indemnitees and the Recipient Indemnitees in their respective capacities as such, (a) the provisions of this Agreement are solely for the benefit of the Parties and are not intended to confer upon any other Person except the Parties any rights or remedies hereunder; and (b) there are no other third-party beneficiaries of this Agreement and this Agreement shall not provide any other Third Party with any remedy, claim, Liability, reimbursement, claim of action or other right in excess of those existing without reference to this Agreement.

Section 7.10. Notices. All notices, requests, claims, demands or other communications under this Agreement shall be in writing and shall be given or made (and except as provided herein shall be deemed to have been duly given or made upon receipt) by delivery in

person, by overnight courier service, by certified mail, return receipt requested, by facsimile, or by electronic mail (“e-mail”), so long as confirmation of receipt of such e-mail is requested and received, to the respective Parties at the following addresses (or at such other address for a Party as shall be specified in a notice given in accordance with this Section 7.10):

If to Parent, to:

Aramark  
2400 Market Street  
Philadelphia, Pennsylvania 19103  
Attention: [     ]  
E-mail:       [     ]

If to SpinCo, to:

Vestis Corporation  
500 Colonial Center Parkway, Suite 140  
Roswell, GA 30076  
Attention: [     ]  
E-mail:       [     ]

Any Party may, by notice to the other Party, change the address to which such notices are to be given.

Section 7.11. Severability. If any provision of this Agreement or the application thereof to any Person or circumstance is determined by a court of competent jurisdiction to be invalid, void or unenforceable, the remaining provisions hereof, or the application of such provision to Persons or circumstances or in jurisdictions other than those as to which it has been held invalid or unenforceable, shall remain in full force and effect and shall in no way be affected, impaired or invalidated thereby. Upon such determination, the Parties shall negotiate in good faith in an effort to agree upon such a suitable and equitable provision to effect the original intent of the Parties.

Section 7.12. Force Majeure. No Party shall be deemed in default of this Agreement for any delay or failure to fulfill any obligation hereunder (other than a payment obligation) so long as and to the extent to which any delay or failure in the fulfillment of such obligation is prevented, frustrated, hindered or delayed as a consequence of circumstances of Force Majeure. Without limiting the termination rights contained in this Agreement, in the event of any such excused delay, the time for performance of such obligation (other than a payment obligation) shall be extended for a period equal to the time lost by reason of the delay. A Party claiming the benefit of this provision shall, as soon as reasonably practicable after the occurrence of any such event, (a) provide written notice to the other Party of the nature and extent of any such Force Majeure condition; and (b) use commercially reasonable efforts to remove any such causes and resume performance under this Agreement as soon as reasonably practicable (and in no event later than the date that the affected Party resumes analogous performance under any

other agreement for itself, its Affiliates or any Third Party), unless this Agreement has previously been terminated under Article IV or this Section 7.12.

Section 7.13. Headings. The Article, Section and Paragraph headings contained in this Agreement are for reference purposes only and shall not affect in any way the meaning or interpretation of this Agreement.

Section 7.14. Survival of Covenants. Except as expressly set forth in this Agreement, the covenants, representations and warranties and other agreements contained in this Agreement, and Liability for the breach of any obligations contained herein, shall survive the Effective Time and shall remain in full force and effect thereafter.

Section 7.15. Waivers of Default. Waiver by any Party of any default by the other Party of any provision of this Agreement shall not be deemed a waiver by the waiving Party of any subsequent or other default, nor shall it prejudice the rights of the waiving Party. No failure or delay by any Party in exercising any right, power or privilege under this Agreement shall operate as a waiver thereof, nor shall a single or partial exercise thereof prejudice any other right or further exercise thereof or the exercise of any other right, power or privilege.

Section 7.16. Dispute Resolution.

(a) In the event of any controversy, dispute or claim (a “Dispute”) arising out of or relating to any Party’s rights or obligations under this Agreement (whether arising in contract, tort or otherwise), calculation or allocation of the costs of any Service or otherwise arising out of or relating in any way to this Agreement (including the interpretation or validity of this Agreement), such Dispute shall be resolved in accordance with the dispute resolution process referred to in Article VII of the Separation and Distribution Agreement.

(b) In any Dispute regarding the amount of a Charge or a Termination Charge, if such Dispute is finally resolved pursuant to the dispute resolution process set forth or referred to in Section 7.16(a) and it is determined that the Charge or the Termination Charge, as applicable, that Provider has invoiced Recipient, and that Recipient has paid to Provider, is greater or less than the amount that the Charge or the Termination Charge, as applicable, should have been, then (i) if it is determined that Recipient has overpaid the Charge or the Termination Charge, as applicable, Provider shall within twenty (20) calendar days after such determination reimburse Recipient an amount of cash equal to such overpayment, plus the Interest Payment, accruing from the date of payment by Recipient to the time of reimbursement by Provider; and (ii) if it is determined that Recipient has underpaid the Charge or the Termination Charge, as applicable, Recipient shall within ten (10) calendar days after such determination reimburse Provider an amount of cash equal to such underpayment, plus the Interest Payment, accruing from the date such payment originally should have been made by Recipient to the time of payment by Recipient.

Section 7.17. Specific Performance. Subject to Section 7.16, in the event of any actual or threatened default in, or breach of, any of the terms, conditions and provisions of this Agreement, the Party or Parties who are, or are to be, thereby aggrieved shall have the right



to specific performance and injunctive or other equitable relief in respect of its rights or their rights under this Agreement, in addition to any and all other rights and remedies at law or in equity, and all such rights and remedies shall be cumulative. The Parties agree that the remedies at law for any breach or threatened breach, including monetary damages, are inadequate compensation for any loss and that any defense in any Action for specific performance that a remedy at law would be adequate is waived. Any requirements for the securing or posting of any bond with such remedy are hereby waived by each of the Parties. Unless otherwise agreed in writing, Provider shall continue to provide Services and the Parties shall honor all other commitments under this Agreement during the course of dispute resolution pursuant to the provisions of [Section 7.16](#) and this [Section 7.17](#) with respect to all matters not subject to such Dispute; provided, however, that this obligation shall only exist during the term of this Agreement.

Section 7.18. Amendments. No provisions of this Agreement shall be deemed waived, amended, supplemented or modified by a Party, unless such waiver, amendment, supplement or modification is in writing and signed by the authorized representative of the Party against whom enforcement of such waiver, amendment, supplement or modification is sought.

Section 7.19. Precedence of Schedules. Each Schedule attached to or referenced in this Agreement is hereby incorporated into and shall form a part of this Agreement; provided, however, that the terms contained in such Schedule shall only apply with respect to the Services provided under that Schedule. In the event of a conflict between the terms contained in an individual Schedule and the terms in the body of this Agreement, the terms in the Schedule shall take precedence with respect to the Services under such Schedule only. No terms contained in individual Schedules shall otherwise modify the terms of this Agreement.

Section 7.20. Interpretation. In this Agreement, (a) words in the singular shall be deemed to include the plural and vice versa and words of one gender shall be deemed to include the other genders as the context requires; (b) 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 (including all of the Schedules, Annexes and Exhibits hereto) and not to any particular provision of this Agreement; (c) Article, Section, Exhibit, Annex and Schedule references are to the Articles, Sections, Exhibits, Annexes and Schedules to this Agreement, unless otherwise specified; (d) unless otherwise stated, all references to any agreement shall be deemed to include the exhibits, schedules and annexes to such agreement; (e) the word “including” and words of similar import when used in this Agreement shall mean “including, without limitation,” unless otherwise specified; (f) the word “or” shall not be exclusive; (g) the word “extent” in the phrase “to the extent” shall mean the degree to which a subject or other thing extends, and such phrase shall not mean simply “if”; (h) unless otherwise specified in a particular case, the word “days” refers to calendar days; (i) references to “business day” shall mean any day other than a Saturday, a Sunday or a day on which banking institutions are generally authorized or required by Law to close in Philadelphia, Pennsylvania; (j) references herein to this Agreement or any other agreement contemplated herein shall be deemed to refer to this Agreement or such other agreement as of the date on which it is executed and as it may be

amended, modified or supplemented thereafter, unless otherwise specified; and (k) unless expressly stated to the contrary in this Agreement, all references to “the date hereof,” “the date of this Agreement,” “hereby” and “hereupon” and words of similar import shall all be references to [ ], 2023.

Section 7.21. Mutual Drafting. This Agreement shall be deemed to be the joint work product of the Parties and any rule of construction that a document shall be interpreted or construed against a drafter of such document shall not be applicable to this Agreement.

*[Remainder of page intentionally left blank]*

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

ARAMARK

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

VESTIS CORPORATION

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

**FORM OF TAX MATTERS AGREEMENT  
DATED AS OF [        ], 2023**

**BY AND BETWEEN**

**ARAMARK**

**AND**

**VESTIS CORPORATION**

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## TABLE OF CONTENTS

	<u>Page</u>	
<b>Section 1.</b>	Definition of Terms	2
<b>Section 2.</b>	Allocation of Tax Liabilities	11
Section 2.01	General Rule	11
Section 2.02	Allocation of Federal Income Tax and Federal Other Tax	11
Section 2.03	Allocation of State Income Tax and State Other Tax	12
Section 2.04	Allocation of Foreign Taxes	12
Section 2.05	Certain Transaction and Other Taxes	13
Section 2.06	SpinCo Group Attributes	14
<b>Section 3.</b>	Proration of Taxes	14
<b>Section 4.</b>	Preparation and Filing of Tax Returns	14
Section 4.01	General	14
Section 4.02	Parent's Responsibility	15
Section 4.03	SpinCo's Responsibility	15
Section 4.04	Tax Accounting Practices	15
Section 4.05	Consolidated or Combined Tax Returns	16
Section 4.06	Right to Review Tax Returns	16
Section 4.07	SpinCo Carrybacks, Carryforwards and Claims for Refund	17
Section 4.08	Apportionment of Earnings and Profits and Tax Attributes	17
<b>Section 5.</b>	Tax Payments	17
Section 5.01	Payment of Taxes	17
Section 5.02	Payment of Separate Company Taxes	18
Section 5.03	Indemnification Payments	18
<b>Section 6.</b>	Tax Benefits	19
Section 6.01	Tax Benefits	19
Section 6.02	Parent and SpinCo Income Tax Deductions in Respect of Certain Equity Awards and Incentive Compensation	20
<b>Section 7.</b>	Tax-Free Status	20
Section 7.01	Representations	20
Section 7.02	Restrictions on SpinCo	21
Section 7.03	Restrictions on Parent	23
Section 7.04	Procedures Regarding Opinions and Rulings	24
Section 7.05	Liability for Tax-Related Losses	25

Section 7.06	Section 336(e) Election	27
<b>Section 8.</b>	Assistance and Cooperation	27
Section 8.01	Assistance and Cooperation	27
Section 8.02	Tax Return Information	28
Section 8.03	Reliance by Parent	28
Section 8.04	Reliance by SpinCo	29
<b>Section 9.</b>	Tax Records	29
Section 9.01	Retention of Tax Records	29
Section 9.02	Access to Tax Records	30
<b>Section 10.</b>	Tax Contests	30
Section 10.01	Notice	30
Section 10.02	Control of Tax Contests	30
<b>Section 11.</b>	Effective Date; Termination of Prior Intercompany Tax Allocation Agreements	32
<b>Section 12.</b>	Survival of Obligations	32
<b>Section 13.</b>	Covenant Not to Sue	32
<b>Section 14.</b>	Survival of Indemnities	33
<b>Section 15.</b>	Treatment of Payments; Tax Gross Up	33
Section 15.01	Treatment of Tax Indemnity and Tax Benefit Payments	33
Section 15.02	Tax Gross Up	33
Section 15.03	Interest Under This Agreement	34
<b>Section 16.</b>	Disagreements.	35
<b>Section 17.</b>	Late Payments	35
<b>Section 18.</b>	Expenses	35
<b>Section 19.</b>	General Provisions	35
Section 19.01	Addresses and Notices	35
Section 19.02	Binding Effect	37
Section 19.03	Waiver	37
Section 19.04	Severability	38
Section 19.05	Authority	38
Section 19.06	Further Action	38
Section 19.07	Integration	38
Section 19.08	Construction	38
Section 19.09	No Double Recovery	39

Section 19.10	Counterparts	39
Section 19.11	Governing Law	39
Section 19.12	Jurisdiction	39
Section 19.13	Amendment	39
Section 19.14	SpinCo Subsidiaries	39
Section 19.15	Successors	39
Section 19.16	Injunctions	40

## TAX MATTERS AGREEMENT

This TAX MATTERS AGREEMENT (this “Agreement”) is entered into as of [            ], 2023, by and between Aramark, a Delaware corporation (“Parent”), and Vestis Corporation, a Delaware corporation and a subsidiary of Parent (“SpinCo”).

### RECITALS

WHEREAS, the Board of Directors of Parent has determined that it is in the best interests of Parent and its stockholders to create a new publicly traded company that shall operate the SpinCo Business;

WHEREAS, in furtherance of the foregoing, the Parent Board has determined that it is appropriate and desirable to separate the SpinCo Business from the Parent Business (the “Separation”) and, following the Separation, make a distribution, on a pro rata basis, to holders of Parent Shares on the Record Date of all of the SpinCo Shares held by Parent at such time, which shall constitute 100 percent (100%) of the outstanding SpinCo Shares (other than the SpinCo Shares, if any, contributed or to be contributed by Aramark Services, Inc., a Delaware corporation (“D-One”), Aramark Intermediate HoldCo Corporation, a Delaware corporation (“D-Two”) or Parent to a donor advised fund pursuant to the Plan of Reorganization) (the “Distribution”);

WHEREAS, SpinCo has been incorporated solely for these purposes and has not engaged in activities, except in connection with the Separation and the Distribution;

WHEREAS, in order to effectuate the Separation and the Distribution, Parent and SpinCo have entered into that certain Separation and Distribution Agreement, dated as of [            ], 2023 (together with the schedules, exhibits and appendices thereto, the “Separation Agreement”);

WHEREAS, pursuant to the Plan of Reorganization and the terms of the Separation Agreement, as part of the Separation and prior to the Distribution, among other things, (a) Parent completed the Canadian Separation, (b) D-One contributed certain SpinCo Assets to SpinCo in exchange for the assumption of certain SpinCo Liabilities and the constructive issuance of SpinCo Shares (such contribution, the “Contribution”), (c) SpinCo borrowed funds from third-party lenders and lent all or a portion of such funds to Aramark Uniform & Career Apparel Group, Inc., a Delaware corporation (“AUCA,” and such funds, the “AUCA Proceeds”), (d) AUCA used the AUCA Proceeds to repay a note payable to D-One, (e) D-One distributed to D-Two all of the SpinCo Shares held by D-One at such time, which constituted all of the issued and outstanding SpinCo Shares (other than the SpinCo Shares, if any, contributed or to be contributed by D-One to a donor advised fund pursuant to the Plan of Reorganization) (the “First Internal Distribution”), and (f) D-Two distributed to Parent all of the SpinCo Shares held by D-Two at such time, which constituted all of the issued and outstanding SpinCo Shares (other than the SpinCo Shares, if any, contributed or to be contributed by D-One or D-Two to a donor advised fund pursuant to the Plan of Reorganization) (the “Second Internal Distribution”);



WHEREAS, for U.S. federal income tax purposes, (a) each of the Canadian Contribution and the Fourth Canadian Distribution, taken together, and the Contribution and the First Internal Distribution, taken together, are intended to qualify as a transaction that is generally tax-free for U.S. federal income tax purposes under Sections 355 and 368(a)(1)(D) of the Code, and (b) each of the First Canadian Distribution, the Second Canadian Distribution, the Third Canadian Distribution, the Second Internal Distribution and the Distribution is intended to qualify as a transaction that is generally tax-free for U.S. federal income tax purposes under Section 355(a) of the Code;

WHEREAS, as of the date hereof, Parent is the common parent of an affiliated group (as defined in Section 1504 of the Code) of corporations, including SpinCo, which has elected to file consolidated Federal Income Tax Returns (the “Parent Affiliated Group”);

WHEREAS, as a result of the Distribution, SpinCo and its subsidiaries will cease to be members of the Parent Affiliated Group; and

WHEREAS, the Companies desire to provide for and agree upon the allocation between the Companies of liabilities for Taxes arising prior to, as a result of, and subsequent to the Distribution, and to provide for and agree upon other matters relating to Taxes.

NOW THEREFORE, in consideration of the mutual agreements, provisions and covenants contained in this Agreement, and for other good and valuable consideration, the receipt and sufficiency of which are hereby acknowledged, the parties, intending to be legally bound, hereby agree as follows:

**Section 1. Definition of Terms.** For purposes of this Agreement (including the recitals hereof), the following terms have the following meanings, and capitalized terms used but not otherwise defined herein shall have the meaning ascribed to them in the Separation Agreement:

“Accounting Cutoff Date” means, with respect to SpinCo and any member of the SpinCo Group the Tax Items of which are included in the Parent Federal Consolidated Income Tax Return, any date as of the end of which there is a closing of the financial accounting records for such entity.

“Active Trade or Business” means the active conduct (as defined in Section 355(b)(2) of the Code and the Treasury Regulations promulgated thereunder) by SpinCo and its “separate affiliated group” (as defined in Section 355(b)(3)(B) of the Code) of the trade(s) or business(es) relied upon to satisfy Section 355(b) of the Code with respect to the First Internal Distribution, the Second Internal Distribution, and the Distribution, as conducted immediately prior to the First Internal Distribution, the Second Internal Distribution, and the Distribution, respectively.

“Adjustment Request” means any formal or informal claim or request filed with any Tax Authority, or with any administrative agency or court, for the adjustment, refund, or credit of Taxes, including (a) any amended Tax Return claiming adjustment to the Taxes as reported on a

Tax Return or, if applicable, as previously adjusted, (b) any claim for equitable recoupment or other offset, and (c) any claim for refund or credit of Taxes previously paid.

“Affiliate” means any entity that is directly or indirectly “controlled” by either the Person in question or an Affiliate of such Person. For purposes of this definition, “control” means the possession, directly or indirectly, of the power to direct or cause the direction of the management and policies of a Person, whether through ownership of voting securities, by contract or otherwise. The term Affiliate shall refer to Affiliates of a Person as determined immediately after the Distribution.

“Agreement” shall have the meaning set forth in the first sentence of this Agreement.

“AUCA” shall have the meaning set forth in the Recitals.

“AUCA Proceeds” shall have the meaning set forth in the Recitals.

“Board Certificate” shall have the meaning set forth in Section 7.02(e).

“Business Day” means any day, other than a Saturday, a Sunday, or a day on which banks are generally authorized or required by Law to close in New York, New York or Philadelphia, Pennsylvania.

“Canadian Contribution” shall have the meaning set forth in Schedule 1.01.

“Canadian Separation” shall have the meaning set forth in Schedule 1.01.

“Canadian Tax-Free Status” means the qualification of the Canadian Separation as a tax-free transaction for Canadian Income Tax purposes.

“Code” means the U.S. Internal Revenue Code of 1986, as amended.

“Company” means Parent or SpinCo.

“Company Indemnifying Party” shall have the meaning set forth in Section 5.03(b).

“Contribution” shall have the meaning set forth in the Recitals.

“Controlling Party” shall have the meaning set forth in Section 10.02(c).

“D-One” shall have the meaning set forth in the Recitals.

“D-Two” shall have the meaning set forth in the Recitals.

“DGCL” means the Delaware General Corporation Law.

“Distribution” shall have the meaning set forth in the Recitals.

“Due Date” means, with respect to a Tax Return, the date (taking into account all valid extensions) on which such Tax Return is required to be filed under applicable Law.

“Federal Income Tax” means any Tax imposed by Subtitle A of the Code, and any interest, penalties, additions to tax, or additional amounts in respect of the foregoing.

“Federal Other Tax” means any Tax imposed by the federal government of the United States of America other than any Federal Income Taxes, and any interest, penalties, additions to tax, or additional amounts in respect of the foregoing.

“Fifty-Percent or Greater Interest” shall have the meaning ascribed to such term for purposes of Sections 355(d) and (e) of the Code.

“Filing Date” shall have the meaning set forth in Section 7.05(d).

“Final Determination” means the final resolution of liability for Tax, which resolution may be for a specific issue or adjustment or for a Tax Period, (a) by IRS Form 870 or 870-AD (or any successor forms thereto), on the date of acceptance by or on behalf of the taxpayer, or by a comparable form under the Laws of a state, local, or foreign taxing jurisdiction, except that a Form 870 or 870-AD or comparable form shall not constitute a Final Determination to the extent that it reserves (whether by its terms or by operation of Law) the right of the taxpayer to file a claim for refund or the right of the Tax Authority to assert a further deficiency in respect of such issue or adjustment or for such taxable period (as the case may be); (b) by a decision, judgment, decree, or other order by a court of competent jurisdiction, which has become final and unappealable; (c) by a closing agreement or accepted offer in compromise under Sections 7121 or 7122 of the Code, or a comparable agreement under the Laws of a State, local, or foreign taxing jurisdiction; (d) by any allowance of a refund or credit in respect of an overpayment of Tax, but only after the expiration of all periods during which such refund may be recovered (including by way of offset) by the jurisdiction imposing such Tax; (e) by a final settlement resulting from a treaty-based competent authority determination; or (f) by any other final disposition, including by reason of the expiration of the applicable statute of limitations or by mutual agreement of the parties.

“First Canadian Distribution” shall have the meaning set forth in Schedule 1.01.

“First Internal Distribution” shall have the meaning set forth in the Recitals.

“Foreign Income Tax” means any Tax imposed by any foreign country, Puerto Rico or any possession of the United States, or by any political subdivision of any foreign country, Puerto Rico or United States possession, which is an income tax as defined in Treasury Regulations Section 1.901-2, and any interest, penalties, additions to tax, or additional amounts in respect of the foregoing.

“Foreign Other Tax” means any Tax imposed by any foreign country, Puerto Rico or any possession of the United States, or by any political subdivision of any foreign country, Puerto

Rico or United States possession, other than any Foreign Income Taxes, and any interest, penalties, additions to tax, or additional amounts in respect of the foregoing.

“Fourth Canadian Distribution” shall have the meaning set forth in Schedule 1.01.

“Group” means the Parent Group or the SpinCo Group, or both, as the context requires.

“Income Tax” means any Federal Income Tax, State Income Tax or Foreign Income Tax.

“Indemnitee” shall have the meaning set forth in Section 15.03.

“Indemnitor” shall have the meaning set forth in Section 15.03.

“Intended Tax Treatment” shall have the meaning set forth in Section 7.02(a).

“Internal Restructuring” means (a) any internal restructuring (including by making or revoking any election under Treasury Regulations Section 301.7701-3) involving SpinCo and/or any of its subsidiaries or (b) any direct or indirect contribution, sale or other transfer by SpinCo to any of its subsidiaries of any of the assets contributed or transferred to SpinCo as part of the Contribution or pursuant to the Separation Agreement.

“IRS” means the United States Internal Revenue Service.

“Joint Return” means any Return of a member of the Parent Group or the SpinCo Group that is not a Separate Return.

“Non-Controlling Party” shall have the meaning set forth in Section 10.02(c).

“Notified Action” shall have the meaning set forth in Section 7.04(a).

“Other Tax” means any Federal Other Tax, State Other Tax, or Foreign Other Tax.

“Parent” shall have the meaning set forth in the first sentence of this Agreement.

“Parent Affiliated Group” shall have the meaning set forth in the Recitals.

“Parent Federal Consolidated Income Tax Return” means any United States federal Income Tax Return for the Parent Affiliated Group.

“Parent Group” means Parent and its Affiliates, excluding any entity that is a member of the SpinCo Group.

“Parent Group Transaction Returns” shall have the meaning set forth in Section 4.04(b).

“Parent Separate Return” means any Separate Return of Parent or any member of the Parent Group.

“Parent State Combined Income Tax Return” means a consolidated, combined or unitary State Income Tax Return that actually includes, by election or otherwise, one or more members of the Parent Group together with one or more members of the SpinCo Group.

“Past Practices” shall have the meaning set forth in Section 4.04(a).

“Payment Date” means (i) with respect to any Parent Federal Consolidated Income Tax Return, the due date for any required installment of estimated taxes determined under Section 6655 of the Code, the due date (determined without regard to extensions) for filing the return determined under Section 6072 of the Code, and the date the return is filed, and (ii) with respect to any other Tax Return, the corresponding dates determined under the applicable Tax Law.

“Payor” shall have the meaning set forth in Section 5.03(a).

“Person” means an individual, a partnership, a corporation, a limited liability company, an association, a joint stock company, a trust, a joint venture, an unincorporated organization or a governmental entity or any department, agency or political subdivision thereof, without regard to whether any entity is treated as disregarded for U.S. federal income tax purposes.

“Post-Distribution Period” means any Tax Period beginning after the Distribution Date, and, in the case of any Straddle Period, the portion of such Straddle Period beginning the day after the Distribution Date.

“Pre-Distribution Period” means any Tax Period ending on or before the Distribution Date, and, in the case of any Straddle Period, the portion of such Straddle Period ending on and including the Distribution Date.

“Privilege” means any privilege that may be asserted under applicable Law, including any privilege arising under or relating to the attorney-client relationship (including the attorney-client and work product privileges), the accountant-client privilege and any privilege relating to internal evaluation processes.

“Proposed Acquisition Transaction” means a transaction or series of transactions (or any “agreement,” “understanding” or “arrangement,” within the meaning of Section 355(e) of the Code and Treasury Regulations Section 1.355-7, or any other regulations promulgated thereunder, to enter into a transaction or series of transactions), whether such transaction is supported by SpinCo management or shareholders, is a hostile acquisition, or otherwise, as a result of which SpinCo would merge or consolidate with any other Person or as a result of which any Person or any group of related Persons would (directly or indirectly) acquire, or have the right to acquire, from SpinCo and/or one or more holders of outstanding shares of SpinCo Capital Stock, a number of shares of SpinCo Capital Stock that would, when combined with any other changes in ownership of SpinCo Capital Stock pertinent for purposes of Section 355(e) of the Code, comprise 40% or more of (a) the value of all outstanding shares of stock of SpinCo as of the date of such transaction, or in the case of a series of transactions, the date of the last transaction of such series, or (b) the total combined voting power of all outstanding shares of voting stock of SpinCo as of the date of such transaction, or in the case of a series of

transactions, the date of the last transaction of such series. Notwithstanding the foregoing, a Proposed Acquisition Transaction shall not include (i) the adoption by SpinCo of a shareholder rights plan or (ii) issuances by SpinCo that satisfy Safe Harbor VIII (relating to acquisitions in connection with a person's performance of services) or Safe Harbor IX (relating to acquisitions by a retirement plan of an employer) of Treasury Regulations Section 1.355-7(d). For purposes of determining whether a transaction constitutes an indirect acquisition, any recapitalization resulting in a shift of voting power or any redemption of shares of stock shall be treated as an indirect acquisition of shares of stock by the exchanging or non-exchanging shareholders, as applicable. This definition and the application thereof is intended to monitor compliance with Section 355(e) of the Code and shall be interpreted accordingly. Any clarification of, or change in, the statute or regulations promulgated under Section 355(e) of the Code shall be incorporated in this definition and its interpretation.

“Representation Letters” means the representation letters and any other materials (including, without limitation, the Ruling Request) delivered or deliverable by, or on behalf of, Parent, SpinCo and others in connection with the rendering by Tax Advisors, and/or the issuance by the IRS, of the Tax Opinions/Rulings.

“Required Party” shall have the meaning set forth in Section 5.03(a).

“Responsible Company” means, with respect to any Tax Return, the Company having responsibility for preparing and filing such Tax Return under this Agreement.

“Retention Date” shall have the meaning set forth in Section 9.01.

“Ruling” means any private letter ruling (and any supplemental private letter ruling) issued by the IRS to Parent in connection with the Transactions.

“Ruling Request” means any letter filed by Parent with the IRS requesting a ruling regarding certain tax consequences of the Transactions (including all attachments, exhibits, and other materials submitted with such ruling request letter) and any amendment or supplement to such ruling request letter.

“Second Canadian Distribution” shall have the meaning set forth in Schedule 1.01.

“Second Internal Distribution” shall have the meaning set forth in the Recitals.

“Section 336(e) Election” shall have the meaning set forth in Section 7.06.

“Section 7.02(e) Acquisition Transaction” means any transaction or series of transactions that is not a Proposed Acquisition Transaction but would be a Proposed Acquisition Transaction if the percentage reflected in the definition of Proposed Acquisition Transaction were 25% instead of 40%.

“Separate Return” means (a) in the case of any Tax Return of any member of the SpinCo Group (including any consolidated, combined or unitary return), any such Tax Return that does not include any member of the Parent Group and (b) in the case of any Tax Return of any

member of the Parent Group (including any consolidated, combined or unitary return), any such Tax Return that does not include any member of the SpinCo Group.

“Separation” shall have the meaning set forth in the Recitals.

“Separation Agreement” shall have the meaning set forth in the Recitals.

“Separation-Related Tax Contest” means any Tax Contest in which the IRS, another Tax Authority or any other Person asserts a position that could reasonably be expected to adversely affect the Tax-Free Status.

“SpinCo” shall have the meaning set forth in the first sentence of this Agreement.

“SpinCo Capital Stock” means all classes or series of capital stock of SpinCo, including (a) the SpinCo Common Stock, (b) all options, warrants and other rights to acquire such capital stock and (c) all instruments properly treated as stock of SpinCo for U.S. federal income tax purposes.

“SpinCo Carried Item” means any net operating loss, net capital loss, excess tax credit, or other similar Tax item of any member of the SpinCo Group which may or must be carried from one Tax Period to another prior Tax Period, or carried from one Tax Period to another subsequent Tax Period, under the Code or other applicable Tax Law.

“SpinCo Federal Consolidated Income Tax Return” means any United States Federal Income Tax Return for the affiliated group (as that term is defined in Section 1504 of the Code) of which SpinCo is the common parent.

“SpinCo Full Taxpayer” means the assumption that the SpinCo Group (a) is subject to the highest marginal regular statutory income Tax rate that would be applicable to SpinCo (or the relevant member or members of the SpinCo Group) if it (or they) filed Tax Returns on a standalone basis, (b) has sufficient taxable income to permit the realization or receipt of the relevant Tax Benefit at the earliest possible time, and (c) is not subject to any alternative minimum tax.

“SpinCo Group” means SpinCo and its Affiliates, as determined immediately after the Distribution.

“SpinCo Separate Return” means any Separate Return of SpinCo or any member of the SpinCo Group.

“State Income Tax” means any Tax imposed by any State of the United States or the District of Columbia or by any political subdivision of any such State or the District of Columbia which is imposed on or measured by net income, including state and local franchise or similar Taxes measured by net income, and any interest, penalties, additions to tax, or additional amounts in respect of the foregoing.

“State Other Tax” means any Tax imposed by any State of the United States or the District of Columbia or by any political subdivision of any such State or the District of Columbia other than any State Income Taxes, and any interest, penalties, additions to tax, or additional amounts in respect of the foregoing.

“Straddle Period” means any Tax Period that begins on or before and ends after the Distribution Date.

“Tax” or “Taxes” means any income, gross income, gross receipts, profits, capital stock, franchise, withholding, payroll, social security, workers compensation, unemployment, disability, property, *ad valorem*, stamp, excise, escheat, severance, occupation, service, sales, use, license, lease, transfer, import, export, value added, alternative minimum, estimated or other tax (including any fee, assessment, or other charge in the nature of or in lieu of any tax) imposed by any governmental entity or political subdivision thereof, and any interest, penalties, additions to tax, or additional amounts in respect of the foregoing.

“Tax Advisor” means a United States tax counsel or accountant of recognized national standing.

“Tax Attribute” means a net operating loss, net capital loss, unused investment credit, unused foreign tax credit, excess charitable contribution, general business credit or any other Tax Item that could reduce a Tax.

“Tax Authority” means, with respect to any Tax, the governmental entity or political subdivision thereof that imposes such Tax, and the agency (if any) charged with the collection of such Tax for such entity or subdivision.

“Tax Benefit” means any refund, credit, or other reduction in otherwise required Tax payments.

“Tax Contest” means an audit, review, examination, or any other administrative or judicial proceeding with the purpose or effect of redetermining Taxes (including any administrative or judicial review of any claim for refund).

“Tax Control” means the definition of “control” set forth in Section 368(c) of the Code (or in any successor statute or provision), as such definition may be amended from time to time.

“Tax Dispute” shall have the meaning set forth in Section 16.

“Tax-Free Status” means (a) the qualification of the Contribution and the First Internal Distribution, taken together (i) as a reorganization described in Sections 355(a) and 368(a)(1)(D) of the Code, (ii) as a transaction in which the stock distributed thereby is “qualified property” for purposes of Sections 355(d), 355(e) and 361(c) of the Code and (iii) as a transaction in which D-One, SpinCo and D-Two recognize no income or gain for U.S. federal income tax purposes pursuant to Sections 355, 361 and 1032 of the Code, (b) the qualification of the Second Internal Distribution and the Distribution, each (i) as a transaction described in Section 355(a) of the



Code, (ii) as a transaction in which the stock distributed thereby is “qualified property” for purposes of Sections 355(d) and 355(e) of the Code, and (iii) as a transaction in which, in the case of the Second Internal Distribution, D-Two and Parent, and in the case of the Distribution, Parent and the holders of Parent Shares, recognize no income or gain for U.S. federal income tax purposes pursuant to Section 355 of the Code, other than intercompany items or excess loss accounts taken into account pursuant to the Treasury Regulations promulgated pursuant to Section 1502 of the Code and, in the case of the holders of Parent Shares, gain on the receipt of cash in lieu of any fractional shares.

“Tax Item” means any item of income, gain, loss, deduction, credit, recapture of credit or any other item which increases or decreases Taxes paid or payable.

“Tax Law” means the Law of any governmental entity or political subdivision thereof relating to any Tax.

“Tax Opinions/Rulings” means any opinions of Tax Advisors deliverable to Parent in connection with the Transactions regarding the Federal Income Tax treatment of all or any part of the Transactions and any Rulings.

“Tax Period” means, with respect to any Tax, the period for which the Tax is reported as provided under the Code or other applicable Tax Law.

“Tax Records” means any Tax Returns, Tax Return workpapers, documentation relating to any Tax Contests, and any other books of account or records (whether or not in written, electronic or other tangible or intangible forms and whether or not stored on electronic or any other medium) required to be maintained under the Code or other applicable Tax Laws or under any record retention agreement with any Tax Authority.

“Tax-Related Losses” means (a) all federal, state, local and foreign Taxes (including interest and penalties thereon) imposed (or that would be imposed) pursuant to any settlement, Final Determination, judgment or otherwise; (b) all accounting, legal and other professional fees, and court costs incurred in connection with such Taxes; and (c) all costs, expenses and damages associated with stockholder litigation or controversies and any amount paid by Parent (or any Parent Affiliate) or SpinCo (or any SpinCo Affiliate) in respect of the liability of shareholders, whether paid to shareholders or to the IRS or any other Tax Authority, in each case, resulting from the failure of the Contribution, the First Internal Distribution, the Second Internal Distribution or the Distribution, to have Tax-Free Status.

“Tax Return” or “Return” means any report of Taxes due, any claim for refund of Taxes paid, any information return with respect to Taxes, or any other similar report, statement, declaration, or document filed or required to be filed under the Code or other Tax Law, including any attachments, exhibits, or other materials submitted with any of the foregoing, and including any amendments or supplements to any of the foregoing.

“Third Canadian Distribution” shall have the meaning set forth in Schedule 1.01.

“Third Party Indemnifying Party” shall have the meaning set forth in Section 5.03(b).

“Transactions” means the Contribution, the First Internal Distribution, the Second Internal Distribution, the Distribution, the Canadian Separation and the other transactions contemplated by the Separation Agreement.

“Treasury Regulations” means the regulations promulgated from time to time under the Code as in effect for the relevant Tax Period.

“Unqualified Tax Opinion” means an unqualified “will” opinion of a Tax Advisor, which Tax Advisor is acceptable to Parent, on which Parent may rely, to the effect that a transaction will not affect the Tax-Free Status; *provided*, that any tax opinion obtained in connection with a proposed acquisition of SpinCo Capital Stock entered into on or before the two-year anniversary of the Distribution Date shall not qualify as an Unqualified Tax Opinion unless such tax opinion also concludes that such proposed acquisition will not be treated as “part of a plan (or series of related transactions),” within the meaning of Section 355(e) of the Code and the Treasury Regulations promulgated thereunder, that includes the First Internal Distribution, the Second Internal Distribution, or the Distribution. Any such opinion must assume that Tax-Free Status would have obtained if the transaction in question did not occur.

“U.S. Tax Treatment of the Canadian Steps” shall have the meaning set forth in Section 7.02(a).

## **Section 2. Allocation of Tax Liabilities.**

### *Section 2.01 General Rule.*

(a) *Parent Liability.* Parent shall be liable for, and shall indemnify and hold harmless the SpinCo Group from and against any liability for, Taxes allocated to Parent under this Section 2.

(b) *SpinCo Liability.* SpinCo shall be liable for, and shall indemnify and hold harmless the Parent Group from and against any liability for, Taxes allocated to SpinCo under this Section 2.

*Section 2.02 Allocation of Federal Income Tax and Federal Other Tax.* Except as provided in Section 2.05, Federal Income Tax and Federal Other Tax shall be allocated as follows:

(a) *Allocation of Tax Relating to Parent Federal Consolidated Income Tax Returns.* With respect to any Parent Federal Consolidated Income Tax Return, Parent shall be responsible for any and all Federal Income Taxes due or required to be reported on any such Income Tax Return (including any increase in such Tax as a result of a Final Determination).

(b) *Allocation of Tax Relating to Federal Separate Income Tax Returns.*

(i) Parent shall be responsible for any and all Federal Income Taxes due with respect to or required to be reported on any Parent Separate Return (including any increase in such Tax as a

result of a Final Determination); and (ii) SpinCo shall be responsible for any and all Federal Income Taxes due with respect to or required to be reported on any SpinCo Separate Return (including any increase in such Tax as a result of a Final Determination).

(c) *Allocation of Federal Other Tax.* (i) Parent shall be responsible for any and all Federal Other Taxes due with respect to or required to be reported on any Parent Separate Return (including any increase in such Tax as a result of a Final Determination) or otherwise imposed on any member of the Parent Group; and (ii) SpinCo shall be responsible for any and all Federal Other Taxes due with respect to or required to be reported on any SpinCo Separate Return (including any increase in such Tax as a result of a Final Determination) or otherwise imposed on any member of the SpinCo Group.

*Section 2.03 Allocation of State Income Tax and State Other Tax.* Except as provided in Section 2.05, State Income Tax and State Other Tax shall be allocated as follows:

(a) *Allocation of Tax Relating to Parent State Combined Income Tax Returns.* Parent shall be responsible for any and all State Income Taxes due with respect to or required to be reported on any Parent State Combined Income Tax Return (including any increase in such Tax as a result of a Final Determination).

(b) *Allocation of State Income Tax Relating to Separate Returns.* (i) Parent shall be responsible for any and all State Income Taxes due with respect to or required to be reported on any Parent Separate Return (including any increase in such Tax as a result of a Final Determination); and (ii) SpinCo shall be responsible for any and all State Income Taxes due with respect to or required to be reported on any SpinCo Separate Return (including any increase in such Tax as a result of a Final Determination).

(c) *Allocation of State Other Tax.* (i) Parent shall be responsible for any and all State Other Taxes due with respect to or required to be reported on any Parent Separate Return; (ii) SpinCo shall be responsible for any and all State Other Taxes due with respect to or required to be reported on any SpinCo Separate Return; (iii) SpinCo shall be responsible for any and all State Other Taxes due with respect to or required to be reported on any Joint Return for any Pre-Distribution Period attributable to the SpinCo Business or the SpinCo Group (or any assets or activities thereof or relating thereto) or for which any member of the SpinCo Group would have been liable on a hypothetical stand-alone basis; and (iv) other than State Other Taxes for which SpinCo is responsible pursuant to the preceding clause (iii), Parent shall be responsible for any and all State Other Taxes due with respect to or required to be reported on any Joint Return for any Pre-Distribution Period, in each case, including any increase in such Tax as a result of a Final Determination.

*Section 2.04 Allocation of Foreign Taxes.* Except as provided in Section 2.05, Foreign Income Tax and Foreign Other Tax shall be allocated as follows:

(a) *Allocation of Foreign Income Tax Relating to Separate Returns.* (i) Parent shall be responsible for any and all Foreign Income Taxes due with respect to or required to be reported on any Parent Separate Return and any and all Foreign Income Tax of Parent or any

member of the Parent Group imposed by way of withholding by a member of the SpinCo Group (and, in each case, including any increase in such Foreign Income Tax as a result of a Final Determination); (ii) SpinCo shall be responsible for any and all Foreign Income Taxes due with respect to or required to be reported on any SpinCo Separate Return and any and all Foreign Income Tax of SpinCo or any member of the SpinCo Group imposed by way of withholding by a member of the Parent Group (and, in each case, including any increase in such Foreign Income Tax as a result of a Final Determination).

(b) *Allocation of Foreign Other Tax.* (i) Parent shall be responsible for any and all Foreign Other Taxes due with respect to or required to be reported on any Parent Separate Return; (ii) SpinCo shall be responsible for any and all Foreign Other Taxes due with respect to or required to be reported on any SpinCo Separate Return; (iii) SpinCo shall be responsible for any and all Taxes due with respect to the Tax Proceeding set forth on Schedule 2.04(b)(iii) and any and all Foreign Other Taxes due with respect to or required to be reported on any Joint Return for any Pre-Distribution Period, in each case, attributable to the SpinCo Business or the SpinCo Group (or any assets or activities thereof or relating thereto) or for which any member of the SpinCo Group would have been liable on a hypothetical stand-alone basis; and (iv) other than Foreign Other Taxes for which SpinCo is responsible pursuant to the preceding clause (iii), Parent shall be responsible for any and all Foreign Other Taxes due with respect to or required to be reported on any Joint Return for any Pre-Distribution Period, in each case, including any increase in such Tax as a result of a Final Determination.

*Section 2.05 Certain Transaction and Other Taxes.*

(a) *SpinCo Liability.* SpinCo shall be liable for, and shall indemnify and hold harmless the Parent Group from and against any liability for:

(i) Any stamp, sales and use, gross receipts, value-added or other transfer Taxes imposed by any Tax Authority on any member of the SpinCo Group (if such member is primarily liable for such Tax) on the transfers occurring pursuant to the Transactions;

(ii) any Tax resulting from a breach by SpinCo of any representation or covenant in this Agreement, the Separation Agreement, any Ancillary Agreement, any Representation Letter or any Tax Opinion/Ruling; and

(iii) any Tax-Related Losses for which SpinCo is responsible pursuant to Section 7.05.

(b) *Parent Liability.* Parent shall be liable for, and shall indemnify and hold harmless the SpinCo Group from and against any liability for:

(i) Any stamp, sales and use, gross receipts, value-added or other transfer Taxes imposed by any Tax Authority on any member of the Parent Group (if such member is primarily liable for such Tax) on the transfers occurring pursuant to the Transactions;

(ii) any Tax resulting from a breach by Parent of any representation or covenant in this Agreement, the Separation Agreement, any Ancillary Agreement, any Representation Letter or any Tax Opinion/Ruling; and

(iii) any Tax-Related Losses for which Parent is responsible pursuant to Section 7.05.

*Section 2.06 SpinCo Group Attributes.* For the avoidance of doubt, except as set forth in Section 6.01, SpinCo shall not be entitled to receive payment from Parent in respect of any Tax Attributes of the SpinCo Group or for any reduction of any Taxes (or increase in Tax Attributes) or any Tax Benefit (whether such Tax Attributes, Tax Benefits or reduction in Taxes are reported on an original Tax Return, arise pursuant to a Final Determination or otherwise).

### **Section 3. Proration of Taxes.**

(a) *General Method of Proration.* Tax Items shall be apportioned between Pre-Distribution Periods and Post-Distribution Periods in accordance with the principles of Treasury Regulations Section 1.1502-76(b) as reasonably interpreted and applied by Parent. If the Distribution Date is not an Accounting Cutoff Date (and provided an election under Treasury Regulations Section 1.1502-76(b)(2)(ii)(D) is not made), the provisions of Treasury Regulations Section 1.1502-76(b)(2)(iii) will be applied to ratably allocate the items (other than extraordinary items) for the month which includes the Distribution Date. At Parent's election, in its sole discretion, an election under Treasury Regulations Section 1.1502-76(b)(2)(ii)(D) (relating to ratable allocation of a year's items) shall be made.

(b) *Transaction Treated as Extraordinary Item.* In determining the apportionment of Tax Items between Pre-Distribution Periods and Post-Distribution Periods, any Tax Items relating to the Transactions shall be treated as extraordinary items described in Treasury Regulations Section 1.1502-76(b)(2)(ii)(C) and shall (to the extent occurring on or prior to the Distribution Date) be allocated to Pre-Distribution Periods, and any Taxes related to such items shall be treated under Treasury Regulations Section 1.1502-76(b)(2)(iv) as relating to such extraordinary item and shall (to the extent occurring on or prior to the Distribution Date) be allocated to Pre-Distribution Periods.

### **Section 4. Preparation and Filing of Tax Returns.**

*Section 4.01 General.* Except as otherwise provided in this Section 4, Tax Returns shall be prepared and filed on or before their Due Date by the person obligated to file such Tax Returns under the Code or applicable Tax Law. The Companies shall provide, and shall cause their Affiliates to provide, assistance and cooperation to one another in accordance with Section 8 with respect to the preparation and filing of Tax Returns, including providing information required to be provided pursuant to Section 8.

*Section 4.02 Parent's Responsibility.* Parent has the exclusive obligation and right to prepare and file, or to cause to be prepared and filed:

(a) Parent Federal Consolidated Income Tax Returns for any Tax Periods ending on, before or after the Distribution Date;

(b) Parent State Combined Income Tax Returns and any other Joint Returns which Parent reasonably determines are required to be filed (or which Parent chooses to be filed) by the Companies or any of their Affiliates for Tax Periods ending on, before or after the Distribution Date; and

(c) SpinCo Separate Returns and Parent Separate Returns which Parent reasonably determines are required to be filed by the Companies or any of their Affiliates (or which Parent chooses to be filed) for Tax Periods ending on, before or after the Distribution Date (limited, in the case of SpinCo Separate Returns, to such Returns for which the Due Date is on or before the Distribution Date).

*Section 4.03 SpinCo's Responsibility.* SpinCo shall prepare and file, or shall cause to be prepared and filed, all Tax Returns required to be filed by or with respect to members of the SpinCo Group other than those Tax Returns which Parent is required, or chooses, to prepare and file under Section 4.02; *provided* that SpinCo shall not file any SpinCo Separate Returns for a Tax Period in a jurisdiction and for a type of Tax where Parent files a Joint Return. The Tax Returns required to be prepared and filed by SpinCo under this Section 4.03 shall include (a) any SpinCo Federal Consolidated Income Tax Return for Tax Periods ending after the Distribution Date and (b) any SpinCo Separate Returns for which the Due Date is after the Distribution Date.

*Section 4.04 Tax Accounting Practices.*

(a) *General Rule.* Except as provided in Section 4.04(b), with respect to any Tax Return that SpinCo has the obligation and right to prepare and file, or cause to be prepared and filed, under Section 4.03, for any Pre-Distribution Period or any Straddle Period (or any Tax Period beginning after the Distribution Date to the extent items reported on such Tax Return might reasonably be expected to affect items reported on any Tax Return that Parent has the obligation or right to prepare and file, or cause to be prepared and filed, under Section 4.02), such Tax Return shall be prepared in accordance with past practices, accounting methods, elections or conventions ("Past Practices") used with respect to the Tax Returns in question (unless there is no reasonable basis for the use of such Past Practices or unless there is no adverse effect to Parent or any member of the Parent Group), and to the extent any items are not covered by Past Practices (or in the event that there is no reasonable basis for the use of such Past Practices or there is no adverse effect to Parent or any member of the Parent Group), in accordance with reasonable Tax accounting practices selected by SpinCo. Except as provided in Section 4.04(b), Parent shall prepare any Tax Return which it has the obligation and right to prepare and file, or cause to be prepared and filed, under Section 4.02, in accordance with reasonable Tax accounting practices selected by Parent.

(b) *Reporting of Transactions.* The Tax treatment reported on any Tax Return relating to the Transactions shall be consistent with the treatment thereof in the Ruling Requests and the Tax Opinions/Rulings, unless there is no reasonable basis for such Tax treatment. The Tax treatment of the Transactions reported on any Tax Return for which SpinCo is the Responsible Company shall be consistent with that on any Tax Return filed or to be filed by Parent or any member of the Parent Group, or caused to be filed or to be caused to be filed by Parent, in each case with respect to periods prior to the Distribution Date or with respect to Straddle Periods (“Parent Group Transaction Returns”), unless there is no reasonable basis for such Tax treatment. To the extent there is a Tax treatment relating to the Transactions which is not covered by the Ruling Requests, the Tax Opinions/Rulings or the Parent Group Transaction Returns, the Companies shall report such Tax treatment on any and all Tax Returns as determined by Parent in its reasonable discretion.

*Section 4.05 Consolidated or Combined Tax Returns.* At Parent’s election and in its sole discretion, SpinCo will elect and join, and will cause its Affiliates to elect and join, in filing any Parent State Combined Income Tax Returns and any Joint Returns that Parent determines are required to be filed or that Parent chooses to file pursuant to Section 4.02(b). With respect to any SpinCo Separate Returns relating to any Pre-Distribution Period, SpinCo will elect and join, and will cause its Affiliates to elect and join, in filing consolidated, unitary, combined, or other similar joint Tax Returns, to the extent reasonably determined by Parent.

*Section 4.06 Right to Review Tax Returns.*

(a) *General.* The Responsible Company with respect to any Tax Return shall make such Tax Return (or the relevant portions thereof) and related workpapers available for review by the other Company, if requested, to the extent (i) such Tax Return relates to Taxes for which the requesting party (or any member of its Group) would reasonably be expected to be liable, (ii) the requesting party (or any member of its Group) would reasonably be expected to be liable in whole or in part for any additional Taxes owing as a result of adjustments to the amount of such Taxes reported on such Tax Return, (iii) such Tax Return relates to Taxes for which the requesting party would reasonably be expected to have a claim for Tax Benefits under this Agreement or (iv) the requesting party reasonably determines that it must inspect such Tax Return to confirm compliance with the terms of this Agreement. The Responsible Company shall use its reasonable efforts to make such Tax Return available for review as required under this paragraph sufficiently in advance of the Due Date of such Tax Return to provide the requesting party with a meaningful opportunity to analyze and comment on such Tax Return and shall use reasonable efforts to have such Tax Return modified before filing, taking into account the person responsible for payment of the Tax (if any) reported on such Tax Return and whether the amount of Tax liability with respect to such Tax Return is material. The Companies shall attempt in good faith to resolve any disagreement arising out of the review of such Tax Return and, failing that, such disagreement shall be resolved in accordance with the disagreement resolution provisions of Section 16 as promptly as practicable.

(b) *Execution of Returns Prepared by Other Company.* In the case of any Tax Return which is required to be prepared and filed by one Company under this Agreement and

which is required by Law to be signed by the other Company (or by its authorized representative), the Company which is legally required to sign such Tax Return shall not be required to sign such Tax Return under this Agreement if there is no reasonable basis for the Tax treatment of any item reported on the Tax Return.

*Section 4.07 SpinCo Carrybacks, Carryforwards and Claims for Refund.* SpinCo hereby agrees that Parent shall be entitled to determine in its sole discretion whether and to what extent (x) any Adjustment Request with respect to any Joint Return shall be filed, including whether and to what extent to claim in any Pre-Distribution Period any SpinCo Carried Item, and (y) any available elections shall be made to waive the right to claim in any Pre-Distribution Period with respect to any Joint Return any SpinCo Carried Item, and whether any affirmative election shall be made to claim any such SpinCo Carried Item.

*Section 4.08 Apportionment of Earnings and Profits and Tax Attributes.* Parent shall in good faith determine, and shall advise SpinCo as soon as reasonably practicable in writing of, the portion, if any, of any earnings and profits, Tax Attribute, basis, previously taxed earnings and profits, overall foreign loss or other consolidated, combined or unitary attribute which shall be allocated or apportioned to the SpinCo Group under applicable Tax Law. SpinCo and all members of the SpinCo Group shall prepare all Tax Returns in accordance with such written notice. In the event of an adjustment to the earnings and profits or any Tax Attribute, basis, previously taxed earnings and profits, overall foreign loss or other such attribute so determined by Parent and affecting the SpinCo Group, Parent shall promptly notify SpinCo in writing of such adjustment. For the absence of doubt, Parent shall not be liable to SpinCo or any member of the SpinCo Group for any failure of any determination under this Section 4.08 to be accurate under applicable Law.

## **Section 5. Tax Payments.**

*Section 5.01 Payment of Taxes.* In the case of any Joint Return reflecting Taxes for which both Parent and SpinCo are responsible under Section 2:

(a) *Computation and Payment of Tax Due.* At least three (3) Business Days prior to any Payment Date for any Tax Return, Parent shall compute the amount of Tax required to be paid to the applicable Tax Authority (taking into account the requirements of Section 4.04 relating to consistent accounting practices, as applicable) with respect to such Tax Return on such Payment Date and shall notify SpinCo of the amount Parent has tentatively determined is required to be paid by SpinCo, if any, in respect of such Tax Return under this Agreement. Parent shall pay such amount that Parent has computed is required to be paid to the applicable Tax Authority to such Tax Authority on or before such Payment Date.

(b) *Computation and Payment of Liability With Respect To Tax Due.* Within thirty (30) days following the earlier of (i) the Due Date of any Tax Return or (ii) the date on which such Tax Return is filed, SpinCo shall pay to Parent the amount for which SpinCo is responsible under the provisions of Section 2, plus interest computed at the Prime Rate (or, for the absence of doubt, the Prime Rate plus 2 percent as provided in Section 7.05(d) or Section 17, as applicable) on the amount of the payment based on the number of days from the earlier of (A)



the Due Date of the Tax Return or (B) the date on which such Tax Return is filed, to the date of payment.

(c) *Adjustments Resulting in Underpayments.* In the case of any adjustment pursuant to a Final Determination with respect to any such Tax Return, Parent shall pay to the applicable Tax Authority when due any additional Tax due with respect to such Return required to be paid as a result of such adjustment pursuant to a Final Determination. Parent shall compute the amount for which SpinCo is responsible in accordance with Section 2 and SpinCo shall pay to Parent any amount due to Parent under Section 2 within thirty (30) days from the later of (i) the date the additional Tax was paid by Parent or (ii) the date of receipt of a written notice and demand from Parent for payment of the amount due, accompanied by evidence of payment and a statement detailing the Taxes paid and describing in reasonable detail the particulars relating thereto. Any payments required under this Section 5.01(c) shall include interest computed at the Prime Rate (or, for the absence of doubt, the Prime Rate plus 2 percent as provided in Section 7.05(d) or Section 17, as applicable) based on the number of days from the date the additional Tax was paid by Parent to the date of the payment under this Section 5.01(c).

*Section 5.02 Payment of Separate Company Taxes.* Each Company shall pay, or shall cause to be paid, to the applicable Tax Authority when due all Taxes owed by such Company or a member of such Company's Group with respect to a Separate Return.

*Section 5.03 Indemnification Payments.*

(a) Subject to Section 7.05(d) and (e), if either Company (the "Payor") is required under applicable Tax Law to pay to a Tax Authority a Tax that the other Company (the "Required Party") is liable for under this Agreement, the Required Party shall reimburse the Payor within thirty (30) days of delivery by the Payor to the Required Party of an invoice for the amount due, accompanied by evidence of payment and a statement detailing the Taxes paid and describing in reasonable detail the particulars relating thereto. The reimbursement shall include interest on the Tax payment computed at the Prime Rate (or, for the absence of doubt, the Prime Rate plus 2 percent as provided in Section 7.05(d) or Section 17, as applicable) based on the number of days from the date of the payment to the Tax Authority to the date of reimbursement under this Section 5.03.

(b) If either Company (the "Third Party Indemnifying Party") is required under the terms of an agreement to which it is a party (or with respect to which it has agreed to guarantee the obligations thereunder) to pay to a third party a Tax that the other Company (the "Company Indemnifying Party") is liable for under this Agreement, the Company Indemnifying Party shall reimburse the Third Party Indemnifying Party within thirty (30) days of delivery by the Third Party Indemnifying Party to the Company Indemnifying Party of an invoice for the amount due, accompanied by evidence of payment and a statement detailing the Taxes paid and describing in reasonable detail the particulars relating thereto.

(c) All indemnification payments under this Agreement shall be made by Parent directly to SpinCo and by SpinCo directly to Parent; *provided, however*, that if the Companies mutually agree with respect to any such indemnification payment, any member of the

Parent Group, on the one hand, may make such indemnification payment to any member of the SpinCo Group, on the other hand, and vice versa.

**Section 6. Tax Benefits.**

*Section 6.01 Tax Benefits.*

(a) Parent shall be entitled to any refund (and any interest thereon received from the applicable Tax Authority) of Taxes received by any member of the Parent Group or the SpinCo Group, other than any refund to which SpinCo is entitled pursuant to Section 6.01(d). SpinCo shall not be entitled to any refund (or any interest thereon received from the applicable Tax Authority), except as set forth in Section 6.01(d). A Company receiving a refund to which the other Company is entitled hereunder shall pay over such refund to such other Company within fifteen (15) Business Days after such refund is received.

(b) If a member of the SpinCo Group would be expected to realize a Tax Benefit as a result of an adjustment pursuant to a Final Determination to any Taxes for which a member of the Parent Group would otherwise be liable hereunder (or an adjustment pursuant to a Final Determination to any Tax Attribute of a member of the Parent Group) and such Tax Benefit would not have arisen but for such adjustment (determined on a “with and without” basis), SpinCo shall make a payment to Parent within thirty (30) Business Days following receipt by SpinCo of the written calculation pursuant to Section 6.01(c) (or, in the event of a disagreement, following resolution of such disagreement pursuant to Section 6.01(c)), in an amount equal to such Tax Benefit (including any Tax Benefit expected to be realized as a result of the payment), plus interest on such amount computed at the Prime Rate (or, for the absence of doubt, the Prime Rate plus 2 percent as provided in Section 7.05(d) or Section 17, as applicable) based on the number of days from the date the member of the SpinCo Group would be expected to realize such Tax Benefit to the date of payment under this Section 6.01(b). For purposes of determining whether (and when) an adjustment to any Taxes for which a member of the Parent Group is liable hereunder is expected to result in a Tax Benefit for SpinCo, the SpinCo Group shall be deemed to be a SpinCo Full Taxpayer.

(c) No later than five (5) Business Days following a Final Determination described in Section 6.01(b), Parent shall provide SpinCo with a written calculation of the amount payable to Parent by SpinCo pursuant to this Section 6. In the event that SpinCo disagrees with any such calculation described in this Section 6.01(c), SpinCo shall so notify Parent in writing within thirty (30) days of receiving the written calculation set forth above in this Section 6.01(c). Parent and SpinCo shall endeavor in good faith to resolve such disagreement, and, failing that, the amount payable under Section 6.01(b) shall be determined in accordance with the disagreement resolution provisions of Section 16 as promptly as practicable.

(d) Without prejudice to Section 6.01(b), SpinCo shall be entitled to any refund (and any interest thereon received from the applicable Tax Authority) of Taxes reported on any SpinCo Separate Return. For the avoidance of doubt, except to the extent otherwise agreed by Parent, Parent, and not SpinCo, shall be entitled to any refund or Tax Benefit that

results from a SpinCo Carried Item, other than any refund to which SpinCo is entitled pursuant to the first sentence of this Section 6.01(d).

*Section 6.02 Parent and SpinCo Income Tax Deductions in Respect of Certain Equity Awards and Incentive Compensation.*

(a) To the extent permitted by applicable Law, (i) in the case of an active or former employee, solely the member of the Group for which the relevant individual is currently employed or, if such individual is not currently employed by a member of the Group, was most recently employed at the time of the vesting, exercise, disqualifying disposition, payment or other relevant taxable event, as appropriate, in respect of the equity awards and other incentive compensation described in Article IV of the Employee Matters Agreement shall be entitled to claim, in a Post-Distribution Period, any Income Tax deduction in respect of such equity awards and other incentive compensation on its Tax Return associated with such event; and

(ii) in the case of a non-employee director, any Income Tax deduction in respect of such equity awards and other incentive compensation shall be claimed by the Company for which the director serves as a director following the Distribution (provided that, in the case of any non-employee director who is to be assigned to both Parent and SpinCo, each Company shall be entitled only to the deductions arising in respect of its own stock or equity awards).

(b) *Withholding and Reporting.* Tax reporting and withholding with respect to such equity awards and other incentive compensation shall be governed by Section IV of the Employee Matters Agreement. In the event of any conflict between this Agreement and the Employee Matters Agreement with respect to Tax withholding and reporting obligations relating to compensation or compensatory matters, the Employee Matters Agreement shall control.

**Section 7. Tax-Free Status.**

*Section 7.01 Representations.*

(a) Each of SpinCo and Parent hereby represents and agrees that (i) it has examined the Ruling and the Representation Letters prior to the date hereof and (ii) subject to any qualifications therein, all information, representations and covenants contained in such Ruling and Representation Letters that concern or relate to such Company or any member of its Group are and will be true, correct and complete.

(b) If any Representation Letters have not yet been submitted, SpinCo and Parent shall use their commercially reasonable efforts and shall cooperate in good faith to finalize (or cause to be finalized) the same as soon as possible and to cause the same to be submitted to the Tax Advisors, the IRS or such other governmental authorities as Parent shall deem necessary or desirable. SpinCo and Parent shall take such other commercially reasonable actions as may be necessary or desirable to obtain any Tax Opinions/Rulings that have not yet been obtained.

(c) SpinCo hereby represents and warrants that it has no plan or intention to, and agrees that it will not, take any action or fail to take any action (or cause or permit any

member of its Group to take or fail to take any action), in each case, from and after the date hereof, that could reasonably be expected to cause any representation or statement made in this Agreement, the Separation Agreement, the Ruling, the Representation Letters or any of the Ancillary Agreements to be untrue.

(d) SpinCo hereby represents and warrants that, during the period beginning two years before the date of the consummation of the First Internal Distribution and ending on the Distribution Date, there was no “agreement,” “understanding,” “arrangement,” “substantial negotiations” or “discussions” (as such terms are defined in Treasury Regulations Section 1.355-7(h)) by any one or more officers or directors of any member of the SpinCo Group or by any other person or persons with the implicit or explicit permission of one or more of such officers or directors regarding an acquisition, directly or indirectly, of all or a significant portion of the SpinCo Capital Stock (or any predecessor); *provided, however*, that no representation is made regarding any “agreement,” “understanding,” “arrangement,” “substantial negotiations” or “discussions” (as such terms are defined in Treasury Regulations 1.355-7(h)) by any one or more officers or directors of Parent.

*Section 7.02 Restrictions on SpinCo.*

(a) SpinCo agrees that it will not take or fail to take, or permit any SpinCo Affiliate to take or fail to take, any action where such action or failure to act would be inconsistent with or cause to be untrue any material, information, covenant or representation in this Agreement, the Separation Agreement, any of the Ancillary Agreements, any Representation Letters or any Tax Opinions/Rulings. SpinCo agrees that it will not take or fail to take, or permit any SpinCo Affiliate to take or fail to take, any action which would or could reasonably be expected to adversely affect, jeopardize or prevent (i) the Tax-Free Status, (ii) the Canadian Tax-Free Status, (iii) the qualification of (A) the Canadian Contribution and the Fourth Canadian Distribution, taken together, as a transaction that is generally tax-free for U.S. federal income tax purposes under Sections 355 and 368(a)(1)(D) of the Code and (B) each of the First Canadian Distribution, the Second Canadian Distribution, and the Third Canadian Distribution as a transaction that is generally tax-free for U.S. federal income tax purposes under Section 355(a) of the Code (the “U.S. Tax Treatment of the Canadian Steps”), or (iv) any transaction contemplated by the Separation Agreement, to the extent such transaction is intended by Parent to be tax-free or tax-advantaged, from so qualifying (it being agreed and understood that, without the prior written consent of Parent, SpinCo shall not agree, and shall prevent any SpinCo Affiliate from agreeing, in any Tax Contest to any position that is inconsistent with the Tax-Free Status, the Canadian Tax-Free Status, the U.S. Tax Treatment of the Canadian Steps or the Tax treatment, as intended or determined by Parent, of the Transactions (collectively, the “Intended Tax Treatment”).

(b) *Pre-Distribution Period.* During the period from the date hereof until the completion of the Distribution, SpinCo shall not take any action (including the issuance of SpinCo Capital Stock) or permit any SpinCo Affiliate directly or indirectly controlled by SpinCo to take any action if, as a result of taking such action, SpinCo could have a number of shares of SpinCo Capital Stock (computed on a fully diluted basis or otherwise) issued and outstanding.

including by way of the exercise of stock options (whether or not such stock options are currently exercisable) or the issuance of restricted stock, that could cause D-One, D-Two, or Parent, as applicable, to cease to have Tax Control of SpinCo.

(c) SpinCo agrees that, from the date hereof until the first day after the two-year anniversary of the Distribution Date, it will (i) maintain its status as a company engaged in the Active Trade or Business for purposes of Section 355(b)(2) of the Code, and (ii) not engage in any transaction that would result in it ceasing to be a company engaged in the Active Trade or Business for purposes of Section 355(b)(2) of the Code, in the case of each of clauses (i) and (ii), taking into account Section 355(b)(3) of the Code.

(d) SpinCo agrees that, from the date hereof until the first day after the two-year anniversary of the Distribution Date, it will not (i) enter into any Proposed Acquisition Transaction or, to the extent SpinCo has the right to prohibit any Proposed Acquisition Transaction, permit any Proposed Acquisition Transaction to occur (whether by (A) redeeming rights under a shareholder rights plan, (B) finding a tender offer to be a “permitted offer” under any such plan or otherwise causing any such plan to be inapplicable or neutralized with respect to any Proposed Acquisition Transaction, or (C) approving any Proposed Acquisition Transaction, whether for purposes of Section 203 of the DGCL or any similar corporate statute, any “fair price” or other provision of SpinCo’s charter or bylaws or otherwise), (ii) merge or consolidate with any other Person or liquidate or partially liquidate, (iii) in a single transaction or series of transactions, sell or transfer (other than sales or transfers of inventory in the ordinary course of business) all or substantially all of the assets that were transferred to SpinCo pursuant to the Separation Agreement or pursuant to the Contribution or sell or transfer 30% or more of the gross assets of the Active Trade or Business or 30% or more of the consolidated gross assets of SpinCo and its Affiliates (such percentages to be measured based on fair market value as of the Distribution Date), (iv) redeem or otherwise repurchase (directly or through a SpinCo Affiliate) any SpinCo stock, or rights to acquire stock, except to the extent such repurchases satisfy Section 4.05(1)(b) of Revenue Procedure 96-30 (as in effect prior to the amendment of such Revenue Procedure by Revenue Procedure 2003-48), (v) amend its certificate of incorporation (or other organizational documents), or take any other action, whether through a stockholder vote or otherwise, affecting the voting rights of SpinCo Capital Stock (including, without limitation, through the conversion of one class of SpinCo Capital Stock into another class of SpinCo Capital Stock) or (vi) take any other action or actions (including any action or transaction that would be reasonably likely to be inconsistent with any representation or covenant made in the Representation Letters or the Tax Opinions/Rulings) which in the aggregate (and taking into account any other transactions described in this subparagraph (d) and the Debt-for-Equity Exchange) would be reasonably likely to have the effect of causing or permitting one or more persons (whether or not acting in concert) to acquire directly or indirectly stock representing a Fifty-Percent or Greater Interest in SpinCo or otherwise jeopardize the Tax-Free Status, unless prior to taking any such action set forth in the foregoing clauses (i) through (vi), (A) SpinCo shall have requested that Parent obtain a Ruling in accordance with Section 7.04(b) and (d) to the effect that such transaction will not affect the Tax-Free Status and Parent shall have received such a Ruling in form and substance satisfactory to Parent in its sole and absolute discretion, which discretion shall be exercised in good faith solely to preserve the Tax-Free

Status (and in determining whether a Ruling is satisfactory, Parent may consider, among other factors, the appropriateness of any underlying assumptions and management's representations made in connection with such Ruling), or (B) SpinCo shall provide Parent with an Unqualified Tax Opinion in form and substance satisfactory to Parent in its sole and absolute discretion, which discretion shall be exercised in good faith solely to preserve the Tax-Free Status (and in determining whether an opinion is satisfactory, Parent may consider, among other factors, the appropriateness of any underlying assumptions and management's representations if used as a basis for the opinion, and Parent may determine that no opinion would be acceptable to Parent) or (C) Parent shall have waived the requirement to obtain such Ruling or Unqualified Tax Opinion.

(e) *Certain Issuances of SpinCo Capital Stock.* If SpinCo proposes to enter into any Section 7.02(e) Acquisition Transaction or, to the extent SpinCo has the right to prohibit any Section 7.02(e) Acquisition Transaction, proposes to permit any Section 7.02(e) Acquisition Transaction to occur, in each case, during the period from the date hereof until the first day after the two-year anniversary of the Distribution Date, SpinCo shall provide Parent, no later than ten (10) days following the signing of any written agreement with respect to the Section 7.02(e) Acquisition Transaction, with a written description of such transaction (including the type and amount of SpinCo Capital Stock to be issued in such transaction) and a certificate of the Board of Directors of SpinCo to the effect that the Section 7.02(e) Acquisition Transaction is not a Proposed Acquisition Transaction or any other transaction to which the requirements of Section 7.02(d) apply (a "Board Certificate").

(f) *SpinCo Internal Restructuring.* SpinCo shall not engage in, cause or permit any Internal Restructuring during or with respect to any Tax Period (or portion thereof) ending on or prior to the Distribution Date without obtaining the prior written consent of Parent (such prior written consent not to be unreasonably withheld). SpinCo shall provide written notice to Parent describing any Internal Restructuring proposed to be taken during or with respect to any Tax Period (or portion thereof) beginning after the Distribution Date and ending on or prior to the two-year anniversary of the Distribution Date and shall consult with Parent regarding any such proposed actions reasonably in advance of taking any such proposed actions and shall consider in good faith any comments from Parent relating thereto.

(g) *Distributions by Foreign SpinCo Subsidiaries.* Until January 1st of the calendar year immediately following the calendar year in which the Distribution occurs, SpinCo shall neither cause nor permit any foreign subsidiary of SpinCo to enter into any transaction or take any action that would be considered under the Code to constitute the declaration or payment of a dividend (including pursuant to Section 304 of the Code) without obtaining the prior written consent of Parent (such prior written consent not to be unreasonably withheld).

*Section 7.03 Restrictions on Parent.* Parent agrees that it will not take or fail to take, or permit any member of the Parent Group to take or fail to take, any action where such action or failure to act would be inconsistent with or cause to be untrue any material, information, covenant or representation in this Agreement, the Separation Agreement, any of the Ancillary Agreements, any Representation Letters or any Tax Opinions/Rulings. Parent agrees

that it will not take or fail to take, or permit any member of the Parent Group to take or fail to take, any action which would or could reasonably be expected to adversely affect, jeopardize or prevent the Intended Tax Treatment; *provided, however*, that this Section 7.03 shall not be construed as obligating Parent to consummate the Distribution (or any other step in the Transactions) without the satisfaction or waiver of all conditions set forth in Section 3.3 of the Separation Agreement nor shall it be construed as preventing Parent from terminating the Separation Agreement pursuant to Section 9.1 thereof.

*Section 7.04 Procedures Regarding Opinions and Rulings.*

(a) If SpinCo notifies Parent that it desires to take one of the actions described in clauses (i) through (vi) of Section 7.02(d) (a “Notified Action”), Parent and SpinCo shall reasonably cooperate to attempt to obtain the Ruling or Unqualified Tax Opinion referred to in Section 7.02(d), unless Parent shall have waived the requirement to obtain such Ruling or Unqualified Tax Opinion.

(b) *Rulings or Unqualified Tax Opinions at SpinCo’s Request.* Parent agrees that at the reasonable request of SpinCo pursuant to Section 7.02(d), Parent shall cooperate with SpinCo and use its reasonable efforts to seek to obtain, as expeditiously as possible, a Ruling from the IRS or an Unqualified Tax Opinion for the purpose of permitting SpinCo to take the Notified Action. Further, in no event shall Parent be required to file a request for any such Ruling under this Section 7.04(b) unless SpinCo represents that (i) it has read such request, and (ii) all information and representations, if any, relating to any member of the SpinCo Group, contained in such request (or in any documents relating thereto) are (subject to any qualifications therein) true, correct and complete. SpinCo shall reimburse Parent for all reasonable costs and expenses incurred by the Parent Group in preparing and filing any such request and in obtaining a Ruling or Unqualified Tax Opinion requested by SpinCo within fifteen (15) Business Days after receiving an invoice from Parent therefor.

(c) *Rulings or Unqualified Tax Opinions at Parent’s Request.* Parent shall have the right to obtain a Ruling or an Unqualified Tax Opinion at any time in its sole and absolute discretion. If Parent determines to obtain a Ruling or an Unqualified Tax Opinion, SpinCo shall (and shall cause each Affiliate of SpinCo to) cooperate with Parent and take any and all actions reasonably requested by Parent in connection with obtaining the Ruling or Unqualified Tax Opinion (including, without limitation, by making any representation or covenant or providing any materials or information requested by the IRS or Tax Advisor; *provided* that SpinCo shall not be required to make (or cause any Affiliate of SpinCo to make) any representation or covenant that is inconsistent with historical facts or as to future matters or events over which it has no control). Parent and SpinCo shall each bear its own costs and expenses in obtaining a Ruling or an Unqualified Tax Opinion requested by Parent.

(d) SpinCo hereby agrees that Parent shall have sole and exclusive control over the process of obtaining any Ruling, and that only Parent shall apply for a Ruling. In connection with obtaining a Ruling pursuant to Section 7.04(b), (i) Parent shall keep SpinCo informed in a timely manner of all material actions taken or proposed to be taken by Parent in connection therewith; (ii) Parent shall (A) reasonably in advance of the submission of any

documents relating to the request for such Ruling, provide SpinCo with a draft copy thereof, (B) reasonably consider SpinCo's comments on such draft copy, and (C) provide SpinCo with a final copy; and (iii) Parent shall provide SpinCo with notice reasonably in advance of, and SpinCo shall have the right to attend, any formally scheduled meetings with the IRS (subject to the approval of the IRS) that relate to such Ruling. Neither SpinCo nor any SpinCo Affiliate directly or indirectly controlled by SpinCo shall seek any guidance from the IRS or any other Tax Authority (whether written, verbal or otherwise) at any time concerning the Transactions (including the impact of any transaction on the Transactions).

*Section 7.05 Liability for Tax-Related Losses.*

(a) Notwithstanding anything in this Agreement or the Separation Agreement to the contrary, subject to Section 7.05(c), SpinCo shall be responsible for, and shall indemnify and hold harmless Parent and its Affiliates and each of their respective officers, directors and employees from and against, one hundred percent (100%) of any Tax-Related Losses that are attributable to or result from any one or more of the following: (i) the direct or indirect acquisition (other than pursuant to the Contribution, the First Internal Distribution, the Second Internal Distribution or the Distribution) of all or a portion of SpinCo's Capital Stock, SpinCo's assets and/or its subsidiaries' stock or assets by any means whatsoever by any Person, (ii) any "substantial negotiations," "understanding," "agreement," "discussions" or "arrangement" (as such terms are defined in Treasury Regulations Section 1.355-7(h)) by any one or more officers or directors of any member of the SpinCo Group or by any other person or persons with the implicit or explicit permission of one or more of such officers or directors with respect to transactions or events (including, without limitation, stock issuances, pursuant to the exercise of stock options or otherwise, option grants, capital contributions or acquisitions, or a series of such transactions or events) that cause the Distribution, the First Internal Distribution or the Second Internal Distribution to be treated as part of a plan pursuant to which one or more Persons acquire directly or indirectly stock of SpinCo or stock of any subsidiary of SpinCo, in each case, representing a Fifty-Percent or Greater Interest therein, (iii) any action or failure to act by SpinCo after the Distribution (including, without limitation, any amendment to SpinCo's certificate of incorporation (or other organizational documents), whether through a stockholder vote or otherwise) affecting the voting rights of SpinCo stock (including, without limitation, through the conversion of one class of SpinCo Capital Stock into another class of SpinCo Capital Stock), (iv) any act or failure to act by SpinCo or any member of the SpinCo Group described in Section 7.02 (regardless whether such act or failure to act is covered by a Ruling, Unqualified Tax Opinion or waiver described in clause (i), (ii) or (iii) of Section 7.02(d), a Board Certificate described in Section 7.02(e) or a consent described in Section 7.02(f) or (g)) or (v) any breach by SpinCo of its agreements and representations set forth in Section 7.01.

(b) Notwithstanding anything in this Agreement or the Separation Agreement to the contrary, subject to Section 7.05(c), Parent shall be responsible for, and shall indemnify and hold harmless SpinCo and its Affiliates and each of their respective officers, directors and employees from and against, one hundred percent (100%) of any Tax-Related Losses that are attributable to, or result from, any one or more of the following: (i) the acquisition (other than pursuant to the Transactions) of all or a portion of Parent's stock, Parent's assets and/or its



subsidiaries' stock or assets by any means whatsoever by any Person, (ii) any "substantial negotiations," "understanding," "agreement," "discussions" or "arrangement" (as such terms are defined in Treasury Regulations Section 1.355-7(h)) by any one or more officers or directors of any member of the Parent Group or by any other person or persons with the implicit or explicit permission of one or more of such officers or directors regarding transactions or events (including, without limitation, stock issuances, pursuant to the exercise of stock options or otherwise, option grants, capital contributions or acquisitions, or a series of such transactions or events) that cause the Distribution, the First Internal Distribution or the Second Internal Distribution to be treated as part of a plan pursuant to which one or more Persons acquire, directly or indirectly, stock of Parent, D-One or D-Two, respectively, in each case, representing a Fifty-Percent or Greater Interest therein, (iii) any act or failure to act by Parent or a member of the Parent Group described in Section 7.03 or (iv) any breach by Parent of its agreements and representations set forth in Section 7.01.

(c) Notwithstanding anything in Section 7.05(b) or any other provision of this Agreement or the Separation Agreement to the contrary:

(i) SpinCo shall be responsible for, and shall indemnify and hold harmless Parent and its Affiliates and each of their respective officers, directors and employees from and against, one hundred percent (100%) of (A) any Tax-Related Losses resulting from the application of Section 355(e) or Section 355(f) of the Code (other than as a result of an acquisition of a Fifty-Percent or Greater Interest in Parent or any member of the Parent Group) and (B) any other Tax-Related Losses resulting (for the absence of doubt, in whole or in part) from an acquisition after the Distribution of any stock or assets of SpinCo or any SpinCo Affiliate by any means whatsoever by any Person or any action or failure to act by SpinCo affecting the voting rights of SpinCo stock or the stock of any SpinCo Affiliate; and

(ii) For purposes of calculating the amount and timing of any Tax-Related Losses for which SpinCo is responsible under this Section 7.05, Tax-Related Losses shall be calculated by assuming that Parent, the Parent Affiliated Group and each member of the Parent Group (A) pay Tax at the highest marginal corporate Tax rates in effect in each relevant taxable year and (B) have no Tax Attributes in any relevant taxable year.

(d) SpinCo shall pay Parent the amount of any Tax-Related Losses for which SpinCo is responsible under this Section 7.05: (i) in the case of Tax-Related Losses described in clause (a) of the definition of Tax-Related Losses, no later than ten (10) Business Days prior to the Due Date of the Tax Return that Parent files, or causes to be filed, for the year of the Contribution, the First Internal Distribution, the Second Internal Distribution or the Distribution, as applicable (the "Filing Date") (provided that if such Tax-Related Losses arise pursuant to a Final Determination described in clause (a), (b) or (c) of the definition of Final Determination, then SpinCo shall pay Parent no later than fifteen (15) Business Days after the date of such Final Determination with interest calculated at the Prime Rate plus two percent, compounded semiannually, from the date that is ten (10) Business Days prior to the Filing Date through the

date of such Final Determination (but not in duplication of interest charged by the applicable Tax Authority)) and (ii) in the case of Tax-Related Losses described in clause (b) or (c) of the definition of Tax-Related Losses, no later than the later of (x) fifteen (15) Business Days after the date Parent pays such Tax-Related Losses and (y) fifteen (15) Business Days after SpinCo receives notification from Parent of the amount of such Tax-Related Losses due.

(e) Parent shall calculate in good faith and notify SpinCo of the amount of any Tax-Related Losses for which SpinCo is responsible under this Section 7.05. Such calculation shall be binding on SpinCo absent manifest error. At SpinCo's reasonable request, Parent shall make available to SpinCo the portion of any Tax Return or other documentation and related workpapers that are relevant to the determination of the Tax-Related Losses attributable to SpinCo pursuant to this Section 7.05.

*Section 7.06 Section 336(e) Election.* If Parent determines, in its sole discretion, that a protective election under Section 336(e) of the Code (a "Section 336(e) Election") shall be made with respect to any of the First Internal Distribution, the Second Internal Distribution, and the Distribution, SpinCo shall (and shall cause any relevant member of the SpinCo Group to) join with Parent (or any relevant member of the Parent Group) in the making of such election and shall take any action reasonably requested by Parent or that is otherwise necessary to give effect to such election (including making any other related election). If Section 336(e) Elections are made with respect to the First Internal Distribution, the Second Internal Distribution and/or the Distribution, then (a) in the event that the First Internal Distribution, the Second Internal Distribution or the Distribution, as applicable, fails to have Tax-Free Status and Parent is not entitled to indemnification for the Tax-Related Losses arising from such failure, SpinCo shall pay over to Parent any Tax Benefit arising from the step-up in Tax basis resulting from the relevant Section 336(e) Election within thirty (30) days of SpinCo realizing such Tax Benefit in cash and (b) this Agreement shall be amended in such a manner as is determined by Parent in good faith to take into account such Section 336(e) Election.

## **Section 8. Assistance and Cooperation.**

### *Section 8.01 Assistance and Cooperation.*

(a) The Companies shall cooperate (and cause their respective Affiliates to cooperate) with each other and with each other's agents, including accounting firms and legal counsel, in connection with Tax matters relating to the Companies and their Affiliates including (i) preparation and filing of Tax Returns, (ii) determining the liability for and amount of any Taxes due (including estimated Taxes) or the right to and amount of any refund of Taxes, (iii) examinations of Tax Returns, and (iv) any administrative or judicial proceeding in respect of Taxes assessed or proposed to be assessed. Such cooperation shall include making all information and documents in their possession relating to the other Company and its Affiliates available to such other Company as provided in Section 9. Each of the Companies shall also make available to the other, as reasonably requested and available, personnel (including officers, directors, employees and agents of the Companies or their respective Affiliates) responsible for preparing, maintaining, and interpreting information and documents relevant to Taxes, and

personnel reasonably required as witnesses or for purposes of providing information or documents in connection with any administrative or judicial proceedings relating to Taxes.

(b) Any information or documents provided under this Section 8 shall be kept confidential by the Company receiving the information or documents, except as may otherwise be necessary in connection with the filing of Tax Returns or in connection with any administrative or judicial proceedings relating to Taxes. Notwithstanding any other provision of this Agreement or any other agreement to the contrary, (i) neither Parent nor any Parent Affiliate shall be required to provide SpinCo or any SpinCo Affiliate or any other Person access to or copies of any information or procedures (including the proceedings of any Tax Contest) other than information or procedures that relate solely to SpinCo, the business or assets of SpinCo or any SpinCo Affiliate and (ii) in no event shall Parent or any Parent Affiliate be required to provide SpinCo, any SpinCo Affiliate or any other Person access to or copies of any information if such action could reasonably be expected to result in the waiver of any Privilege. In addition, in the event that Parent determines that the provision of any information to SpinCo or any SpinCo Affiliate could be commercially detrimental, violate any Law or agreement or waive any Privilege, the parties shall use reasonable best efforts to permit compliance with its obligations under this Section 8 in a manner that avoids any such harm or consequence.

*Section 8.02 Tax Return Information.*

(a) SpinCo and Parent acknowledge that time is of the essence in relation to any request for information, assistance or cooperation made by Parent or SpinCo pursuant to Section 8.01 or this Section 8.02. SpinCo and Parent acknowledge that failure to conform to the deadlines set forth herein or reasonable deadlines otherwise set by Parent or SpinCo could cause irreparable harm.

(b) Each Company, at its sole expense, shall provide to the other Company information and documents relating to its Group required by the other Company to prepare Tax Returns. Any such information or documents the Responsible Company requires to prepare such Tax Returns shall be provided in such form as the Responsible Company reasonably requests and in sufficient time for the Responsible Company to file such Tax Returns on a timely basis or on such other timeline as the Responsible Company may reasonably request. SpinCo shall, and shall cause its Affiliates to, make available to Parent, at SpinCo's expense, for inspection and copying during normal business hours upon reasonable notice all information and documents covered by the above provisions of this Section 8.02(b) not otherwise provided by SpinCo (and, for the avoidance of doubt, any pertinent data accessed or stored on any computer program or information technology system) in the possession of SpinCo or such Affiliate of SpinCo and shall permit, or cause to be permitted, Parent and its Affiliates, authorized agents and representatives and any representative of a Taxing Authority or other Tax auditor direct access during normal business hours upon reasonable notice to any computer program or information technology system used to access or store any such information or document.

*Section 8.03 Reliance by Parent.* If any member of the SpinCo Group supplies information to a member of the Parent Group in connection with Taxes and an officer of a member of the Parent Group signs a statement or other document under penalties of perjury in

reliance upon the accuracy of such information, then upon the written request of such member of the Parent Group identifying the information being so relied upon, the chief financial officer of SpinCo (or any officer of SpinCo as designated by the chief financial officer of SpinCo) shall certify in writing that to his or her knowledge (based upon consultation with appropriate employees) the information so supplied is accurate and complete. SpinCo agrees to indemnify and hold harmless each member of the Parent Group and its directors, officers and employees from and against any fine, penalty, or other cost or expense of any kind attributable to a member of the SpinCo Group having supplied, pursuant to this Section 8, a member of the Parent Group with inaccurate or incomplete information in connection with Taxes.

*Section 8.04 Reliance by SpinCo.* If any member of the Parent Group supplies information to a member of the SpinCo Group in connection with Taxes and an officer of a member of the SpinCo Group signs a statement or other document under penalties of perjury in reliance upon the accuracy of such information, then upon the written request of such member of the SpinCo Group identifying the information being so relied upon, the chief financial officer of Parent (or any officer of Parent as designated by the chief financial officer of Parent) shall certify in writing that to his or her knowledge (based upon consultation with appropriate employees) the information so supplied is accurate and complete. Parent agrees to indemnify and hold harmless each member of the SpinCo Group and its directors, officers and employees from and against any fine, penalty, or other cost or expense of any kind attributable to a member of the Parent Group having supplied, pursuant to this Section 8, a member of the SpinCo Group with inaccurate or incomplete information in connection with a Tax liability; *provided* that the indemnity set forth immediately above in this sentence shall not apply to information governed by Section 4.08.

## **Section 9. Tax Records.**

*Section 9.01 Retention of Tax Records.* Each Company shall preserve and keep all Tax Records exclusively relating to the assets and activities of its Group for Pre-Distribution Periods, and Parent shall preserve and keep all other Tax Records relating to Taxes of the Groups for Pre-Distribution Periods, for so long as the contents thereof may become material in the administration of any matter under the Code or other applicable Tax Law, but in any event until the later of (x) the expiration of any applicable statutes of limitations, and (y) seven (7) years after the Distribution Date (such later date, the "Retention Date"). After the Retention Date, each Company may dispose of such Tax Records upon ninety (90) days' prior written notice to the other Company. If, prior to the Retention Date, (a) a Company reasonably determines that any Tax Records which it would otherwise be required to preserve and keep under this Section 9.01 are no longer material in the administration of any matter under the Code or other applicable Tax Law and the other Company agrees, then such first Company may dispose of such Tax Records upon ninety (90) days' prior notice to the other Company. Any notice of an intent to dispose given pursuant to this Section 9.01 shall include a list of the Tax Records to be disposed of describing in reasonable detail each file, book, or other record accumulation being disposed. The notified Company shall have the opportunity, at its cost and expense, to copy or remove, within such 90-day period, all or any part of such Tax Records. If, at any time prior to the Retention Date, SpinCo determines to decommission or otherwise discontinue any computer

program or information technology system used to access or store any Tax Records, then SpinCo may decommission or discontinue such program or system upon ninety (90) days' prior notice to Parent and Parent shall have the opportunity, at SpinCo's cost and expense, to copy, within such 90-day period, all or any part of the underlying data relating to the Tax Records accessed by or stored on such program or system.

*Section 9.02 Access to Tax Records.* The Companies and their respective Affiliates shall make available to each other for inspection and copying during normal business hours upon reasonable notice all Tax Records (and, for the avoidance of doubt, any pertinent underlying data accessed or stored on any computer program or information technology system) in their possession and shall permit the other Company and its Affiliates, authorized agents and representatives and any representative of a Taxing Authority or other Tax auditor direct access during normal business hours upon reasonable notice to any computer program or information technology system used to access or store any Tax Records, in each case to the extent reasonably required by the other Company in connection with the preparation of Tax Returns or financial accounting statements, audits, litigation, or the resolution of items under this Agreement.

## **Section 10. Tax Contests.**

*Section 10.01 Notice.* Each of the Companies shall provide prompt notice to the other Company of any written communication from a Tax Authority regarding any pending or threatened Tax audit, assessment or proceeding or other Tax Contest of which it becomes aware related to Taxes for Tax Periods for which it is indemnified by the other Company hereunder, *provided, however*, that the indemnifying Company shall not be relieved of its obligations hereunder by reason of any failure by the indemnified Company to so notify except to the extent such failure materially prejudices the indemnifying Company. Such notice shall attach copies of the pertinent portion of any written communication from a Tax Authority and contain factual information (to the extent known) describing any asserted Tax liability in reasonable detail and shall be accompanied by copies of any notice and other documents received from any Tax Authority in respect of any such matters.

### *Section 10.02 Control of Tax Contests.*

(a) *Separate Company Taxes.* In the case of any Tax Contest with respect to any Separate Return, the Company having liability for the Tax shall have exclusive control over the Tax Contest, including exclusive authority with respect to any settlement of such Tax liability, subject to Sections 10.02(c), (d) and (e).

(b) *Joint Returns.* In the case of any Tax Contest with respect to (i) any Parent Federal Consolidated Income Tax Return or Parent State Combined Income Tax Return, in each case, that is a Joint Return, Parent shall have exclusive control over the Tax Contest, including exclusive authority with respect to any settlement of such Tax liability, subject to Sections 10.02(c), (d) and (e), and (ii) any Joint Return (other than any Parent Federal Consolidated Income Tax Return or Parent State Combined Income Tax Return), Parent shall have exclusive control over the Tax Contest (including exclusive authority with respect to any settlement of such Tax liability, subject to Section 10.02(c), (d) and (e)), unless Parent provides

SpinCo with written notice that SpinCo shall be the Controlling Party with respect to such Tax Contest.

(c) *Settlement Rights.* The Controlling Party shall have the sole right to contest, litigate, compromise and settle any Tax Contest without obtaining the prior consent of the Non-Controlling Party. Unless waived by the parties in writing, in connection with any potential adjustment in a Tax Contest as a result of which adjustment the Non-Controlling Party may reasonably be expected to become liable to make any indemnification payment (or any payment under Section 6) to the Controlling Party under this Agreement: (i) the Controlling Party shall keep the Non-Controlling Party informed in a timely manner of all actions taken or proposed to be taken by the Controlling Party with respect to such potential adjustment in such Tax Contest; (ii) the Controlling Party shall provide the Non-Controlling Party copies of any written materials relating to such potential adjustment in such Tax Contest received from any Tax Authority; (iii) the Controlling Party shall timely provide the Non-Controlling Party with copies of any correspondence or filings submitted to any Tax Authority or judicial authority in connection with such potential adjustment in such Tax Contest; and (iv) the Controlling Party shall consult with the Non-Controlling Party and offer the Non-Controlling Party a reasonable opportunity to comment before submitting any written materials prepared or furnished in connection with such potential adjustment in such Tax Contest. The failure of the Controlling Party to take any action specified in the preceding sentence with respect to the Non-Controlling Party shall not relieve the Non-Controlling Party of any liability or obligation which it may have to the Controlling Party under this Agreement in respect of such adjustment, except to the extent that the Non-Controlling Party was actually harmed by such failure, and in no event shall such failure relieve the Non-Controlling Party from any other liability or obligation which it may have to the Controlling Party. In the case of any Tax Contest described in Section 10.02(a) or (b), “Controlling Party” means the Company entitled to control the Tax Contest under such Section and “Non-Controlling Party” means the other Company.

(d) *Tax Contest Participation.* Unless waived by the parties in writing, the Controlling Party shall provide the Non-Controlling Party with written notice reasonably in advance of, and the Non-Controlling Party shall have the right to request to attend, any formally scheduled meetings with Tax Authorities or hearings or proceedings before any judicial authorities in connection with any potential adjustment in a Tax Contest pursuant to which the Non-Controlling Party may reasonably be expected to become liable to make any indemnification payment (or any payment under Section 6) to the Controlling Party under this Agreement. The failure of the Controlling Party to provide any notice specified in this Section 10.02(d) to the Non-Controlling Party shall not relieve the Non-Controlling Party of any liability and/or obligation which it may have to the Controlling Party under this Agreement except to the extent that the Non-Controlling Party was actually harmed by such failure, and in no event shall such failure relieve the Non-Controlling Party from any other liability or obligation which it may have to the Controlling Party.

(e) *Separation-Related Tax Contests.* Notwithstanding any other provision, Section 10.02(c) and (d) above shall not apply to any Separation-Related Tax Contest and instead (i) Parent shall have exclusive control over any Separation-Related Tax Contest, including

exclusive authority with respect to any settlement of such Tax Contest, subject to the following provisions of this Section 10.02(e), (ii) in the event of any Separation-Related Tax Contest as a result of which SpinCo could reasonably be expected to become liable for any Tax or Tax-Related Loss, (A) Parent shall keep SpinCo informed in a timely manner of all actions taken by Parent with respect to such potential adjustment in such Tax Contest; (B) Parent shall provide SpinCo copies of any written materials relating to such potential adjustment in such Tax Contest received from any Tax Authority; (C) Parent shall timely provide SpinCo with copies of any correspondence or filings submitted to any Tax Authority or judicial authority in connection with such potential adjustment in such Tax Contest; and (D) Parent shall consult with SpinCo and offer SpinCo a reasonable opportunity to comment before submitting any written materials prepared or furnished in connection with such potential adjustment in such Tax Contest; *provided, however*, that the failure of Parent to take any action specified in any of clauses (A) through (D) above shall not relieve SpinCo of any liability or obligation which it may have to Parent under this Agreement in respect of such adjustment or otherwise under this Agreement and (iii) notwithstanding anything in clause (ii) or otherwise to the contrary, the final determination of the positions taken, including with respect to settlement or other disposition, in any Separation-Related Tax Contest shall be made in the sole and absolute discretion of Parent and shall be final and not subject to the dispute resolution provisions of Section 16 of this Agreement or Article VII of the Separation Agreement.

(f) *Power of Attorney.* Each member of the SpinCo Group shall execute and deliver to Parent (or such member of the Parent Group as Parent shall designate) any power of attorney or other similar document reasonably requested by Parent (or such designee) in connection with any Tax Contest (as to which Parent is the Controlling Party) described in this Section 10.

**Section 11. Effective Date; Termination of Prior Intercompany Tax Allocation Agreements.** This Agreement shall be effective as of the date hereof. As of the date hereof or on such other date (on or prior to the Distribution Date) as Parent may determine, (a) all prior intercompany Tax allocation agreements or arrangements solely between or among any member(s) of the Parent Group, on the one hand, and any member(s) of the SpinCo Group, on the other hand, shall be terminated, and (b) amounts due under or contemplated by such agreements or arrangements as of the date hereof shall be settled. Upon such termination and settlement, no further payments by or to Parent or by or to SpinCo with respect to such agreements or arrangements shall be made, and all other rights and obligations resulting from such agreements or arrangements between the Companies and their Affiliates shall cease at such time. Any payments pursuant to such agreements or arrangements shall be disregarded for purposes of computing amounts due under this Agreement.

**Section 12. Survival of Obligations.** The representations, warranties, covenants and agreements set forth in this Agreement shall be unconditional and absolute and shall remain in effect without limitation as to time.

**Section 13. Covenant Not to Sue.** Each Company hereby covenants and agrees that none of it, the members of its Group or any Person claiming through it shall bring suit or

otherwise assert any claim against any indemnified party hereunder, or assert a defense against any claim asserted by any indemnified party hereunder, including before any court, arbitrator, mediator or administrative agency anywhere in the world, and further (on behalf of itself, the members of its Group and any other Person claiming through it) waives and releases any claim or defense against any person, alleging that: (a) the indemnification obligations of SpinCo on the terms and conditions set forth in this Agreement are unlawful, a breach of a fiduciary or other duty, void, unenforceable, unconscionable, inequitable or otherwise improper for any reason; (b) the indemnification obligations of Parent on the terms and conditions set forth in this Agreement are unlawful, a breach of a fiduciary or other duty, void, unenforceable, unconscionable, inequitable or otherwise improper for any reason; or (c) the provisions of Section 2 or Section 7 are unlawful, a breach of a fiduciary or other duty, void, unenforceable, unconscionable, inequitable or otherwise improper for any reason.

**Section 14. Survival of Indemnities.** The rights and obligations of each of Parent and SpinCo and their respective indemnified parties under Section 2 and Section 7 shall survive (a) the sale or other transfer by either Company or any member of its Group of any assets or businesses or the assignment by it of any Liabilities; or (b) any merger, consolidation, business combination, sale of all or substantially all of its Assets, restructuring, recapitalization, reorganization or similar transaction involving either Company or any of the members of its Group.

**Section 15. Treatment of Payments; Tax Gross Up.**

*Section 15.01 Treatment of Tax Indemnity and Tax Benefit Payments.* In the absence of any change in Tax treatment under the Code or other applicable Tax Law, for all Income Tax purposes, the Companies agree to treat, and to cause their respective Affiliates to treat:

(a) any payment required by this Agreement or by the Separation Agreement as, as applicable, (i) a contribution by Parent to SpinCo or a distribution by SpinCo to Parent, as the case may be, occurring immediately prior to the Distribution (but only to the extent the payment does not relate to a Tax allocated to the payor in accordance with Section 1552 of the Code or the Treasury Regulations promulgated thereunder or Treasury Regulations Section 1.1502-33(d) (or under corresponding principles of other applicable Tax Laws)) or (ii) as payments of an assumed or retained liability, as determined by Parent in its sole and absolute discretion; and

(b) any payment of interest or State Income Taxes by or to a Tax Authority as taxable or deductible, as the case may be, to the Company entitled under this Agreement to retain such payment or required under this Agreement to make such payment.

*Section 15.02 Tax Gross Up.* If, notwithstanding the manner in which payments described in Section 15.01(a) were reported, there is an adjustment to the Tax liability of a Company as a result of its receipt of a payment pursuant to this Agreement or the Separation Agreement, such payment shall be appropriately adjusted so that the amount of such payment, reduced by the amount of all Income Taxes payable with respect to the receipt thereof (but taking



into account all correlative Tax Benefits resulting from the payment of such Income Taxes), shall equal the amount of the payment which the Company receiving such payment would otherwise be entitled to receive pursuant to this Agreement. For purposes of this Section 15.02, the amount of any Income Taxes payable with respect to the receipt of a payment pursuant to this Agreement or the Separation Agreement shall be calculated by assuming that the recipient or the Group of which it is a member, as applicable, (I) pays Tax at the highest marginal corporate Tax rates in effect in each relevant taxable year and (II) has no Tax Attributes in any relevant taxable year.

*Section 15.03 Interest Under This Agreement.* Anything herein to the contrary notwithstanding, to the extent one Company (“Indemnitor”) makes a payment of interest to another Company (“Indemnitee”) under this Agreement with respect to the period from the date that the Indemnitee made a payment of Tax to a Tax Authority to the date that the Indemnitor reimbursed the Indemnitee for such Tax payment, the interest payment shall be treated as interest expense to the Indemnitor (deductible to the extent provided by Law) and as interest income by the Indemnitee (includible in income to the extent provided by Law). The amount of the payment shall not be adjusted to take into account any associated Tax Benefit to the Indemnitor or increase in Tax to the Indemnitee.

**Section 16. Disagreements.** The Companies mutually desire that friendly collaboration will continue between them. Accordingly, they will try, and they will cause their respective Group members to try, to resolve in an amicable manner all disputes and disagreements regarding their respective rights and obligations under this Agreement, including any amendments hereto. In furtherance thereof, in the event of any dispute or disagreement (a “Tax Dispute”) between any member of the Parent Group and any member of the SpinCo Group as to the interpretation of any provision of this Agreement or the performance of obligations hereunder, the Tax departments of the Companies shall negotiate in good faith to resolve such Tax Dispute. If such good faith negotiations do not resolve such Tax Dispute, then the matter shall be resolved pursuant to the procedures set forth in Article VII of the Separation Agreement and such Tax Dispute shall be treated as a dispute not resolved pursuant to Section 7.1 of the Separation Agreement, *provided, however*, that upon the request of either Company, the mutually agreeable mediator selected pursuant to Section 7.2 and the arbitrator selected by each of the parties pursuant to Section 7.3(b) shall be a recognized tax professional, such as a United States tax counsel or accountant of recognized national standing. Nothing in this Section 16 will prevent either Company from seeking injunctive relief if any delay resulting from the efforts to resolve the Tax Dispute through the procedures set forth in Article VII of the Separation Agreement could result in serious and irreparable injury to either Company. Notwithstanding anything to the contrary in this Agreement, the Separation Agreement or any Ancillary Agreement, Parent and SpinCo are the only members of their respective Group entitled to commence a dispute resolution procedure under this Agreement, and each of Parent and SpinCo will cause its respective Group members not to commence any dispute resolution procedure other than through such party as provided in this Section 16.

**Section 17. Late Payments.** Any amount owed by one party to another party under this Agreement which is not paid when due shall bear interest at the Prime Rate plus two percent, compounded semiannually, from the due date of the payment to the date paid. To the extent

interest required to be paid under this Section 17 duplicates interest required to be paid under any other provision of this Agreement, interest shall be computed at the higher of the interest rate provided under this Section 17 or the interest rate provided under such other provision.

**Section 18. Expenses.** Except as otherwise provided in this Agreement, each party and its Affiliates shall bear their own expenses incurred in connection with the preparation of Tax Returns, Tax Contests, and other matters related to Taxes under the provisions of this Agreement.

**Section 19. General Provisions.**

*Section 19.01 Addresses and Notices.* Each party giving any notice required or permitted under this Agreement will give the notice in writing and use one of the following methods of delivery to the party to be notified, at the address set forth below or another address of which the sending party has been notified in accordance with this Section 19.01: (a) personal delivery; (b) commercial overnight courier with a reasonable method of confirming delivery; or (c) pre-paid, United States of America certified or registered mail, return receipt requested. Notice to a party is effective for purposes of this Agreement only if given as provided in this Section 19.01 and shall be deemed given on the date that the intended addressee actually receives the notice.

If to Parent, to:

Aramark  
2400 Market Street  
Philadelphia, Pennsylvania 19103  
Attention: Robert Deitz, Vice President, Taxes  
E-mail: deitz-robert@aramark.com

with a copy to:

Aramark  
2400 Market Street  
Philadelphia, Pennsylvania 19103  
Attention: Tom Ondrof, Chief Financial Officer  
E-mail: ondrof-tom@aramark.com

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

Wachtell, Lipton, Rosen & Katz  
51 West 52nd Street  
New York, New York 10019  
Attention: David A. Katz  
Alison Z. Preiss  
E-mail: DAKatz@wlrk.com  
AZPreiss@wlrk.com

If to SpinCo (prior to the Effective Time), to:

Vestis Corporation  
2400 Market Street  
Philadelphia, Pennsylvania 19103  
Attention: [ ]  
E-mail: [ ]

with a copy to:

Vestis Corporation  
2400 Market Street  
Philadelphia, Pennsylvania 19103  
Attention: [ ]  
E-mail: [ ]

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

Wachtell, Lipton, Rosen & Katz  
51 West 52nd Street  
New York, New York 10019  
Attention: David A. Katz  
Alison Z. Preiss  
E-mail: DAKatz@wlrk.com  
AZPreiss@wlrk.com

If to SpinCo (from and after the Effective Time), to:

Vestis Corporation  
500 Colonial Center Parkway, Suite 140  
Roswell, GA 30076  
Attention: [ ]  
E-mail: [ ]

with a copy to:

Vestis Corporation  
500 Colonial Center Parkway, Suite 140  
Roswell, GA 30076  
Attention: [        ]  
E-mail:        [        ]

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

Wachtell, Lipton, Rosen & Katz  
51 West 52nd Street  
New York, New York 10019  
Attention:     David A. Katz  
                 Alison Z. Preiss  
E-mail:        DAKatz@wlrk.com  
                 AZPreiss@wlrk.com

A party may change the address for receiving notices under this Agreement by providing written notice of the change of address to the other parties.

*Section 19.02 Binding Effect.* This Agreement shall be binding upon and inure to the benefit of the parties hereto and their successors and assigns. No party hereto may assign its rights or delegate its obligations under this Agreement without the express prior written consent of the other party hereto.

*Section 19.03 Waiver.* The parties may waive a provision of this Agreement only by a writing signed by the party intended to be bound by the waiver. A party is not prevented from enforcing any right, remedy or condition in the party's favor because of any failure or delay in exercising any right or remedy or in requiring satisfaction of any condition, except to the extent that the party specifically waives the same in writing. A written waiver given for one matter or occasion is effective only in that instance and only for the purpose stated. A waiver once given is not to be construed as a waiver for any other matter or occasion. Any enumeration of a party's rights and remedies in this Agreement is not intended to be exclusive, and a party's rights and remedies are intended to be cumulative to the extent permitted by Law and include any rights and remedies authorized in law or in equity.

*Section 19.04 Severability.* If any provision of this Agreement is determined to be invalid, illegal or unenforceable, the remaining provisions of this Agreement remain in full force, if the essential terms and conditions of this Agreement for each party remain valid, binding and enforceable.

*Section 19.05 Authority.* Each of the parties represents to the other that (a) it has the corporate or other requisite power and authority to execute, deliver and perform this

Agreement, (b) the execution, delivery and performance of this Agreement have been duly authorized by all necessary corporate or other action, (c) it has duly and validly executed and delivered this Agreement, and (d) this Agreement is a legal, valid and binding obligation, enforceable against it in accordance with its terms, subject to applicable bankruptcy, insolvency, reorganization, moratorium or other similar Laws affecting creditors' rights generally and general equity principles.

*Section 19.06 Further Action.* The parties shall execute and deliver all documents, provide all information, and take or refrain from taking action as may be necessary or appropriate to achieve the purposes of this Agreement.

*Section 19.07 Integration.* This Agreement, together with each of the exhibits and schedules appended hereto, constitutes the final agreement between the parties, and is the complete and exclusive statement of the parties' agreement on the matters contained herein. All prior and contemporaneous negotiations and agreements between the parties with respect to the matters contained herein are superseded by this Agreement, as applicable. In the event of any conflict or inconsistency between this Agreement and the Separation Agreement, or any other agreements relating to the transactions contemplated by the Separation Agreement, with respect to matters addressed herein, the provisions of this Agreement shall control.

*Section 19.08 Construction.* The language in all parts of this Agreement shall in all cases be construed according to its fair meaning and shall not be strictly construed for or against any party. The captions, titles and headings included in this Agreement are for convenience only, and do not affect this Agreement's construction or interpretation. Unless otherwise indicated, all "Section" references in this Agreement are to sections of this Agreement. This Agreement shall be deemed to be the joint work product of the parties hereto and any rule of construction that a document shall be interpreted or construed against a drafter of such document shall not be applicable.

*Section 19.09 No Double Recovery.* No provision of this Agreement shall be construed to provide an indemnity or other recovery for any costs, damages, or other amounts for which the damaged party has been fully compensated under any other provision of this Agreement or under any other agreement or action at law or equity (it being agreed and understood that none of the payments to be made by any member of the SpinCo Group to any member of the Parent Group in connection with the Transactions shall be considered to compensate any member of the Parent Group for any amount for which SpinCo would otherwise be liable or responsible hereunder, unless otherwise specifically identified by Parent as a payment pursuant to this Agreement). Unless expressly required in this Agreement, a party shall not be required to exhaust all remedies available under other agreements or at law or equity before recovering under the remedies provided in this Agreement.

*Section 19.10 Counterparts.* The parties may execute this Agreement in multiple counterparts, each of which constitutes an original as against the party that signed it, and all of which together constitute one agreement. This Agreement is effective upon delivery of one executed counterpart from each party to the other party. The signatures of the parties need not appear on the same counterpart. The delivery of signed counterparts by facsimile or email

transmission that includes a copy of the sending party's signature is as effective as signing and delivering the counterpart in person.

*Section 19.11 Governing Law.* The internal Laws of the State of Delaware (without reference to its principles of conflicts of law) govern the construction, interpretation and other matters arising out of or in connection with this Agreement and each of the exhibits and schedules hereto and thereto (whether arising in contract, tort, equity or otherwise).

*Section 19.12 Jurisdiction.* If any dispute arises out of or in connection with this Agreement, except as expressly contemplated by another provision of this Agreement, the parties irrevocably (and the parties will cause each other member of their respective Groups to irrevocably) (a) consent and submit to the exclusive jurisdiction of federal and state courts located in the State of Delaware, (b) waive any objection to that choice of forum based on venue or to the effect that the forum is not convenient, and (c) WAIVE TO THE FULLEST EXTENT PERMITTED BY LAW ANY RIGHT TO TRIAL OR ADJUDICATION BY JURY.

*Section 19.13 Amendment.* The parties may amend this Agreement only by a written agreement signed by each party to be bound by the amendment and that identifies itself as an amendment to this Agreement.

*Section 19.14 SpinCo Subsidiaries.* If, at any time, SpinCo acquires or creates one or more subsidiaries that are includable in the SpinCo Group (or that would be so includable if membership in the SpinCo Group were measured after such acquisition or creation), they shall be subject to this Agreement and all references to the SpinCo Group herein shall thereafter include a reference to such subsidiaries.

*Section 19.15 Successors.* This Agreement shall be binding on and inure to the benefit of any successor by merger, acquisition of assets, or otherwise, to either of the parties hereto (including but not limited to any successor of Parent or SpinCo succeeding to the Tax attributes of either under Section 381 of the Code), to the same extent as if such successor had been an original party to this Agreement.

*Section 19.16 Injunctions.* The parties acknowledge that irreparable damage would occur in the event that any of the provisions of this Agreement were not performed in accordance with its specific terms or were otherwise breached. The parties hereto shall be entitled to an injunction or injunctions to prevent breaches of the provisions of this Agreement and to enforce specifically the terms and provisions hereof in any court having jurisdiction, such remedy being in addition to any other remedy to which they may be entitled at law or in equity.

*[Remainder of page intentionally left blank; signature page follows]*

IN WITNESS WHEREOF, each party has caused this Agreement to be executed on its behalf by a duly authorized officer on the date first set forth above.

**“Parent”**

ARAMARK

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

**“SpinCo”**

VESTIS CORPORATION

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

**Form of**  
**EMPLOYEE MATTERS AGREEMENT**  
**BY AND BETWEEN**  
**ARAMARK**  
**AND**  
**VESTIS CORPORATION**  
**DATED AS OF [       ], 2023**

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## TABLE OF CONTENTS

	<u>Page</u>
ARTICLE I DEFINITIONS	2
Section 1.01    Definitions	2
Section 1.02    Interpretation	7
ARTICLE II GENERAL PRINCIPLES FOR ALLOCATION OF LIABILITIES	7
Section 2.01    General Principles	7
Section 2.02    Service Credit Recognized by SpinCo and SpinCo Benefit Plans	9
ARTICLE III ASSIGNMENT OF EMPLOYEES	10
Section 3.01    Active Employees	10
Section 3.02    Individual Agreements	11
Section 3.03    Consultation with Labor Representatives; Labor Agreements	11
ARTICLE IV EQUITY, INCENTIVE AND EXECUTIVE COMPENSATION	12
Section 4.01    Generally	12
Section 4.02    Equity Incentive Awards	12
Section 4.03    Non-Equity Incentive Practices and Plans	15
Section 4.04    SpinCo Director Obligations	16
ARTICLE V NONQUALIFIED DEFERRED COMPENSATION PLANS	16
Section 5.01    Parent Deferred Compensation Plans	16
Section 5.02    Deferred Compensation Notice Requirements	16
ARTICLE VI WELFARE BENEFIT PLANS	17
Section 6.01    Welfare Plans	17
Section 6.02    COBRA	17
ARTICLE VII MISCELLANEOUS	17
Section 7.01    Preservation of Rights to Amend	17
Section 7.02    Fiduciary Matters	17
Section 7.03    Information Sharing and Access	18
Section 7.04    Third-Party Beneficiaries	18
Section 7.05    Further Assurances	19
Section 7.06    Dispute Resolution	19
Section 7.07    Incorporation of Separation and Distribution Agreement Provisions	19

EMPLOYEE MATTERS AGREEMENT

This EMPLOYEE MATTERS AGREEMENT, dated as of [ ], 2023 (this “Agreement”), is by and between Aramark, a Delaware corporation (“Parent”), and Vestis Corporation, a Delaware corporation (“SpinCo”).

R E C I T A L S:

WHEREAS, the board of directors of Parent (the “Parent Board”) has determined that it is in the best interests of Parent and its stockholders to create a new publicly traded company that shall operate the SpinCo Business;

WHEREAS, in furtherance of the foregoing, the Parent Board has determined that it is appropriate and desirable to separate the SpinCo Business from the Parent Business (the “Separation”) and, following the Separation, make a distribution, on a pro rata basis, to holders of Parent Shares on the Record Date of all of the SpinCo Shares held by Parent at such time, which shall constitute 100 percent (100%) of the outstanding SpinCo Shares (other than the SpinCo Shares contributed by Aramark Services, Inc., a Delaware corporation, to a donor advised fund pursuant to the Plan of Reorganization) (the “Distribution”);

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

WHEREAS, in order to effectuate the Separation and the Distribution, Parent and SpinCo have entered into that certain Separation and Distribution Agreement, dated as of [ ], 2023 (together with the schedules, exhibits and appendices thereto, the “Separation and Distribution Agreement”);

WHEREAS, in addition to the matters addressed by the Separation and Distribution Agreement, the Parties desire to enter into this Agreement to set forth the terms and conditions of certain employment, compensation and benefit matters; and

WHEREAS, the Parties acknowledge that this Agreement, the Separation and Distribution Agreement and the other Ancillary Agreements represent the integrated agreement of Parent and SpinCo relating to the Separation and the Distribution, are being entered into together and would not have been entered into independently.

NOW, THEREFORE, in consideration of the mutual agreements, provisions and covenants contained in this Agreement, and for other good and valuable consideration, the receipt and sufficiency of which are hereby acknowledged, the Parties, intending to be legally bound, hereby agree as follows:

ARTICLE I  
DEFINITIONS

Section 1.01 Definitions. For purposes of this Agreement (including the Recitals hereof), the following terms have the following meanings, and capitalized terms used but not otherwise defined herein shall have the meaning ascribed to them in the Separation and Distribution Agreement.

“Affiliates” shall have the meaning set forth in the Separation and Distribution Agreement.

“Agreement” shall have the meaning set forth in the Preamble to this Agreement and shall include all Schedules hereto and all amendments, modifications, and changes hereto entered into pursuant to Section 10.14 of the Separation and Distribution Agreement (Amendments).

“Ancillary Agreements” shall have the meaning set forth in the Separation and Distribution Agreement.

“Assets” shall have the meaning set forth in the Separation and Distribution Agreement.

“Benefit Plan” shall mean any contract, agreement, policy, practice, program, plan, trust, commitment or arrangement providing for benefits, perquisites or compensation of any nature from an employer to any Employee or Former Employee, or to any family member, dependent, or beneficiary of any such Employee or Former Employee, including cash or deferred arrangement plans, profit-sharing plans, post-employment programs, pension plans, supplemental pension plans, welfare plans, stock purchase, and contracts, agreements, policies, practices, programs, plans, trusts, commitments and arrangements providing for terms of employment, fringe benefits, severance benefits, change-in-control protections or benefits, life, accidental death and dismemberment, disability and accident insurance, tuition reimbursement, adoption assistance, travel reimbursement, vacation, sick, personal or bereavement days, leaves of absences and holidays; provided, however, that the term “Benefit Plan” does not include any government-sponsored benefits, such as workers’ compensation, unemployment or any similar plans, programs or policies or Individual Agreements. No Benefit Plan can be both a Parent Benefit Plan and a SpinCo Benefit Plan, and to the extent that a Benefit Plan could reasonably fall within the definition of Parent Benefit Plan or SpinCo Benefit Plan, the context shall determine the applicable classification.

“COBRA” shall mean the U.S. Consolidated Omnibus Budget Reconciliation Act of 1985, as codified at Section 601 *et seq.* of ERISA and at Section 4980B of the Code and including all regulations promulgated thereunder.

“Director Individual Agreement” shall mean any individual agreement between a member of the Parent Group and any individual with respect to his or her service as a non-employee director of SpinCo following the Effective Time, including service in advance of the Effective Time in the case of prospective directors (such individuals referred to herein as the

“SpinCo Directors,” whether or not any such individual ultimately commences service as a non-employee director of SpinCo), as in effect immediately prior to the Effective Time.

“Distribution” shall have the meaning set forth in the Recitals.

“Distribution Date” shall have the meaning set forth in the Separation and Distribution Agreement.

“Effective Time” shall have the meaning set forth in the Separation and Distribution Agreement.

“Employee” shall mean any Parent Group Employee or SpinCo Group Employee.

“ERISA” shall mean the U.S. Employee Retirement Income Security Act of 1974, as amended, and the regulations promulgated thereunder.

“Former Employee” shall mean any Former Parent Group Employee and any Former SpinCo Group Employee.

“Former Parent Group Employee” shall mean any individual who is a former employee of the Parent Group as of the Effective Time and who is not a Former SpinCo Group Employee.

“Former SpinCo Group Employee” shall mean any individual who is a former employee of the SpinCo Group as of immediately prior to termination of employment and whose termination of employment occurred prior to the Effective Time.

“Group” shall mean either the SpinCo Group or the Parent Group, as the context requires.

“Individual Agreement” shall mean any individual employment contract, retention, bonus, severance or change-in-control agreement, or other agreement containing restrictive covenants (including confidentiality, noncompetition and nonsolicitation provisions) between a member of the Parent Group and/or SpinCo Group and a SpinCo Group Employee or any Former SpinCo Group Employee, as in effect immediately prior to the Effective Time.

“Information Statement” shall have the meaning set forth in the Separation and Distribution Agreement.

“Labor Agreement” shall have the meaning set forth in Section 2.01.

“Law” shall have the meaning set forth in the Separation and Distribution Agreement.

“Liabilities” shall have the meaning set forth in the Separation and Distribution Agreement.

“Parent” shall have the meaning set forth in the Preamble.

“Parent Awards” shall mean Parent Option Awards, Parent DSU Awards, Parent PSU Awards, and Parent RSU Awards, collectively.

“Parent Benefit Plan” means any Benefit Plan sponsored, maintained, or contributed to by a member of the Parent Group or any Benefit Plan to which a member of a Parent Group is a party.

“Parent Board” shall have the meaning set forth in the Recitals.

“Parent Compensation Committee” shall mean the Compensation and Human Resources Committee of the Parent Board.

“Parent Deferred Compensation Plans” shall mean the Second Amended and Restated Aramark Savings Incentive Retirement Plan and the Third Amended and Restated Aramark 2005 Deferred Compensation Plan, each as amended from time to time.

“Parent Defined Benefit Plan” shall mean the Aramark Pension Plan for Non-Salaried Employees, as amended from time to time.

“Parent DSU Award” shall mean a deferred stock unit award in respect of a Parent Share held by an individual in connection with his or her service as a non-employee director of the Parent Board that is outstanding as of immediately prior to the Effective Time.

“Parent Group” shall have the meaning set forth in the Separation and Distribution Agreement.

“Parent Group Employees” shall have the meaning set forth in Section 3.01(a)(ii).

“Parent Non-Equity Incentive Practices” shall mean the corporate non-equity incentive practices of the Parent Group.

“Parent Option Award” shall mean an award of options to purchase Parent Shares granted pursuant to a Parent Stock Incentive Plan that is outstanding as of immediately prior to the Effective Time.

“Parent PSU Award” shall mean a performance share unit award outstanding as of immediately prior to the Effective Time that is subject to performance-based vesting, granted pursuant to the Parent Stock Incentive Plan.

“Parent Ratio” shall mean the quotient obtained by dividing (a) the Pre-Separation Parent Stock Value by (b) the Post-Separation Parent Stock Value.

“Parent RSU Award” shall mean a restricted stock unit award in respect of a Parent Share that is outstanding as of immediately prior to the Effective Time that is not subject to performance-based vesting conditions, granted pursuant to the Parent Stock Incentive Plan.

“Parent Shares” shall have the meaning set forth in the Separation and Distribution Agreement.

“Parent Stock Incentive Plan” shall mean any equity compensation plan sponsored or maintained by Parent immediately prior to the Effective Time, including Aramark Amended and Restated 2013 Stock Incentive Plan, Aramark Second Amended and Restated 2013 Stock Incentive Plan, Aramark Third Amended and Restated 2013 Stock Incentive Plan and the Aramark 2023 Stock Incentive Plan, as amended from time to time.

“Parent Welfare Plan” shall mean any Parent Benefit Plan that is a Welfare Plan.

“Parties” shall mean the parties to this Agreement.

“Person” shall have the meaning set forth in the Separation and Distribution Agreement.

“Post-Separation Parent Awards” shall mean Post-Separation Parent Option Awards, Post-Separation Parent DSU Awards, Post-Separation Parent PSU Awards and Post-Separation Parent RSU Awards, collectively.

“Post-Separation Parent Option Award” shall mean a Parent Option Award, as adjusted as of the Effective Time in accordance with Section 4.02(a)(i).

“Post-Separation Parent DSU Award” shall mean a Parent DSU Award, as adjusted as of the Effective Time in accordance with Section 4.02(d).

“Post-Separation Parent PSU Award” shall mean a Parent PSU Award, as adjusted as of the Effective Time in accordance with Section 4.02(c)(i), as applicable.

“Post-Separation Parent RSU Award” shall mean a Parent RSU Award, as adjusted as of the Effective Time in accordance with Section 4.02(b)(i).

“Post-Separation Parent Stock Value” shall mean the per-share price of Parent Shares on the NYSE using the methodology as specified by the Parent Compensation Committee prior to the Separation and Distribution.

“Pre-Separation Parent Stock Value” shall mean the per-share price of Parent Shares on the NYSE using the methodology as specified by the Parent Compensation Committee prior to the Separation and Distribution.

“Record Date” shall have the meaning set forth in the Separation and Distribution Agreement.

“Securities Act” shall mean the U.S. Securities Act of 1933, as amended, together with the rules and regulations promulgated thereunder.

“Separation” shall have the meaning set forth in the Recitals.

“Separation and Distribution Agreement” shall have the meaning set forth in the Recitals.

“SpinCo” shall have the meaning set forth in the Preamble.

“SpinCo Board” shall mean the Board of Directors of SpinCo.

“SpinCo Compensation Committee” shall mean the Compensation and Human Resources Committee of the Board of Directors of SpinCo.

“SpinCo 401(k) Plan” shall mean the Aramark Uniform and Career Apparel Group Retirement Savings Plan as amended from time to time.

“SpinCo Awards” shall mean SpinCo Option Awards, SpinCo PSU Awards and SpinCo RSU Awards, collectively.

“SpinCo Benefit Plan” means any Benefit Plan sponsored, maintained, or contributed to by a member of the SpinCo Group or any Benefit Plan to which a member of a SpinCo Group is a party.

“SpinCo Business” shall have the meaning set forth in the Separation and Distribution Agreement.

“SpinCo Designees” shall have the meaning set forth in the Separation and Distribution Agreement.

“SpinCo Group” shall have the meaning set forth in the Separation and Distribution Agreement.

“SpinCo Group Employees” shall have the meaning set forth in Section 3.01(a)(i).

“SpinCo Non-Equity Incentive Practices” shall mean the corporate non-equity incentive practices of the SpinCo Group.

“SpinCo Option Award” shall mean an award of stock options in respect of SpinCo Shares that is assumed by SpinCo and considered granted pursuant to the SpinCo Stock Incentive Plan, in accordance with Section 4.02(a)(ii).

“SpinCo PSU Award” shall mean an award of a restricted stock unit in respect of SpinCo Shares that is or prior to the Effective Time was subject to performance-based vesting conditions and is assumed by SpinCo and considered granted pursuant to the SpinCo Stock Incentive Plan, in accordance with Section 4.02(c)(ii).

“SpinCo Ratio” shall mean the quotient obtained by dividing (a) the Pre-Separation Parent Stock Value by (b) the SpinCo Stock Value.

“SpinCo RSU Award” shall mean an award of a restricted stock unit in respect of SpinCo Shares that is not subject to performance-based vesting conditions and is assumed by SpinCo and considered granted pursuant to the SpinCo Stock Incentive Plan, in accordance with Section 4.02(b)(ii).

“SpinCo Shares” shall have the meaning set forth in the Separation and Distribution Agreement.

“SpinCo Stock Incentive Plan” shall mean the SpinCo 2023 Stock Incentive Plan, as established by SpinCo as of the Effective Time pursuant to Section 4.01.

“SpinCo Stock Value” shall mean the per-share price of SpinCo Shares on the NYSE using the methodology as specified by the Parent Compensation Committee prior to the Separation and Distribution.

“SpinCo Welfare Plan” shall mean a Welfare Plan established, sponsored, maintained or contributed to by any member of the SpinCo Group for the benefit of SpinCo Group Employees or Former SpinCo Group Employees.

“Subsidiary” shall have the meaning set forth in the Separation and Distribution Agreement.

“Tax” shall have the meaning set forth in the Separation and Distribution Agreement.

“Third Party” shall have the meaning set forth in the Separation and Distribution Agreement.

“U.S.” shall mean the United States of America.

“Welfare Plan” shall mean any “welfare plan” (as defined in Section 3(1) of ERISA) or a “cafeteria plan” under Section 125 of the Code, and any benefits offered thereunder, and any other plan offering health benefits (including medical, prescription drug, dental, vision, mental health, substance abuse and retiree health), disability benefits, or life, accidental death and dismemberment, and business travel insurance, pre-Tax premium conversion benefits, dependent care assistance programs, employee assistance programs, paid time off programs, contribution funding toward a health savings account, flexible spending accounts or severance.

Section 1.02 Interpretation. Section 10.15 of the Separation and Distribution Agreement is hereby incorporated by reference.

## ARTICLE II GENERAL PRINCIPLES FOR ALLOCATION OF LIABILITIES

Section 2.01 General Principles. All provisions herein shall be subject to the requirements of all applicable Law and any collective bargaining, works council or similar agreement or arrangement with any labor union, works council or other labor representative (each, a “Labor Agreement”). Notwithstanding anything in this Agreement to the contrary, if the terms of a Labor Agreement or applicable Law require that any Assets or Liabilities be retained or assumed by, or transferred to, a Party in a manner that is different than what is set forth in this Agreement, such retention, assumption or transfer shall be made in accordance with the terms of such Labor Agreement and applicable Law and shall not be made as otherwise set forth in this Agreement; provided that, in such case, the Parties shall take all necessary action to preserve the



economic terms of the allocation of Assets and Liabilities contemplated by this Agreement. The provisions of this Agreement shall apply in respect of all jurisdictions.

(a) *Acceptance and Assumption of SpinCo Liabilities.* Except as otherwise provided by this Agreement, on or prior to the Effective Time, but in any case prior to the Distribution, SpinCo and the applicable SpinCo Designees shall accept, assume and agree faithfully to perform, discharge and fulfill all of the following Liabilities in accordance with their respective terms (each of which shall be considered a SpinCo Liability), regardless of when or where such Liabilities arose or arise, or whether the facts on which they are based occurred prior to, at or subsequent to the Effective Time, regardless of where or against whom such Liabilities are asserted or determined (including any Liabilities arising out of claims made by Parent's or SpinCo's respective directors, officers, Employees, Former Employees, agents, Subsidiaries or Affiliates against any member of the Parent Group or the SpinCo Group) or whether asserted or determined prior to the date hereof, and regardless of whether arising from or alleged to arise from negligence, recklessness, violation of Law, fraud or misrepresentation by any member of the Parent Group or the SpinCo Group, or any of their respective directors, officers, Employees, Former Employees, agents, Subsidiaries or Affiliates:

(i) any and all wages, salaries, incentive compensation, equity compensation, commissions, bonuses and any other employee compensation or benefits payable to or on behalf of any SpinCo Group Employees, Former SpinCo Group Employees and SpinCo Directors after the Effective Time, without regard to when such wages, salaries, incentive compensation, equity compensation, commissions, bonuses or other employee compensation or benefits are or may have been awarded or earned;

(ii) any and all Liabilities whatsoever with respect to claims under a SpinCo Benefit Plan, including the SpinCo 401(k) Plan, any Individual Agreement or Director Individual Agreement;

(iii) any and all Liabilities arising out of, relating to or resulting from the employment, or termination of employment of all SpinCo Group Employees and Former SpinCo Group Employees or the service of any SpinCo Director; and

(iv) any and all Liabilities expressly assumed or retained by any member of the SpinCo Group pursuant to this Agreement.

(b) *Acceptance and Assumption of Parent Liabilities.* Except as otherwise provided by this Agreement, on or prior to the Effective Time, but in any case prior to the Distribution, Parent and certain members of the Parent Group designated by Parent shall accept, assume and agree faithfully to perform, discharge and fulfill all of the following Liabilities in accordance with their respective terms (each of which shall be considered a Parent Liability), regardless of when or where such Liabilities arose or arise, or whether the facts on which they are based occurred prior to, at or subsequent to the Effective Time, regardless of where or against whom such Liabilities are asserted or determined (including any Liabilities arising out of claims made by Parent's or SpinCo's respective directors, officers, Employees, Former Employees, agents, Subsidiaries or Affiliates against any member of the Parent Group or the SpinCo Group)

or whether asserted or determined prior to the date hereof, and regardless of whether arising from or alleged to arise from negligence, recklessness, violation of Law, fraud or misrepresentation by any member of the Parent Group or the SpinCo Group, or any of their respective directors, officers, Employees, Former Employees, agents, Subsidiaries or Affiliates:

(i) any and all wages, salaries, incentive compensation, equity compensation, commissions, bonuses and any other employee compensation or benefits payable to or on behalf of any Parent Group Employees and Former Parent Group Employees after the Effective Time, without regard to when such wages, salaries, incentive compensation, equity compensation, commissions, bonuses or other employee compensation or benefits are or may have been awarded or earned;

(ii) any and all Liabilities whatsoever with respect to claims under a Parent Benefit Plan including the Parent Defined Benefit Plan and Parent Deferred Compensation Plans;

(iii) any and all Liabilities arising out of, relating to or resulting from the employment, or termination of employment of all Parent Group Employees and Former Parent Group Employees; and

(iv) any and all Liabilities expressly assumed or retained by any member of the Parent Group pursuant to this Agreement.

(c) *Unaddressed Liabilities.* To the extent that this Agreement does not address particular Liabilities under any Benefit Plan and the Parties later determine that they should be allocated in connection with the Distribution, the Parties shall agree in good faith on the allocation, taking into account the handling of comparable Liabilities under this Agreement.

(d) *Employment Litigation.* Notwithstanding anything contained herein to the contrary, Liabilities arising out of litigation involving Employees and Former Employees shall be governed by the Separation and Distribution Agreement.

Section 2.02 Service Credit Recognized by SpinCo and SpinCo Benefit Plans.

(a) *Service Credit Generally.* As of the Effective Time, the SpinCo Benefit Plans shall, and SpinCo shall cause each member of the SpinCo Group to, recognize each SpinCo Group Employee's and each Former SpinCo Group Employee's full service with Parent or any of its Subsidiaries or predecessor entities at or prior to the Effective Time, to the same extent that such service was recognized by Parent or any of its Subsidiaries for similar purposes prior to the Effective Time as if such full service had been performed for a member of the SpinCo Group, for purposes of eligibility, vesting and determination of level of benefits under any SpinCo Benefit Plan.

(b) *No Duplication or Acceleration of Benefits.* Notwithstanding anything to the contrary in this Agreement, the Separation and Distribution Agreement or any Ancillary Agreement, no participant in any Benefit Plan shall receive service credit or benefits or

recognition of compensation or other factors to the extent that receipt of such service credit or benefits or recognition of compensation or other factors would result in duplication of benefits provided to such participant by the corresponding Benefit Plan or any other plan, program or arrangement sponsored or maintained by a member of the Group that sponsors the corresponding Benefit Plan. Furthermore, unless expressly provided for in this Agreement, the Separation and Distribution Agreement or any Ancillary Agreement or required by applicable Law, no provision in this Agreement shall be construed to (i) create any right to accelerate vesting distributions or entitlements under any Benefit Plan sponsored or maintained by a member of the Parent Group or member of the SpinCo Group on the part of any Employee or Former Employee or (ii) limit the ability of a member of the Parent Group or SpinCo Group to amend, merge, modify, eliminate, reduce or otherwise alter in any respect any benefit under any Benefit Plan sponsored or maintained by a member of the Parent Group or SpinCo Group, respectively, or any trust, insurance policy or funding vehicle related thereto.

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

### ARTICLE III ASSIGNMENT OF EMPLOYEES

#### Section 3.01 Active Employees.

(a) *Assignment and Transfer of Employees.* Except as otherwise agreed to by the Parties, (i) the applicable member of the Parent Group shall have taken such actions as are necessary to ensure that each individual who is intended to be an employee of the SpinCo Group as of immediately after the Effective Time (including any such individual who is not actively working as of the Effective Time as a result of an illness, injury or an approved leave of absence) (collectively, the “SpinCo Group Employees”) is employed by a member of the SpinCo Group as of immediately prior to the Effective Time, and (ii) the applicable member of the Parent Group shall have taken such actions as are necessary to ensure that each individual who is intended to be an employee of the Parent Group as of immediately after the Effective Time (including any such individual who is not actively working as of the Effective Time as a result of an illness, injury or an approved leave of absence) and any other individual employed by the Parent Group as of the Effective Time who is not a SpinCo Group Employee (collectively, the “Parent Group Employees”) is employed by a member of the Parent Group as of immediately prior to the Effective Time. Each of the Parties agrees to execute, and to seek to have the applicable Employees execute, such documentation, if any, as may be necessary to reflect such assignment and/or transfer.

(b) *At-Will Status.* Nothing in this Agreement shall create any obligation on the part of any member of the Parent Group or any member of the SpinCo Group to (i) continue the employment of any Employee or permit the return from a leave of absence for any period after the date of this Agreement (except as required by applicable Law) or (ii) change the employment status of any Employee from “at-will,” to the extent that such Employee is an “at-

will” employee under applicable Law. Except as provided in this Agreement, this Agreement shall not limit the ability of the Parent Group or the SpinCo Group to change the position, compensation or benefits of any Employees for performance-related, business or any other reason.

(c) *Noncompete, Severance, Change in Control, or Other Payments.* The Parties acknowledge and agree that the Separation, Distribution and the assignment, transfer or continuation of the employment of Employees as contemplated by this Section 3.01 shall not be deemed an involuntary termination of employment entitling any SpinCo Group Employee or Parent Group Employee to noncompete, severance, change in control, or other payments or benefits.

(d) *Not a Change in Control.* The Parties acknowledge and agree that neither the consummation of the Separation, Distribution nor any transaction contemplated by this Agreement, the Separation and Distribution Agreement or any other Ancillary Agreement shall be deemed a “change in control,” “change of control,” or term of similar import for purposes of any Benefit Plan sponsored or maintained by any member of the Parent Group or member of the SpinCo Group, and except as provided in this Agreement or as otherwise required by applicable Law or Individual Agreement, no provision of this Agreement shall be construed to accelerate any vesting or create any right or entitlement to any compensation or benefits on the part of any Employee.

#### Section 3.02 Individual Agreements.

(a) *Assignment by Parent.* To the extent necessary, Parent hereby assigns, or shall cause an applicable member of the Parent Group to assign, to SpinCo or another member of the SpinCo Group, as designated by SpinCo, all Individual Agreements, with such assignment to be effective as of no later than the Effective Time; provided, however, that to the extent that assignment of any such Individual Agreement is not permitted by the terms of such agreement or by applicable Law, effective as of the Effective Time, each member of the SpinCo Group shall be considered to be a successor to each member of the Parent Group for purposes of, and a third-party beneficiary with respect to, such Individual Agreement, such that each member of the SpinCo Group shall enjoy all the rights and benefits under such agreement (including rights and benefits as a third-party beneficiary).

(b) *Assumption by SpinCo.* Effective as of the Effective Time, SpinCo hereby assumes and honors, or shall cause the members of the SpinCo Group to assume and honor, any Individual Agreement, including any obligations thereunder to which any SpinCo Group Employee or Former SpinCo Group Employee is a party with any member of the Parent Group.

Section 3.03 Consultation with Labor Representatives; Labor Agreements. The Parties shall cooperate to notify, inform and/or consult with any labor union, works council or other labor representative regarding the Separation and Distributions to the extent required by Law or a Labor Agreement. No later than as of immediately before the Effective Time, SpinCo shall have taken, or caused another member of the SpinCo Group to take, all actions that are necessary (if any) for SpinCo or another member of the SpinCo Group to (a) assume any Labor Agreements in

effect with respect to SpinCo Group Employees and Former SpinCo Group Employees (excluding obligations thereunder with respect to any Parent Group Employees or Former Parent Group Employees, to the extent applicable), and (b) unless otherwise provided in this Agreement, assume and honor any obligations of the Parent Group under any Labor Agreements as such obligations relate to SpinCo Group Employees and Former SpinCo Group Employees. No later than as of immediately before the Effective Time, Parent shall have taken, or caused another member of the Parent Group to take, all actions that are necessary (if any) for Parent or another member of the Parent Group to (i) assume any Labor Agreements in effect with respect to Parent Group Employees and Former Parent Group Employees (excluding obligations thereunder with respect to any SpinCo Group Employees, or Former SpinCo Group Employees, to the extent applicable) and (ii) assume and honor any obligations of the SpinCo Group under any Labor Agreements as such obligations relate to Parent Group Employees and Former Parent Group Employees.

ARTICLE IV  
EQUITY, INCENTIVE AND EXECUTIVE COMPENSATION

Section 4.01 Generally. Each Parent Award that is outstanding as of immediately prior to the Effective Time shall be adjusted as described below; provided, however, that, prior to the Effective Time, the Parent Compensation Committee may provide for different adjustments with respect to some or all Parent Awards to the extent that the Parent Compensation Committee deems such adjustments necessary and appropriate. Any adjustments made by the Parent Compensation Committee pursuant to the foregoing sentence shall be deemed incorporated by reference herein as if fully set forth below and shall be binding on the Parties and their respective Affiliates. Before the Effective Time, the SpinCo Stock Incentive Plan shall be established by SpinCo, with such terms as are necessary to permit the implementation of the provisions of Section 4.02.

Section 4.02 Equity Incentive Awards.

(a) Option Awards. Each Parent Option Award that is outstanding immediately prior to the Effective Time shall be converted as of the Effective Time into either a Post-Separation Parent Option Award or a SpinCo Option Award as described below:

(i) Each Parent Option Award held by a Parent Group Employee and Former Employee shall be converted as of the Effective Time, through an adjustment thereto, into a Post-Separation Parent Option Award and shall, except as otherwise provided in this Section 4.02(a), be subject to the same terms and conditions (including with respect to vesting and expiration) after the Effective Time as applicable to such Parent Option Award immediately prior to the Effective Time. From and after the Effective Time:

(A) the number of Parent Shares subject to such Post-Separation Parent Option Award, rounded down to the nearest whole number of shares, shall be equal to the product, obtained by multiplying (1) the number of Parent Shares subject to the corresponding Parent Option Award immediately prior to the Effective Time, by (2) the Parent Ratio; and

(B) the per share exercise price of such Post-Separation Parent Option Award, rounded up to the nearest cent, shall be equal to the quotient obtained by dividing (1) the per share exercise price of the corresponding Parent Option Award as of immediately prior to the Effective Time, by (2) the Parent Ratio.

(ii) Each Parent Option Award held by a SpinCo Group Employee shall be converted as of the Effective Time into a SpinCo Option Award outstanding under the SpinCo Stock Incentive Plan and shall, except as otherwise provided in this Section 4.02(a), be subject to the same terms and conditions (including with respect to vesting and expiration) after the Effective Time as applicable to such Parent Option Award immediately prior to the Effective Time. From and after the Effective Time:

(A) the number of SpinCo Shares subject to such SpinCo Option Award, rounded down to the nearest whole number of shares, shall equal the product obtained by multiplying (1) the number of Parent Shares subject to the corresponding Parent Option Award immediately prior to the Effective Time, by (2) the SpinCo Ratio; and

(B) the per share exercise price of such SpinCo Option Award, rounded up to the nearest cent, shall be equal to the quotient obtained by dividing (1) the per share exercise price of the corresponding Parent Option Award as of immediately prior to the Effective Time, by (2) the SpinCo Ratio.

Notwithstanding anything to the contrary in this Section 4.02(a), the exercise price, the number of Parent Shares and SpinCo Shares subject to each Post-Separation Parent Option Award and SpinCo Option Award, and the terms and conditions of exercise of such options, shall be determined in a manner consistent with the requirements of Section 409A of the Code.

(b) *Restricted Stock Unit Awards*. Each Parent RSU Award that is outstanding as of immediately prior to the Effective Time shall be treated as follows:

(i) If the holder is a Parent Group Employee or Former Employee, such award shall be converted, as of the Effective Time, into a Post-Separation Parent RSU Award, and shall, except as otherwise provided in this Section 4.02(b), be subject to the same terms and conditions (including with respect to vesting) after the Effective Time as were applicable to such Parent RSU Award immediately prior to the Effective Time; provided, however, that, from and after the Effective Time, the number of Parent Shares subject to such Post-Separation Parent RSU Award shall be equal to the product, rounded up to the nearest whole share, obtained by multiplying (A) the number of Parent Shares subject to the corresponding Parent RSU Award immediately prior to the Effective Time, by (B) the Parent Ratio.

(ii) If the holder is a SpinCo Group Employee, such award shall be converted, as of the Effective Time, into a SpinCo RSU Award, and shall, except as otherwise provided in this Section 4.02(b), be subject to the same terms and conditions (including with respect to vesting) after the Effective Time as were applicable to such Parent RSU Award

immediately prior to the Effective Time; provided, however, that, from and after the Effective Time, the number of SpinCo Shares subject to such SpinCo RSU Award shall be equal to the product, rounded up to the nearest whole share, obtained by multiplying (A) the number of Parent Shares subject to the corresponding Parent RSU Award immediately prior to the Effective Time, by (B) the SpinCo Ratio.

(c) *Performance Stock Unit Awards.* Each Parent PSU Award that is outstanding as of immediately prior to the Effective Time shall be treated as follows:

(i) If the holder is a Parent Group Employee or Former Employee, such award shall be converted, as of the Effective Time, into a Post-Separation Parent PSU Award and shall, except as otherwise provided in this Section 4.02(c), be subject to the same terms and conditions (including with respect to time-based vesting) after the Effective Time as were applicable to such Parent PSU Award immediately prior to the Effective Time; provided, however, that, from and after the Effective Time, the number of Parent Shares subject to such Post-Separation Parent PSU Award shall be equal to the product, rounded up to the nearest whole share, obtained by multiplying (A) the maximum number of Parent Shares subject to such corresponding Parent PSU Award immediately prior to the Effective Time, by (B) the Parent Ratio.

(ii) If the holder is a SpinCo Group Employee, such award shall be converted, as of the Effective Time, into a SpinCo PSU Award and shall, except as otherwise provided in this Section 4.02(c), be subject to the same terms and conditions (including with respect to time-based vesting) after the Effective Time as were applicable to such Parent PSU Award immediately prior to the Effective Time; provided, however, that the number of SpinCo Shares subject to such SpinCo PSU Award shall be equal to the product, rounded up to the nearest whole share, obtained by multiplying (A) the maximum number of Parent Shares subject to the corresponding Parent PSU Award immediately prior to the Effective Time, by (B) the SpinCo Ratio. With respect to the 2022-2024 SpinCo PSU Awards, the determination of the level of achievement of the performance goals for the first two (2) fiscal years of the 2022-2024 performance period shall be made by the Parent Compensation Committee after the Effective Time at the time performance determinations are customarily made by the Parent Compensation Committee with respect to Parent PSU Awards, and such determination shall be binding on the SpinCo Compensation Committee and SpinCo PSU Award holders. With respect to the third fiscal year of the 2022-2024 performance period applicable to the 2022-2024 SpinCo PSU Awards and all fiscal years of the 2023-2025 performance period applicable to the 2022-2025 SpinCo PSU Awards, the SpinCo Compensation Committee shall modify and establish the performance-based vesting conditions that will apply after the Effective Time and make all other determinations with respect to such performance goals.

(d) *Deferred Stock Unit Awards.* Each Parent DSU Award that is outstanding as of immediately prior to the Effective Time shall be converted, as of the Effective Time, into a Post-Separation Parent DSU Award, and shall, except as otherwise provided in this Section 4.02(d), be subject to the same terms and conditions (including with respect to vesting) after the Effective Time as were applicable to such Parent DSU Award immediately prior to the Effective Time; provided, however, that, from and after the Effective Time, the number of Parent Shares

subject to such Post-Separation Parent RSU Award shall be equal to the product, rounded up to the nearest whole share, obtained by multiplying (A) the number of Parent Shares subject to the corresponding Parent DSU Award immediately prior to the Effective Time, by (B) the Parent Ratio.

(e) *Miscellaneous Award Terms.* None of the Separation, the Distribution or any employment transfer described in Section 3.01(a) shall constitute a termination of employment for any Employee or termination of service for any nonemployee director for purposes of any Post-Separation Parent Award or any SpinCo Award. After the Effective Time, for any award adjusted under this Section 4.02, any reference to a “change in control,” “change of control” or similar definition in an award agreement, employment agreement or Parent Stock Incentive Plan applicable to such award (x) with respect to Post-Separation Parent Awards shall be deemed to refer to a “change in control,” “change of control” or similar definition as set forth in the applicable award agreement, employment agreement or Parent Stock Incentive Plan, and (y) with respect to SpinCo Awards, shall be deemed to refer to a “Change in Control” as defined in the SpinCo Stock Incentive Plan.

(f) *Forfeitures.* Following the Effective Time, if any Post-Separation Parent Awards shall fail to become vested or fail to be exercised prior to the applicable expiration date, such Post-Separation Parent Award shall be forfeited to Parent and if any SpinCo Awards shall fail to become vested or fail to be exercised prior to the applicable expiration date, such SpinCo Award shall be forfeited to SpinCo.

(g) *Registration and Other Regulatory Requirements.* SpinCo agrees to file the appropriate registration statements with respect to, and to cause to be registered pursuant to the Securities Act, the SpinCo Shares authorized for issuance under the SpinCo Stock Incentive Plan, as required pursuant to the Securities Act, no later than the Effective Time. The Parties shall take such additional actions as are deemed necessary or advisable to effectuate the foregoing provisions of this Section 4.02(g), including, to the extent applicable, compliance with securities Laws and other legal requirements associated with equity compensation awards in affected non-U.S. jurisdictions.

#### Section 4.03 Non-Equity Incentive Practices and Plans.

##### (a) *Corporate Bonus Practices.*

(i) The SpinCo Group shall be responsible for determining all bonus awards that would otherwise be payable under the SpinCo Non-Equity Incentive Practices to SpinCo Group Employees or Former SpinCo Group Employees for any performance periods that are open when the Effective Time occurs. The SpinCo Group shall also determine for SpinCo Group Employees or Former SpinCo Group Employees (A) the extent to which established performance criteria (as interpreted by the SpinCo Group, in its sole discretion) have been met, and (B) the payment level for each SpinCo Group Employee or Former SpinCo Group Employee. The SpinCo Group shall retain (or assume as necessary) all Liabilities with respect to any bonus awards payable to SpinCo Group Employees or Former SpinCo Group Employees for any performance periods, whether the performance period is complete or remains open and



whether the bonus amount payable has been determined or is to be determined, and no member of the Parent Group shall have any obligations with respect thereto.

(ii) The Parent Group shall retain (or assume as necessary) all Liabilities with respect to any Liabilities for bonus awards under Parent Non-Equity Incentive Practices that are payable to Parent Group Employees or Former Parent Group Employees for any performance periods, whether the performance period is complete or remains open and whether the bonus amount payable has been determined or is to be determined, and no member of the SpinCo Group shall have any obligations with respect thereto.

(b) *Other Cash Incentive Plans.*

(i) No later than the Effective Time, the Parent Group shall continue to retain (or assume as necessary) any cash incentive plan for the exclusive benefit of Parent Group Employees and Former Parent Group Employees, whether or not sponsored by the Parent Group, and, from and after the Effective Time, shall be solely responsible for all Liabilities thereunder.

(ii) No later than the Effective Time, the SpinCo Group shall continue to retain (or assume as necessary) any cash incentive plan for the exclusive benefit of SpinCo Group Employees and Former SpinCo Group Employees, whether or not sponsored by the SpinCo Group, and, from and after the Effective Time, shall be solely responsible for all Liabilities thereunder.

Section 4.04 SpinCo Director Obligations. With respect to any non-employee director of SpinCo following the Effective Time, SpinCo shall be responsible for the payment of any fees or other obligations for service on the SpinCo Board at or at any time after the Effective Time and any fees or other obligations for the service of a SpinCo Director to the SpinCo Group prior to the Effective Time, including pursuant to a Director Individual Agreement, and Parent shall not have any responsibility for any such fees or other obligations.

ARTICLE V  
NONQUALIFIED DEFERRED COMPENSATION PLANS

Section 5.01 Parent Deferred Compensation Plans. Parent shall, or shall cause a member of the Parent Group to, assume and retain all Liabilities and Assets with respect to the Parent Deferred Compensation Plans with respect to Employees, Former Employees and non-employee directors of the Parent Board, whether arising before, on or after the Distribution Date, and no member of the SpinCo Group shall assume or retain any Liabilities and Assets with respect to the Parent Deferred Compensation Plans. Following the Effective Time, no SpinCo Group Employee or Former SpinCo Group Employee shall be credited with any additional service or compensation under the Parent Deferred Compensation Plans.

Section 5.02 Deferred Compensation Notice Requirements. In the event that any SpinCo Group Employee who is a participant in a Parent Deferred Compensation Plan terminates employment or service with the SpinCo Group, written notice of such termination shall be

provided by SpinCo to Parent within thirty (30) days following such termination of employment or service.

ARTICLE VI  
WELFARE BENEFIT PLANS

Section 6.01 Welfare Plans.

(i) No later than the Effective Time, the Parent Group shall continue to retain (or assume as necessary) all Parent Welfare Plans and all outstanding Liabilities relating to, arising out of, or resulting from health and welfare claims incurred by or on behalf of Parent Group Employees and Former Parent Group Employees, and, from and after the Effective Time, shall be solely responsible for all Liabilities thereunder.

(ii) No later than the Effective Time, the SpinCo Group shall continue to retain (or assume as necessary) all SpinCo Welfare Plans and all outstanding Liabilities relating to, arising out of, or resulting from health and welfare claims incurred by or on behalf of SpinCo Group Employees and Former SpinCo Group Employees, and, from and after the Effective Time, shall be solely responsible for all Liabilities thereunder.

Section 6.02 COBRA. The Parent Group shall continue to be responsible for complying with, and providing coverage pursuant to, the health care continuation requirements of COBRA, and the corresponding provisions of the Parent Welfare Plans with respect to any Parent Group Employees and any Former Parent Group Employees (and their covered dependents) who experience a qualifying event under COBRA before, as of, or after the Effective Time. Effective as of the Effective Time, the SpinCo Group shall assume responsibility for complying with, and providing coverage pursuant to, the health care continuation requirements of COBRA, and the corresponding provisions of the SpinCo Welfare Plans with respect to any SpinCo Group Employees or Former SpinCo Group Employees (and their covered dependents) who experience a qualifying event under the SpinCo Welfare Plans and/or the Parent Welfare Plans before, as of, or after the Effective Time. The Parties agree that the consummation of the transactions contemplated by the Separation and Distribution Agreement shall not constitute a COBRA qualifying event for any purpose of COBRA.

ARTICLE VII  
MISCELLANEOUS

Section 7.01 Preservation of Rights to Amend. Except as set forth in this Agreement, the rights of each member of the Parent Group and each member of the SpinCo Group to amend, waive, or terminate any plan, arrangement, agreement, program, or policy referred to herein shall not be limited in any way by this Agreement.

Section 7.02 Fiduciary Matters. Parent and SpinCo each acknowledge that actions required to be taken pursuant to this Agreement may be subject to fiduciary duties or standards of conduct under ERISA or other applicable Law, and no Party shall be deemed to be in violation of this Agreement if it fails to comply with any provisions hereof based upon its good faith determination (as supported by advice from counsel experienced in such matters) that to do so

would violate such a fiduciary duty or standard. Each Party shall be responsible for taking such actions as are deemed necessary and appropriate to comply with its own fiduciary responsibilities and shall fully release and indemnify the other Party for any Liabilities caused by the failure to satisfy any such responsibility.

Section 7.03 Information Sharing and Access.

(a) *Sharing of Information.* Subject to any limitations imposed by applicable Law, each of Parent and SpinCo (acting directly or through members of the Parent Group or the SpinCo Group, respectively) shall provide to the other Party and its authorized agents and vendors all information necessary (including information for purposes of determining benefit eligibility, participation, vesting, calculation of benefits) on a timely basis under the circumstances for the Party to perform its duties under this Agreement. Such information shall include information relating to equity awards under stock plans. To the extent that such information is maintained by a third-party vendor, each Party shall use its commercially reasonable efforts to require the third-party vendor to provide the necessary information and assist in resolving discrepancies or obtaining missing data.

(b) *Access to Records.* To the extent not inconsistent with this Agreement, the Separation and Distribution Agreement or any applicable Law, including privacy protection Laws or regulations, reasonable access to Employee-related and Benefit Plan-related records after the Effective Time shall be provided to members of the Parent Group and members of the SpinCo Group pursuant to the terms and conditions of Article VI of the Separation and Distribution Agreement.

(c) *Maintenance of Records.* With respect to retaining, and destroying, all Employee-related information, Parent and SpinCo shall comply with Section 6.4 of the Separation and Distribution Agreement (Record Retention) and the requirements of applicable Law.

(d) *Confidentiality.* Notwithstanding anything in this Agreement to the contrary, all confidential records and data relating to Employees to be shared or transferred pursuant to this Agreement shall be subject to Section 6.9 of the Separation and Distribution Agreement (Confidentiality) and the requirements of applicable Law.

Section 7.04 Third-Party Beneficiaries. The provisions of this Agreement are solely for the benefit of the Parties and are not intended to confer upon any Person except the Parties any rights or remedies hereunder. There are no third-party beneficiaries of this Agreement, and this Agreement shall not provide any Third Party with any remedy, claim, Liability, reimbursement, claim of action or other right in excess of those existing without reference to this Agreement. Nothing in this Agreement is intended to amend any employee benefit plan or affect the applicable plan sponsor's right to amend or terminate any employee benefit plan pursuant to the terms of such plan. The provisions of this Agreement are solely for the benefit of the Parties, and no current or former Employee, officer, director, or independent contractor or any other individual associated therewith shall be regarded for any purpose as a third-party beneficiary of this Agreement.

Section 7.05 Further Assurances. Each Party hereto shall take, or cause to be taken, any and all reasonable actions, including the execution, acknowledgment, filing and delivery of any and all documents and instruments that any other Party hereto may reasonably request to effect the intent and purpose of this Agreement and the transactions contemplated hereby.

Section 7.06 Dispute Resolution. The dispute resolution procedures set forth in Article VII of the Separation and Distribution Agreement shall apply to any dispute, controversy or claim arising out of or relating to this Agreement.

Section 7.07 Incorporation of Separation and Distribution Agreement Provisions. Article X of the Separation and Distribution Agreement (other than Section 10.4 (Third-Party Beneficiaries) and Section 10.18(b) (regarding Specified Ancillary Agreements)) is incorporated herein by reference and shall apply to this Agreement as if set forth herein *mutatis mutandis*.

*[Remainder of page intentionally left blank]*



**VESTIS CORPORATION**  
**2023 LONG-TERM INCENTIVE PLAN**

1. **Purpose.** The purpose of the Vestis Corporation 2023 Long-Term Incentive Plan (the “Plan”) is to provide a means through which the Company and its Affiliates may attract and retain key personnel and to provide a means whereby current and prospective directors, officers, employees, consultants and advisors of Vestis Corporation (the “Company”) and its Affiliates can acquire and maintain an equity interest in the Company, or be paid incentive compensation (which may, but need not, be measured by reference to the value of Common Stock), thereby strengthening their commitment to the welfare of the Company and its Affiliates and aligning their interests with those of the Company’s stockholders. The Company also established the Plan to enable awards to be issued pursuant to and in accordance with the Employee Matters Agreement and Section 12 hereof, and thereby to promote the growth in value of the Company’s equity and enhancement of long-term stockholder return.

2. **Definitions.** As used in this Plan, the following capitalized terms have the meanings set forth or referenced below.

- (a) **“Affiliate”** means, with respect to any Person, any other Person that controls, is controlled by, or is under common control with such Person. The term “control” as used in the Plan means the power to direct or cause the direction of the management and policies of such Person, directly or indirectly, whether through the ownership of voting securities, by contract or otherwise. The terms “controlled” and “controlling” have meanings correlative to the foregoing.
  - (b) **“Award”** means, individually or collectively, any award or benefit granted under the Plan, including, without limitation, Options, SARs and Full Value Awards.
  - (c) **“Award Agreement”** means any agreement or other instrument (whether in paper or electronic medium (including e-mail or the posting on a website maintained by the Company or a third party under contract with the Company)) setting forth the terms of an Award that has been duly authorized and approved by the Committee.
  - (d) **“Board”** means the Board of Directors of the Company.
  - (e) **“Cause”** means, with respect to a Participant and unless the Committee specifies otherwise in an Award Agreement, (i) if a Participant is a party to a Service Agreement, the definition specified in such Service Agreement or (ii) if a Participant is not a party to a Service Agreement or if such Service Agreement does not define the term (1) commission of a felony or a crime of moral turpitude; (2) commission of a willful and material act of dishonesty involving the Company; (3) material breach of the Company’s Business Conduct Policy that causes harm to the Company or its business reputation; or (4) willful misconduct that causes material harm to the business or reputation of the Company or any of its Affiliates.
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- (f) **“Change of Control”** means the occurrence, in a single transaction or in a series of related transactions, of any one or more of the following events that occurs after the Effective Date:
- (i) the sale or disposition, in one or a series of related transactions, of all or substantially all of the assets of the Company to any “person” or “group” (as such terms are used for purposes of Sections 13(d)(3) and 14(d)(2) of the Exchange Act);
  - (ii) any person or group is or becomes the “beneficial owner” (as such term is used for purposes of Rule 13d-3 and Rule 13d-5 under the Exchange Act), directly or indirectly, of more than fifty percent (50%) of the total voting power of the outstanding voting stock of the Company, including, without limitation, by way of merger, consolidation or otherwise;
  - (iii) during any period of twenty-four (24) months commencing following the Effective Date, individuals who, at the beginning of such period, constitute the Board (**“Incumbent Directors”**) cease for any reason to constitute at least a majority of the Board, provided, that any person becoming a director subsequent to the Effective Date, whose election or nomination for election was approved by a vote of at least two-thirds (2/3) of the Incumbent Directors then on the Board (either by a specific vote or by approval of the proxy statement of the Company in which such person is named as a nominee for director, without written objection to such nomination) shall be an Incumbent Director; provided, however, that no individual initially elected or nominated as a director of the Company as a result of an actual or threatened election contest, as such terms are used in Rule 14a-12 of Regulation 14A promulgated under the Exchange Act, with respect to directors or as a result of any other actual or threatened solicitation of proxies or consents by or on behalf of any person other than the Board shall be deemed to be an Incumbent Director; or
  - (iv) a complete liquidation or dissolution of the Company.

In addition, if a Change of Control constitutes a payment event with respect to any Award which provides for the deferral of compensation and is subject to Code Section 409A, the transaction or event described in paragraphs (i), (ii) or (iii) as applicable with respect to such Award and such Participant must also constitute a “change in control event” for purposes of Code Section 409A.

- (g) **“Code”** means the Internal Revenue Code of 1986, as amended. A reference to any section of the Code shall include reference to any successor provision and any Treasury Regulations promulgated thereunder.
- (h) **“Committee”** has the meaning set forth in subsection 4(a) of the Plan.

- (i) **“Common Stock”** means the common stock, par value \$0.01 per share, of the Company (and any stock or other securities into which such common stock may be converted or into which it may be exchanged).
- (j) **“Company”** means Vestis Corporation, a Delaware corporation, or any successor thereto.
- (k) **“Continuing Award”** has the meaning set forth in subsection 9(a) of the Plan.
- (l) **“Date of Grant”** means the date on which an Award is authorized and effective or such later date on which the Award is to be effective as may be specified by the Committee at the time the Award is authorized.
- (m) **“Director”** means a member of the Board or a member of the board of directors of any of the Company’s Affiliates, in any case who is not an employee of the Company or any Affiliate.
- (n) **“Disability”** means a “permanent disability” as defined in the Company’s long-term disability plan as in effect from time to time, or if there shall be no such plan, the inability of the Participant to perform in all material respects the Participant’s duties and responsibilities to the Company or any of its Affiliates for a period of six (6) consecutive months or for an aggregate of nine (9) months in any twenty-four (24) consecutive month period by reason of a physical or mental incapacity; provided, however, that if an Award is subject to Code Section 409A and payment is on account of “Disability,” the term has the meaning specified in Code Section 409A for purposes of payment of amounts subject to Code Section 409A.
- (o) **“Distribution Date”** means the date on which Parent consummates the distribution of shares of the Company on a pro rata basis to holders of shares of Parent.
- (p) **“Effective Date”** has the meaning the meaning set forth in Section 3 of the Plan.
- (q) **“Eligible Person”** means (i) any individual employed by the Company or any of its Affiliates, (ii) any Director and (iii) any consultant or advisor to the Company or any of its Affiliates who may be offered securities registrable on Form S-8 under the Securities Act or pursuant to Rule 701 of the Securities Act or any other available exemption, as applicable. Notwithstanding the foregoing, an “Eligible Person” for purposes of the grant of an Incentive Stock Option shall be limited to an individual who is employed by the Company or a subsidiary corporation of the Company as defined in Code Section 424(f). An “Eligible Person” shall include any person who is expected to meet the requirements of paragraphs (i), (ii) or (iii), provided that an Award to any such person may not be effective earlier than the date on which such individual begins to provide services to the Company or an Affiliate.
- (r) **“EMA Participant”** means each SpinCo Group Employee who is entitled to a SpinCo Award pursuant to the terms of the Employee Matters Agreement.



- (s) **“Employee Matters Agreement”** means the Employee Matters Agreement by and between Parent and the Company, dated as of the Distribution Date
- (t) **“Exchange Act”** means the Securities Exchange Act of 1934, as amended.
- (u) **“Exercise Price”** has the meaning set forth in subsection 7(c) of the Plan.
- (v) **“Expiration Date”** has the meaning set forth in subsection 7(h) of the Plan.
- (w) **“Fair Market Value”** of a share of Common Stock as of any date shall be determined in accordance with the following:
  - (i) if the Common Stock is listed on one (1) or more established U.S. national or regional securities exchanges, the Fair Market Value shall be the closing sale price for such Common Stock (or if no closing sale price is reported, the closing price on the last preceding date on which such prices of the Common Stock are so reported) on such date as reported in composite transactions for the principal exchange on which the Common Stock is listed (as determined by the Committee);
  - (ii) if the Common Stock is not listed on a U.S. national or regional securities exchange but is traded over the counter at the time determination of the Fair Market Value is required to be made, the Fair Market Value shall be equal to the average between the high and low sales prices of the Common Stock on the most recent date on which the Common Stock was traded, as reported by Pink OTC Markets Inc. or a similar organization (as selected by the Committee); and
  - (iii) if paragraphs (i) and (ii) next above are otherwise inapplicable, then the Fair Market Value shall be determined by the Committee in good faith.
- (bb) **“Full Value Award”** has the meaning set forth in Section 8 of the Plan.
- (cc) **“Good Reason”** means, with respect to a Participant and unless the Committee specifies otherwise in an Award Agreement, (i) if a Participant is a party to a Service Agreement, the definition specified in such agreement or (ii) if a Participant is not a party to a Service Agreement or if such Service Agreement does not define the term, any of the following that occur without the Participant’s express prior written approval, other than due to Participant’s Disability or death: (1) a material decrease in the Participant’s base salary or target bonus; (2) a material diminution in the Participant’s title or reporting relationship or a material diminution in the Participant’s duties or responsibilities (other than solely because there is no stock of the Company or a successor that is publicly traded); or (3) relocation of the Participant’s principal work location of more than twenty-five (25) miles from the Participant’s then-current principal work location. The Participant’s Termination Date shall be considered to be on account of Good Reason only if (A) within thirty (30) days after the Participant knows or has reason to know that an event or circumstance constituting Good Reason has

occurred, the Participant provides written notice to the Company specifying in reasonable detail the event or circumstance claimed to constitute Good Reason (the **“Good Reason Notice”**); (B) if curable, the event or circumstance has not been cured within thirty (30) days of the Company’s receipt of the Good Reason Notice; and (C) the Participant terminates employment within ninety (90) days after the date on which the Participant provided the Good Reason Notice to the Company.

- (dd) **“Good Reason Notice”** has the meaning set forth in subsection 2(cc) of the Plan.
- (ee) **“Incentive Stock Option”** means an Option that is intended to satisfy the requirements applicable to an “incentive stock option” described in Code Section 422(b).
- (ff) **“Incumbent Director”** has the meaning set forth in paragraph 2(h)(iii) of the Plan.
- (gg) **“Indemnifiable Person”** has the meaning set forth in subsection 4(e) of the Plan.
- (hh) **“Net Exercise”** means a Participant’s ability to exercise an Option or SAR by directing the Company to deduct from the shares of Common Stock issuable upon exercise of such Option or SAR, a number of shares of Common Stock having an aggregate Fair Market Value equal to the sum of the aggregate Exercise Price therefor (in the case of an Option) plus the amount of the Participant’s Tax Withholding, and the Company shall thereupon issue to the Participant the net remaining number of shares of Common Stock after such deductions. The Committee may exercise its discretion to limit or prohibit the use of a Net Exercise solely with respect to the Tax Withholding if the Committee determines, in good faith, that to allow for a Net Exercise with respect to Tax Withholding would result in a material negative impact on the Company’s and its Affiliates’ near-term liquidity needs.
- (ii) **“Nonqualified Stock Option”** means an Option that is not intended to be an “incentive stock option” as that term is described in Code Section 422(b).
- (jj) **“Option”** has the meaning set forth in subsection 7(a) of the Plan.
- (x) **“Parent”** means Aramark, a Delaware corporation.
- (y) **“Parent Award”** has the meaning set forth in the Employee Matters Agreement.
- (z) **“Parent Stock Incentive Plan”** has the meaning set forth in the Employee Matters Agreement.
- (kk) **“Participant”** has the meaning set forth in Section 6 of the Plan.
- (ll) **“Person”** means a “person” as such term is used for purposes of Section 13(d) or 14(d) of the Exchange Act.
- (mm) **“Plan”** means this Vestis Corporation 2023 Long-Term Incentive Plan, as the same may be amended from time to time.

- (nn) **“Qualifying Termination”** means, with respect to a Participant and unless the Committee specifies otherwise in an Award Agreement, (i) if a Participant is a party to a Service Agreement, the definition specified in such agreement or (ii) if a Participant is not a party to a Service Agreement or if such Service Agreement does not define the term, the Participant’s Termination Date that occurs by reason of (1) termination by the Company or an Affiliate of the Company without Cause or (2) termination by the Participant for Good Reason, in either case on or within two (2) years following a Change of Control.
- (oo) **“Replacement Awards”** has the meaning set forth in subsection 9(b) of the Plan.
- (pp) **“Recycled Shares”** has the meaning set forth in subsection 5(b) of the Plan.
- (qq) **“Retirement”** means with respect to a Participant, except as provided in an Award Agreement, the Participant’s Termination Date that occurs on or after achieving age 60 and five (5) years of service with the Company and its Affiliates (and/or any of their respective predecessors) and that does not occur for any other reason.
- (rr) **“SAR”** has the meaning set forth in subsection 7(b) of the Plan.
- (ss) **“Securities Act”** means the Securities Act of 1933, as amended.
- (tt) **“Service Agreement”** means an employment agreement or other service agreement or a restrictive covenant agreement (or agreement of similar import) between a Participant and the Company or any of its Affiliates.
- (uu) **“SpinCo Award”** has the meaning set forth in the Employee Matters Agreement.
- (vv) **“SpinCo Group Employee”** has the meaning set forth in the Employee Matters Agreement.
- (ww) **“Substitute Award”** means an Award granted or shares of Common Stock issued by the Company in assumption of, or in substitution or exchange for, an award previously granted, or the right or obligation to make a future award, in all cases by a company acquired by the Company or any Affiliate or with which the Company or any Affiliate combines. In no event shall the issuance of Substitute Awards change the terms of such previously granted awards such that the change, if applied to a current Award, would be prohibited under the provisions of subsection 7(f) of the Plan (relating to Option and SAR repricing) or would be treated as a material modification of the award for accounting purposes or for purposes of Code Section 409A or would otherwise violate Code Section 409A.
- (xx) **“Tax Withholding”** means a Participant’s tax withholding for any federal, state, local and non-U.S. income and employment taxes that are withheld with respect to any Award granted hereunder pursuant to subsection 10(c) of the Plan.
- (yy) **“Termination Date”** means the date on which a Participant both ceases to be an employee of the Company and its Affiliates and ceases to perform material

services for the Company and its Affiliates (whether as a Director or otherwise), regardless of the reason for the cessation; provided, however, that a Participant's "Termination Date" shall not be considered to have occurred during the period in which the reason for the cessation of services is a leave of absence approved by the Company or an Affiliate which was the recipient of the Participant's services; and provided, further that, with respect to a Director, "Termination Date" means the date on which the Director's service as a Director terminates for any reason. Notwithstanding the foregoing and for the avoidance of doubt, in the event of a Change of Control, the "Termination Date" of any Participant who becomes employed by (if the Participant was an employee immediately prior to the Change of Control) the successor to the Company or an Affiliate of such successor or a board member of (if the Participant was a Director immediately prior to the Change of Control) the successor to the Company or an Affiliate of such successor shall not occur until the Participant both ceases to be an employee and ceases to perform material services for the successor and its Affiliates on or after the Change of Control.

3. **Effective Date and Duration.** The Plan shall be effective as of the Distribution Date provided that it is approved by the Board and the Company's stockholders as of such date (which date shall be referred to herein as the "Effective Date"). The Plan shall be unlimited in duration and, in the event of Plan termination, shall remain in effect as long as any Awards under it are outstanding; provided, however, that no new Awards shall be made under the Plan on or after the tenth anniversary of the Effective Date.

4. **Administration.**

- (a) **Generally.** The authority to control and manage the operation and administration of the Plan shall be vested in a committee (the "Committee") in accordance with this Section 4. The Committee shall be selected by the Board, and shall consist solely of two (2) or more non-employee members of the Board. If the Committee does not exist, or for any other reason determined by the Board, the Board may take any action under the Plan that would otherwise be the responsibility of the Committee. As of the Effective Date, the Committee shall mean the Compensation and Human Resources Committee of the Board.
- (b) **Powers of Committee.** The Committee's administration of the Plan shall be subject to the following:
  - (i) Subject to the provisions of the Plan and applicable law, the Committee shall have the sole and plenary authority, in addition to other express powers and authorizations conferred on the Committee by the Plan, to: (1) designate Eligible Persons to become Participants in the Plan; (2) determine the type or types of Awards to be granted to a Participant; (3) determine the number of shares of Common Stock to be covered by, or with respect to which payments, rights, or other matters are to be calculated in connection with Awards; (4) determine the terms and conditions of any Award and any amendments thereto; (5) determine

whether, to what extent, and under what circumstances Awards may be settled or exercised in cash, shares of Common Stock, other securities, other Awards or other property, or canceled, forfeited, or suspended and the method or methods by which Awards may be settled, exercised, canceled, forfeited, or suspended; (6) determine whether, to what extent, and under what circumstances the delivery of cash, Common Stock, other securities, other Awards or other property and other amounts payable with respect to an Award shall be deferred either automatically or at the election of the Participant or of the Committee; (7) conclusively interpret, administer, reconcile any inconsistency in, correct any defect in and/or supply any omission in the Plan and any instrument or agreement relating to, or Award granted under, the Plan; and (8) establish, amend, suspend, or waive any rules and regulations and appoint such agents as the Committee shall deem appropriate for the proper administration of the Plan;

- (ii) To the extent that the Committee determines that the restrictions imposed by the Plan preclude the achievement of the material purposes of the Awards in jurisdictions outside the United States, the Committee will have the authority and discretion to modify those restrictions as the Committee determines to be necessary or appropriate to conform to applicable requirements or practices of jurisdictions outside of the United States;
  - (iii) Any interpretation of the Plan by the Committee and any decision made by it under the Plan is final and binding on all persons; and
  - (iv) In controlling and managing the operation and administration of the Plan, the Committee shall take action in a manner that conforms to the certificate of incorporation and by-laws of the Company, and applicable state corporate law.
- (c) **Delegation by Committee.** Except to the extent prohibited by applicable law or the applicable rules of a securities exchange, the Committee may allocate all or any portion of its responsibilities and powers to any one or more of its members and may delegate all or any part of its responsibilities and powers to any person or persons selected by it. Any such allocation or delegation may be revoked by the Committee at any time.
- (d) **Information to be Furnished to Committee.** The Company and its Affiliates shall furnish the Committee with such data and information as it determines may be required for it to discharge its duties. The records of the Company and Affiliates as to an individual's employment or service, termination of employment or service, leave of absence, reemployment or recommencement of service and compensation shall be conclusive on all persons unless determined to be incorrect. Participants and other persons entitled to benefits under the Plan must furnish the Committee such evidence, data or information as the Committee considers desirable to carry out the terms of the Plan.

- (e) **Limitation on Liability and Indemnification of Committee.** No member of the Board, the Committee, delegate of the Committee or any officer, employee or agent of the Company (each such person, an “Indemnifiable Person”) shall be liable for any action taken or omitted to be taken or any determination made in good faith with respect to the Plan or any Award hereunder. Each Indemnifiable Person shall be indemnified and held harmless by the Company against and from any loss, cost, liability, or expense (including attorneys’ fees) that may be imposed upon or incurred by such Indemnifiable Person in connection with or resulting from any action, suit or proceeding to which such Indemnifiable Person may be a party or in which such Indemnifiable Person may be involved by reason of any action taken or omitted to be taken under the Plan or any Award Agreement and against and from any and all amounts paid by such Indemnifiable Person with the Company’s approval, in settlement thereof, or paid by such Indemnifiable Person in satisfaction of any judgment in any such action, suit or proceeding against such Indemnifiable Person, provided, that the Company shall have the right, at its own expense, to assume and defend any such action, suit or proceeding and once the Company gives notice of its intent to assume the defense, the Company shall have sole control over such defense with counsel of the Company’s choice. The foregoing right of indemnification shall not be available to an Indemnifiable Person to the extent that a final judgment or other final adjudication (in either case not subject to further appeal) binding upon such Indemnifiable Person determines that the acts or omissions of such Indemnifiable Person giving rise to the indemnification claim resulted from such Indemnifiable Person’s fraud, gross negligence or willful criminal act or omission or that such right of indemnification is otherwise prohibited by law or by the Company’s Certificate of Incorporation or Bylaws. The foregoing right of indemnification shall not be exclusive of any other rights of indemnification to which such Indemnifiable Persons may be entitled under the Company’s Certificate of Incorporation or Bylaws or as a matter of law or otherwise, or any other power that the Company may have to indemnify such Indemnifiable Persons or hold them harmless.

5. **Shares Reserved and Limitations.**

- (a) **Plan and Other Limitations.** The Awards that may be granted under the Plan shall be subject to the following:
- (i) The shares of Common Stock with respect to which Awards may be made under the Plan shall be shares of Common Stock currently authorized but unissued or currently held or, to the extent permitted by applicable law, subsequently acquired by the Company as treasury shares, including shares of Common Stock purchased in the open market or in private transactions.
  - (ii) Subject to the provisions of subsection 5(d), the maximum number of shares of Common Stock that may be issued with respect to Awards under

the Plan from and after the Effective Date shall be equal to the sum of (A) the number of shares of Common Stock subject to SpinCo Awards (including, in the case of performance-based awards, the number of shares that may be delivered if the maximum performance metrics are satisfied) and (B) 15,000,000. Notwithstanding the foregoing:

- (1) Shares of Common Stock covered by an Award shall only be counted as used to the extent that they are actually used. A share of Common Stock issued in connection with any Award under the Plan shall reduce the total number of shares of Common Stock available for issuance under the Plan.
  - (2) Any shares of Common Stock that are subject to Awards granted under the Plan in any case that terminate by reason of expiration, forfeiture, cancellation, termination, or otherwise, without the issuance of such shares, or that are settled in cash (which shares are referred to herein as “Recycled Shares”) shall again be available for grant under the Plan and shall be added back to the shares reserved for issuance under the Plan.
  - (3) The following shares of Common Stock may not be treated as Recycled Shares and may not again be made available for issuance as Awards under the Plan pursuant to this subsection 5(a): (A) shares of Common Stock not issued or delivered as a result of the Net Exercise of an outstanding Option or SAR; (B) shares of Common Stock used to pay the Exercise Price or Tax Withholding relating to an outstanding Award (including by way of net settlement); (C) shares of Common Stock repurchased on the open market with the proceeds of the Exercise Price, and (D) shares subject to Substitute Awards.
- (iii) Except as expressly provided by the terms of this Plan, the issuance by the Company of stock of any class, or securities convertible into shares of stock of any class, for cash or property or for labor or services, either upon direct sale, upon the exercise of rights or warrants to subscribe therefor or upon conversion of stock or obligations of the Company convertible into such stock or other securities, shall not affect, and no adjustment by reason thereof, shall be made with respect to Awards then outstanding hereunder.
  - (iv) Substitute Awards shall not reduce the number of shares of Common Stock that may be issued under the Plan or that may be covered by Awards granted to any one Participant during any period pursuant to this subsection 5(a) or subsection 5(c).
  - (v) To the extent provided by the Committee, any Award may be settled in cash rather than shares of Common Stock.

- (b) **Maximum Shares for Incentive Stock Options.** The maximum number of shares of Common Stock that may be delivered to Participants pursuant to Incentive Stock Options is equal to the number of shares reserved for issuance under subsection 5(a)(ii)(B); provided, however, that to the extent that shares not delivered must be counted against this limit as a condition of satisfying the rules applicable to Incentive Stock Options, such rules shall apply to the limit on Incentive Stock Options granted under the Plan.
- (c) **Limitations on Director Compensation.** Subject to subsection 5(d), the sum of any cash compensation or other compensation and the value of any Awards granted to a Director as compensation for services as a Director during the period beginning on the date of one regular annual meeting of the Company's shareholders until the date of the next regular annual meeting of the Company's stockholders may not exceed \$1,000,000. The Committee may make exceptions to this limit for individual Directors in exceptional circumstances, as the Committee may determine in its sole discretion, provided that the Director receiving such additional compensation may not participate in the decision to award such compensation. If the delivery of Common Stock or cash is deferred until after the Common Stock has been earned, any adjustment in the amount delivered to reflect actual or deemed earnings or other investment experience during the deferral period shall be disregarded in applying the foregoing limitations.
- (d) **Adjustments.** In the event of a corporate transaction involving the Company (including, without limitation, any stock dividend, stock split, extraordinary cash dividend, recapitalization, reorganization, merger, consolidation, split-up, spin-off, combination or exchange of shares), the Committee shall adjust the terms of the Plan and Awards to preserve the benefits or potential benefits of the Plan or the Awards as determined in the sole discretion of the Committee. Action by the Committee with respect to the Plan or Awards under this subsection 5(d) may include, in its sole discretion: (i) adjustment of the number and kind of shares which may be delivered under the Plan (including, without limitation, adjustments to the number and kind of shares that may be granted to an individual during any specified time as described above); (ii) adjustment of the number and kind of shares subject to outstanding Awards; (iii) adjustment of the Exercise Price of outstanding Options and SARs; and (iv) any other adjustments that the Committee determines to be equitable (which may include, without limitation, (A) replacement of Awards with other Awards which the Committee determines have comparable value and which are based on stock of a company resulting from the transaction and (B) cancellation of the Award in return for a cash payment of the current value of the Award, determined as though the Award is fully vested at the time of payment, provided that in the case of an Option or SAR, the amount of such payment may be the excess of the value of the Common Stock subject to the Option or SAR at the time of the transaction over the Exercise Price).



- (e) **Special Vesting Rules.** Subject to the other terms and conditions of the Plan, and except for Awards granted under the Plan with respect to shares of Common Stock which do not exceed, in the aggregate, five percent (5%) of the total number of shares of Common Stock reserved for issuance pursuant to subsection 5(a), the required period of service for any Award in which shares of Common Stock may be issued upon settlement shall be at least one (1) year subject to acceleration of vesting in the event of a Participant's death, Disability, or Retirement (to the extent provided in the applicable Award Agreement or as provided by the Committee) or as otherwise provided under the Plan or in any Award Agreement.
6. **Eligibility and Participation.** Subject to the terms and conditions of the Plan, the Committee shall determine and designate, from time to time, from among the Eligible Persons, those persons who will be granted one or more Awards under the Plan, and thereby become a "Participant" in the Plan. SpinCo Awards shall be made in accordance with Section 12 hereof and EMA Participants shall be treated as Participants in the Plan with respect to their SpinCo Awards and in accordance with the terms of the Plan.
7. **Options and SARs.**
- (a) **Certain Definitions.**
    - (i) The grant of an "Option" under the Plan entitles the Participant to purchase shares of Common Stock at an Exercise Price established by the Committee. Any Option granted under this Section 7 may be either an Incentive Stock Option or a Nonqualified Stock Option, as determined in the discretion of the Committee. Notwithstanding the foregoing, an Option will be deemed to be a Nonqualified Stock Option unless it is specifically designated by the Committee as an Incentive Stock Option and/or to the extent that it does not otherwise satisfy the requirements for an Incentive Stock Option.
    - (ii) A stock appreciation right (an "SAR") entitles the Participant to receive, in cash or shares of Common Stock, value equal to the excess of: (x) the fair market value of a specified number of shares of Common Stock at the time of exercise; over (y) the Exercise Price established by the Committee.
  - (b) **Eligibility.** The Committee shall designate the Participants to whom Options or SARs are to be granted under this Section 7 and shall determine the number of shares of Common Stock subject to each such Option or SAR and the other terms and conditions thereof, not inconsistent with the Plan.
  - (c) **Exercise Price.** The "**Exercise Price**" of each Option and SAR granted under this Section 7 shall be established by the Committee or shall be determined by a method established by the Committee at the time the Option or SAR is granted; provided, however, that, except with respect to the grant of Substitute Awards or SpinCo Awards, the Exercise Price shall not be less than one hundred percent

(100%) of the Fair Market Value of a share of Common Stock on the Date of Grant (or, if greater, the par value of a share of Common Stock).

- (d) **Exercise.** An Option and an SAR granted under this Section 7 shall be exercisable in accordance with such terms and conditions and during such periods as may be established by the Committee not inconsistent with the Plan; provided, however, that no Option or SAR shall be exercisable after the Expiration Date with respect thereto.
- (e) **Payment of Option Exercise Price.** The payment of the Exercise Price of an Option granted under this Section 7 shall be subject to the following:
  - (i) Subject to the following provisions of this subsection 7(e), the full Exercise Price for shares of Common Stock purchased upon the exercise of any Option shall be paid at the time of such exercise (except that, in the case of an exercise arrangement not disapproved by the Committee and described in paragraph 7(e)(iii), payment may be made as soon as practicable after the exercise).
  - (ii) Subject to applicable law, the Exercise Price shall be payable to the Company in full either: (1) in cash or its equivalent; (2) by tendering (either by actual delivery or attestation) previously acquired shares of Common Stock having an aggregate fair market value at the time of exercise equal to the total Exercise Price; (3) pursuant to a Net Exercise; (4) by a combination of (1), (2) and/or (3); or (5) by any other method approved by the Committee in its sole discretion at the time of grant and as set forth in the Award Agreement; provided, however, that shares of Common Stock may not be used to pay any portion of the Exercise Price unless the holder thereof has good title, free and clear of all liens and encumbrances.
  - (iii) Except as otherwise provided by the Committee, a Participant may elect to pay the Exercise Price upon the exercise of an Option by irrevocably authorizing a third party to sell shares of Common Stock (or a sufficient portion of the shares of Common Stock) acquired upon exercise of the Option and remit to the Company a sufficient portion of the sale proceeds to pay the entire Exercise Price and any Tax Withholding resulting from such exercise.

As soon as practicable following exercise, including, without limitation, payment of the Exercise Price, certificates representing the shares of Common Stock so purchased shall be delivered to the person entitled thereto or shares of Common Stock so purchased shall otherwise be registered in the name of the Participant on the records of the Company's transfer agent and credited to the Participant's account.

- (f) **No Repricing.** Except for either adjustments pursuant to subsection 5(d) (relating to the adjustment of shares), or reductions of the Exercise Price approved by the Company's stockholders, the Exercise Price for any outstanding Option or SAR may not be decreased after the Date of Grant nor may an outstanding Option or SAR granted under the Plan be surrendered to the Company as consideration for the grant of a replacement Option or SAR with a lower exercise price or a Full Value Award. Except as approved by the Company's stockholders, in no event shall any Option or SAR granted under the Plan be surrendered to the Company in consideration for a cash payment if, at the time of such surrender, the Exercise Price of the Option or SAR is greater than the then-current Fair Market Value of a share of Common Stock.
- (g) **Tandem Grants of Options and SARs.** An Option may but need not be in tandem with an SAR, and an SAR may but need not be in tandem with an Option (in either case, regardless of whether the original award was granted under this Plan or another plan or arrangement). If an Option is in tandem with an SAR, the exercise price of both the Option and SAR shall be the same, and the exercise of the corresponding tandem SAR or Option shall cancel the corresponding tandem SAR or Option with respect to such share. If an SAR is in tandem with an Option but is granted after the grant of the Option, or if an Option is in tandem with an SAR but is granted after the grant of the SAR, the later granted tandem Award shall have the same exercise price as the earlier granted Award, but in no event less than the Fair Market Value of a share of Common Stock at the time of such grant.
- (h) **Expiration Date.** The "**Expiration Date**" with respect to an Option or SAR means the date established as the Expiration Date by the Committee at the time of the grant (as the same may be modified in accordance with the terms of the Plan); provided, however, that the Expiration Date with respect to any Option or SAR shall not be later than the earliest to occur of the ten (10)-year anniversary of the date on which the Option or SAR is granted or the following dates, unless the following dates are determined otherwise by the Committee:
  - (i) if the Participant's Termination Date occurs by reason of death, Disability or Retirement, the one (1)-year anniversary of such Termination Date;
  - (ii) if the Participant's Termination Date occurs for reasons other than Retirement, death, Disability or Cause, the ninety (90) day anniversary of the Participant's Termination Date; or
  - (iii) if the Participant's Termination Date occurs for reasons of Cause, the Participant's Termination Date.

In no event shall the Expiration Date of an Option or SAR be later than the ten (10)-year anniversary of the date on which the Option or SAR is granted (or such shorter period required by law or the rules of any securities exchanges on which the Common Stock is listed).

8. **Full Value Awards.** A “Full Value Award” is a grant of one (1) or more shares of Common Stock or a right to receive one or more shares of Common Stock (or cash based on the value of Common Stock) in the future (including, without limitation, restricted stock, restricted stock units, deferred stock units, stock bonus awards, performance shares, and performance units) which is contingent on continuing service, the achievement of performance objectives during a specified period performance, or other restrictions as determined by the Committee or in consideration of a Participant’s previously performed services or surrender of other compensation that may be due. The grant of Full Value Awards may also be subject to such other conditions, restrictions and contingencies, as determined by the Committee, including, without limitation, provisions relating to dividend or dividend equivalent rights and deferred payment or settlement. Notwithstanding the foregoing, no dividends or dividend equivalent rights will be paid or settled on Full Value Awards that have not been earned or vested.

9. **Change of Control.** Subject to the provisions of subsection 5(d) and unless otherwise specifically prohibited under applicable laws or by the rules and regulations of any applicable governmental agencies or national securities exchange, or unless otherwise provided by the Committee in the Award Agreement, in a Service Agreement, or in an individual severance or other similar agreement between the Company (or Affiliate) and a Participant, the provisions of this Section 9 shall apply in the event of a Change of Control.

- (a) **Performance Awards.** Upon a Change of Control, (i) any performance conditions applicable to Full Value Awards outstanding under the Plan as of the date of the Change of Control shall be deemed to have been achieved at the target level of performance for the performance period in effect on the date of the Change of Control and such Awards shall thereafter not be subject to any performance conditions, and (ii) subject to the terms and conditions of this Section 9, any service-based conditions applicable to such Awards shall continue to apply as if the Change of Control had not occurred. Notwithstanding the foregoing, the foregoing provisions shall not apply with respect to any Award (a “Continuing Award”) if the Committee reasonably determines that, from and after the Change of Control, performance applicable to Full Value Awards can be determined with respect to the performance period in effect on the date of the Change of Control on substantially the same basis as applied immediately prior to the Change of Control. The provisions of this subsection 9(a) shall apply prior to the application of subsection 9(b) or 9(c), as applicable.
- (b) **Continuation, Assumption, and/or Replacement of Awards.** If, upon a Change of Control, then-outstanding Awards under the Plan are continued under the Plan or are assumed by a successor to the Company and/or awards in other shares or securities are substituted for then-outstanding Awards under the Plan pursuant to subsection 5(d) or otherwise (which continued, assumed, and/or substituted awards are referred to collectively herein as “Replacement Awards”), then:
  - (i) each Participant’s Replacement Awards will continue in accordance with their terms; and

- (ii) with respect to any Participant whose Termination Date has not occurred as of the Change of Control, if the Participant's Termination Date occurs by reason of a Qualifying Termination, then (1) all of the Participant's outstanding Replacement Awards that are Full Value Awards will be fully vested upon his or her Termination Date and will be settled or paid within thirty (30) days after the Termination Date or, if required by Code Section 409A, on the date that settlement or payment would have otherwise occurred under the terms of the Award and (2) in the case of any Replacement Awards that are Options or SARs, the Replacement Award will be fully vested and exercisable as of the Termination Date and the exercise period will extend for twenty-four (24) months following the Termination Date or, if earlier, the Expiration Date of the Option or SAR.

Any Replacement Award that is substituted for an Award under the Plan shall be an award of the same type and of substantially equivalent value as the Award for which the Replacement Award is substituted. If the provisions of paragraph 9(b)(ii) apply (and if performance has not otherwise been determined in accordance with subsection 9(a) with respect to any Continuing Award), any performance relating to Replacement Award shall be deemed to have been achieved at the target level of performance for the performance period in effect on the Termination Date.

- (c) **Termination/Acceleration.** If, upon a Change of Control, the provisions of subsection 9(b) do not apply, all then-outstanding Awards will become fully vested upon the Change of Control and will be cancelled in exchange for a cash payment or other consideration generally provided to stockholders in the Change of Control equal to the then-current value of the Award, determined as though the Award was fully vested and exercisable (as applicable) and any restrictions applicable to such Award had lapsed immediately prior to the Change of Control; provided, however, that in the case of an Option or SAR, the amount of such payment may be equal to the excess of the aggregate per share consideration to be paid with respect to the cancellation of the Option or SAR over the aggregate Exercise Price of the Option or SAR (but not less than zero (0)). For the avoidance of doubt, in the case of any Option or SAR with an Exercise Price that is greater than the per share consideration to be paid with respect to the cancellation of the Option or SAR pursuant to this subsection 9(c), the consideration to be paid with respect to cancellation of the Option or SAR may be zero (0). Any payment or settlement pursuant to this subsection 9(c) will be made within thirty (30) days after the Change of Control or, if required by Code Section 409A, on the date that payment or settlement would have otherwise occurred under the terms of the Award.

10. **Amendment and Termination.** The Board may, at any time, amend or terminate the Plan, and the Board or Committee may amend any Award Agreement; provided, however, that no amendment or termination of the Plan or amendment of any Award Agreement may, in the absence of written consent to the change by the affected Participant (or, if the Participant is not

then living, the affected beneficiary), adversely affect the rights of any Participant or beneficiary under any Award granted under the Plan prior to the date such amendment is adopted by the Board (or Committee, as applicable). Notwithstanding the foregoing, (a) adjustments pursuant to subsection 5(d) shall not be subject to the foregoing limitations of this Section 10, and (b) amendments (i) expanding the group of Eligible Persons; (ii) to the provisions of subsection 7(f) (relating to Option and SAR repricing); (iii) increasing the number of shares reserved under the Plan; (iv) increasing the number of shares reserved for the issuance of Incentive Stock Options; and (v) amendments for which approval of the Company's stockholders is required by law or the rules of any stock exchange on which the Common Stock is listed, in any case, will not be effective unless approved by the Company's stockholders. It is the intention of the Company that, to the extent that any provisions of this Plan or any Awards granted hereunder are subject to Code Section 409A, the Plan and the Awards comply with the requirements of Code Section 409A and that the Board shall have the authority to amend the Plan as it deems necessary or desirable to conform to Code Section 409A. Notwithstanding the foregoing, neither the Company nor the Affiliates guarantee that Awards under the Plan will comply with Code Section 409A and the Committee is under no obligation to make any changes to any Award to cause such compliance.

11. **Miscellaneous.**

- (a) ***Award Agreements.*** At the time of an Award to a Participant under the Plan, the Committee may require a Participant to enter into an Award Agreement (or may issue to a Participant an Award Agreement), in a form specified by the Committee, pursuant to which the Participant agrees to (or is deemed to agree to) the terms and conditions of the Plan and to such additional terms and conditions, not inconsistent with the Plan, as the Committee may, in its sole discretion, prescribe. Any such document is an Award Agreement regardless of whether any Participant signature is required.
- (b) ***Nontransferability; Assignment.*** Except as otherwise provided by the Committee or in the Plan or Award Agreement, Awards under the Plan are not transferable except as designated by the Participant by will or by the laws of descent and distribution and, to the extent applicable, shall be exercisable during a Participant's only by the Participant. No Award may be assigned, alienated, pledged, attached, sold or otherwise transferred or encumbered by a Participant other than by will or by the laws of descent and distribution and any such purported assignment, alienation, pledge, attachment, sale, transfer or encumbrance shall be void and unenforceable against the Company or any of its Affiliates; provided, that the designation of a beneficiary shall not constitute an assignment, alienation, pledge, attachment, sale, transfer or encumbrance.
- (c) ***Tax Withholding.***
  - (i) A Participant shall be required to pay to the Company or any of its Affiliates, and the Company or any of its Affiliates shall have the right and are hereby authorized to withhold, from any cash, shares of Common Stock, other securities or other property deliverable under any Award or

from any compensation or other amounts owing to a Participant, the amount (in cash, Common Stock, other securities or other property) of any required withholding taxes in respect of an Award, its exercise, or any payment or transfer under an Award or under the Plan and to take such other action as may be necessary in the opinion of the Committee or the Company to satisfy all obligations for the payment of such withholding and taxes.

- (ii) Without limiting the generality of paragraph (i), the Committee shall, in its sole discretion, permit a Participant to satisfy, in whole or in part, the foregoing withholding liability by (1) the deduction from any amount payable to the Participant in cash or the delivery of shares of Common Stock owned by the Participant having a Fair Market Value equal to such withholding liability, or (2) having the Company withhold from the number of shares of Common Stock otherwise issuable or deliverable pursuant to the exercise or settlement of the Award, including, without limitation and for the avoidance of doubt, shares redeemed as part of a Net Exercise settlement, a number of shares with a Fair Market Value equal to such withholding liability (but no more than the minimum required statutory withholding liability or, if permitted by the Committee, such other rate as will not have adverse accounting consequences and is permitted under applicable IRS withholding rules); provided, however, that in such event, the Committee may exercise its discretion to limit or prohibit the use of shares of Common Stock for such Tax Withholding if the Committee determines in good faith that to allow for the use of such shares with respect to Tax Withholding would result in a material negative impact on the Company's and its Affiliates' near-term liquidity needs.
- (d) **Grant and Use of Awards.** Subject to the terms and conditions of the Plan, in the discretion of the Committee, a Participant may be granted any Award permitted under the provisions of the Plan, and more than one Award may be granted to a Participant. Awards may be granted as alternatives to or replacement of Awards granted or outstanding under the Plan, or any other plan or arrangement of the Company or an Affiliate (including, without limitation, a plan or arrangement of a business or entity, all or a portion shares of common stock of which is acquired by the Company or an Affiliate). The Committee may use available shares of Common Stock hereunder as the form of payment for compensation, grants or rights earned or due under any other compensation plans or arrangements of the Company or an Affiliate, including, without limitation, the plans and arrangements of the Company or an Affiliate assumed in business combinations.
- (e) **No Claim to Awards; No Rights to Continued Employment; Waiver.** No employee of the Company or any of its Affiliates, or other person, shall have any claim or right to be granted an Award under the Plan or, having been selected for the grant of an Award, to be selected for a grant of any other Award. There is no obligation for uniformity of treatment of Participants or holders or beneficiaries of

Awards. The terms and conditions of Awards and the Committee's determinations and interpretations with respect thereto need not be the same with respect to each Participant and may be made selectively among Participants, whether or not such Participants are similarly situated. Neither the Plan nor any action taken hereunder shall be construed as giving any Participant any right to be retained in the employ or service of the Company or any of its Affiliates, nor shall it be construed as giving any Participant any rights to continued service on the Board. The Company or any of its Affiliates may at any time dismiss a Participant from employment or discontinue any consulting relationship, free from any liability or any claim under the Plan, unless otherwise expressly provided in the Plan or any Award Agreement. By accepting an Award under the Plan, a Participant shall thereby be deemed to have waived any claim to continued exercise or vesting of an Award or to damages or severance entitlement related to non-continuation of the Award beyond the period provided under the Plan or any Award Agreement, notwithstanding any provision to the contrary in any written employment contract or other agreement between the Company and its Affiliates and the Participant, whether any such agreement is executed before, on or after the Date of Grant.

- (f) **Foreign Individuals.** Notwithstanding any other provision of the Plan to the contrary, the Committee may grant Awards to eligible persons who are foreign nationals on such terms and conditions different from those specified in the Plan as may, in the judgment of the Committee, be necessary or desirable to foster and promote achievement of the purposes of the Plan. In furtherance of such purposes, the Committee may make such modifications, amendments, procedures and subplans as may be necessary or advisable to comply with provisions of laws in other countries or jurisdictions in which the Company or an Affiliate operates or has employees. The foregoing provisions of this subsection 10(f) shall not be applied to increase the share limitations of Section 5 or to otherwise change any provision of the Plan that would otherwise require the approval of the Company's stockholders.
- (g) **Limitation of Implied Rights.** Neither a Participant nor any other person shall, by reason of participation in the Plan, acquire any right in or title to any assets, funds or property of the Company or any Affiliate whatsoever, including, without limitation, any specific funds, assets or other property which the Company or any Affiliate, in its sole discretion, may set aside in anticipation of a liability under the Plan. A Participant shall have only a contractual right to the shares of Common Stock or amounts, if any, payable under the Plan, unsecured by any assets of the Company or any Affiliate, and nothing contained in the Plan shall constitute a guarantee that the assets of the Company or any Affiliate shall be sufficient to pay any benefits to any person.
- (h) **Dividends and Dividend Equivalents.** An Award (other than an Option or a SAR Award) may provide the Participant with the right to receive dividend payments, dividend equivalent payments or dividend equivalent units with respect to shares of Common Stock subject to the Award (both before and after the shares of



Common Stock subject to the Award are earned, vested, or acquired), which payments may be either made currently or credited to an account for the Participant, and may be settled in cash or shares of Common Stock as determined by the Committee. Any such settlements, and any such crediting of dividends or dividend equivalents or reinvestment in shares of Common Stock or Common Stock equivalents, may be subject to such conditions, restrictions and contingencies as the Committee shall establish, including, without limitation, the reinvestment of such credited amounts in Common Stock equivalents. Notwithstanding the foregoing, no dividends or dividend equivalent rights will be paid or settled on Awards that have not been earned or vested.

- (i) **Settlement and Payments.** Awards may be settled through cash payments, the delivery of shares of Common Stock, the granting of replacement Awards, or combination thereof as the Committee shall determine. Any Award settlement, including, without limitation, payment deferrals, may be subject to such conditions, restrictions and contingencies as the Committee shall determine. The Committee may permit or require the deferral of any Award payment (other than Option or SAR and to the extent permitted by Code Section 409A), subject to such rules and procedures as it may establish, which may include provisions for the payment or crediting of interest, or dividend equivalents, including, without limitation, converting such credits into deferred Common Stock equivalents. Each Affiliate shall be liable for payment of cash due under the Plan with respect to any Participant to the extent that such benefits are attributable to the services rendered for that Affiliate by the Participant. Any disputes relating to liability of an Affiliate for cash payments shall be resolved by the Committee.
- (j) **Form and Time of Elections; Notices.** Unless otherwise set forth herein, each election required or permitted to be made by any Participant or other person entitled to benefits under the Plan, and any permitted modification or revocation thereof, shall be in writing filed with the Committee at such times, in such form and subject to such restrictions and limitations, not inconsistent with the terms of the Plan, as the Committee shall require. Any notice or document required to be filed with the Committee under the Plan will be properly filed if delivered or mailed by registered mail, postage prepaid, to the Committee, in care of the Company at its principal executive offices. The Committee may, by advance written notice to affected persons, revise such notice procedure from time to time. Any notice required under the Plan (other than a notice of election) may be waived by the person entitled to notice.
- (k) **Action by Company or Affiliate.** Any action required or permitted to be taken by the Company or any Affiliate shall be by resolution of its board of directors, or by action of one or more members of the board (including, without limitation, a committee of the board) who are duly authorized to act for the board, or (except to the extent prohibited by applicable law or applicable rules of any securities exchange) by a duly authorized officer of such company.

- (l) **Gender and Number.** Where the context admits, words in any gender shall include any other gender (or no gender), words in the singular shall include the plural and the plural shall include the singular.
- (m) **Evidence.** Evidence required of anyone under the Plan may be by certificate, affidavit, document or other information which the person acting on it considers pertinent and reliable, and signed, made or presented by the proper party or parties.
- (n) **Governing Law.** All questions concerning the construction, interpretation and validity of the Plan and the instruments evidencing the Awards granted hereunder shall be governed by and construed and enforced in accordance with the domestic laws of the State of Delaware, without giving effect to any choice 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. In furtherance of the foregoing, the internal law of the State of Delaware will control the interpretation and construction of this Plan, even if under such jurisdiction's choice of law or conflict of law analysis, the substantive law of some other jurisdiction would ordinarily apply.
- (o) **Severability.** If for any reason any provision or provisions of the Plan are determined invalid or unenforceable, the validity and effect of the other provisions of the Plan shall not be affected thereby.
- (p) **Code Section 409A.** Notwithstanding any other provision of the Plan or an Award Agreement to the contrary, to the extent that the Committee determines that any Award granted under the Plan is subject to Code Section 409A, it is the intent of the parties to the applicable Award Agreement that such Award Agreement incorporate the terms and conditions necessary to avoid the consequences specified in Code Section 409A(a)(1) and that such Award Agreement and the terms of the Plan as applicable to such Award be interpreted and construed in compliance with Code Section 409A and the Treasury regulations and other interpretive guidance issued thereunder. Notwithstanding the foregoing, the Company shall not be required to assume any increased economic burden in connection therewith. Although the Company and the Committee intend to administer the Plan so that it will comply with the requirements of Code Section 409A, neither the Company nor the Committee represents or warrants that the Plan will comply with Code Section 409A or any other provision of federal, state, local, or non-United States law. Neither the Company, its Affiliates, nor their respective directors, officers, employees or advisers shall be liable to any Participant (or any other individual claiming a benefit through the Participant) for any tax, interest, or penalties the Participant may owe as a result of participation in the Plan, and the Company and its Affiliates shall have no obligation to indemnify or otherwise protect any Participant from the obligation to pay any taxes pursuant to Code Section 409A.

- (q) **Obligations Binding on Successors.** The obligations of the Company under the Plan shall be binding upon any successor corporation or organization resulting from the merger, consolidation or other reorganization of the Company, or upon any successor corporation or organization succeeding to substantially all of the assets and business of the Company.
- (r) **Restrictions on Shares and Awards.** The Committee, in its discretion, may impose such restrictions on shares of Common Stock or cash acquired pursuant to the Plan, whether pursuant to the exercise of an Option or SAR, settlement of a Full Value Award or otherwise, as it determines to be desirable, including, without limitation, restrictions relating to disposition of the shares or cash and forfeiture restrictions based on service, performance, Common Stock ownership by the Participant, conformity with the Company's recoupment, compensation recovery, or clawback policies and such other factors as the Committee determines to be appropriate. Without limiting the generality of the foregoing, unless otherwise specified by the Committee, any awards under the Plan and any shares of Common Stock or cash issued pursuant to the Plan shall be subject to the Company's compensation recovery, clawback, and recoupment policies as in effect from time to time.
- (s) **General Restrictions.** Delivery of shares of Common Stock or other amounts under the Plan shall be subject to the following:
  - (i) Notwithstanding any other provision of the Plan, the Company shall have no liability to deliver any shares of Common Stock under the Plan or make any other distribution of benefits under the Plan unless such delivery or distribution would comply with all applicable laws (including, without limitation, the requirements of the Securities Act), and the applicable requirements of any securities exchange or similar entity.
  - (ii) In the case of a Participant who is subject to Sections 16(a) and 16(b) of the Exchange Act, the Committee may, at any time, add such conditions and limitations to any Award to such Participant, or any feature of any such Award, as the Committee, in its sole discretion, deems necessary or desirable to comply with Section 16(a) or 16(b) and the rules and regulations thereunder or to obtain any exemption therefrom.
  - (iii) To the extent that the Plan provides for issuance of certificates to reflect the issuance of shares of Common Stock, the issuance may be effected on a non-certificated basis, to the extent not prohibited by applicable law or the applicable rules of any securities exchange.

12. **SpinCo Awards.**

- (a) **SpinCo Awards.** SpinCo Awards shall be those assumed pursuant to, and in accordance with, the Employee Matters Agreement and this Section 12. The

provisions of this Section 12 shall apply without regard to any other provision of the Plan.

- (b) ***SpinCo Awards Generally.*** The number of shares of Common Stock subject to an SpinCo Award granted to an EMA Participant, and, to the extent applicable, the exercise price of the SpinCo Award, shall be determined in accordance with the applicable provision of the Employee Matters Agreement and shall otherwise be subject to the same terms and conditions (including, without limitation, vesting, settlement and termination) as applied to the corresponding Parent Award to which the SpinCo Award relates and otherwise shall be subject to the terms and conditions of the Employee Matters Agreement; provided, however, that any condition related to termination of a Participant's employment or service with Parent or its Affiliates or related to a determination by the committee charged with administration of the Parent Equity Plan shall be based on an otherwise identical condition related to the termination of a Participant's employment or service with the Company and its Affiliates or a determination by the Committee under this Plan, respectively and as applicable.
- (c) ***Interpretation.*** This Section 12 is intended to provide for compliance with the Company's obligations with respect to SpinCo Awards as set forth in the Employee Matters Agreement and shall, to the extent possible, be interpreted in a manner consistent with that intention. SpinCo Awards under the Plan shall only be subject to the restrictions of the Plan to the extent that such restrictions applied to the corresponding Parent Award immediately prior to the Distribution Date. In the event of any inconsistency between the Plan and/or an Award Agreement and the Employee Matters Agreement with respect to a SpinCo Award, the Employee Matters Agreement will govern.



**VESTIS CORPORATION**  
**FORM OF INDEMNIFICATION AGREEMENT**

THIS AGREEMENT is effective the [ ] day of [ ], 2023, between Vestis Corporation, a Delaware corporation (the “Company”), and [ ], (“Indemnitee”), whose address is [ ], (the “Agreement”).

**RECITALS**

WHEREAS, it is essential to the Company to retain and attract as directors, officers and other certain key employees the most capable persons available;

WHEREAS, Indemnitee is a member of the Board of Directors, a corporate officer of the Company (a “Designated Officer”) or an employee of the Company designated by the Board of Directors to have the benefit of this Agreement (a “Designated Employee”) and in such capacity is performing a valuable service for the Company;

WHEREAS, the Amended and Restated Bylaws of the Company (the “Bylaws”) provide for the indemnification of its directors and officers to the full extent authorized or permitted by the Delaware General Corporation Law (the “Corporate Statute”);

WHEREAS, the Corporate Statute specifically provides that it is not exclusive, and thereby contemplates that contracts may be entered into between the Company and the members of its Board of Directors, its officers or other employees which provide for broader indemnification of such directors, officers and other employees;

WHEREAS, developments with respect to the terms and availability of Directors and Officers Liability Insurance (“D&O Insurance”) and with respect to the application, amendment and enforcement of statutory, Certificate of Incorporation of the Company (the “Certificate of Incorporation”) and Bylaw indemnification provisions generally, have raised questions concerning the availability of such insurance and if available, the adequacy and reliability of the protection afforded to directors, Designated Officers and Designated Employees thereby;

WHEREAS, in recognition of Indemnitee’s need for substantial protection against personal liability in order to enhance Indemnitee’s service or continued service to the Company in an effective manner and in part to provide Indemnitee with specific contractual assurance that the indemnification protection provided by the Company’s Bylaws will be available to Indemnitee (regardless of, among other things, any amendment to or revocation of such Bylaws, change in the composition of the Company’s Board of Directors, or acquisition transaction relating to the Company), and in order to induce Indemnitee to provide or to continue to provide services to the Company as a director, Designated Officer or Designated Employee thereof, the Company wishes to provide in this Agreement for the indemnification of and the advancing of expenses and other costs to Indemnitee to the full extent permitted by law and as set forth in this Agreement.

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NOW, THEREFORE, in consideration of the premises and of Indemnitee commencing or continuing to serve the Company directly or, at its request, another enterprise or entity, including, without limitation, any benefit plan, and intending to be legally bound hereby, the parties hereby agree as follows:

## AGREEMENT

### 1. Certain Definitions.

(a) “Change of Control”: shall mean

(i) The acquisition by any individual entity or group, within the meaning of Section 13(d)(3) or 14(d)(2) of the Exchange Act, directly or indirectly, of beneficial ownership of equity securities of the Company representing more than 50% of the voting power of the then-outstanding equity securities of the Company entitled to vote generally in the election of directors (the “Company Voting Securities”); provided, however, that for purposes of this subsection (i), the following shall not constitute a Change of Control: (A) any acquisition by any employee benefit plan (or related trust) sponsored or maintained by the Company or any subsidiary of the Company, or (B) any acquisition by any person pursuant to a transaction which complies with clauses (A) and (B) of subsection (ii) below; or

(ii) The consummation of a reorganization, merger or consolidation or sale or other disposition of all or substantially all of the assets of the Company or the purchase of assets or stock of another entity (a “Business Combination”), in each case, unless immediately following such Business Combination, (A) all or substantially all of the beneficial owners of the Company’s Voting Securities immediately prior to such Business Combination beneficially own more than 50% of the then-outstanding combined voting power of the then-outstanding securities entitled to vote generally in the election of directors of the entity resulting from such Business Combination in substantially the same proportion (relative to each other) as their ownership immediately prior to such Business Combination of the Company Voting Securities, and (B) no person beneficially owns, directly or indirectly, more than a majority of the combined voting power of the then-outstanding voting securities of such entity, except to the extent that such ownership of the Company existed prior to the Business Combination.

(b) “Expenses”: include attorneys’ fees and all other costs, travel expenses, fees of experts, transcripts costs, filing fees, witness fees, telephone charges, postage, delivery service fees, expenses and obligations of any nature whatsoever paid or incurred in connection with investigating, defending, prosecuting, being a witness in or participating in (including on appeal), or preparing to investigate, defend, prosecute, be a witness in or participate in any claim, action, suit or proceeding or inquiry or investigation, formal or informal, including, without limitation, any appeal for which a claim for indemnification may be made hereunder.

(c) “Potential Change of Control”: shall be deemed to have occurred if (i) the Company enters into an agreement or arrangement, the consummation of which would result in

the occurrence of a Change of Control; (ii) any person or entity (including the Company) publicly announces an intention to take or to consider taking actions which if consummated would constitute a Change of Control; or (iii) the Board of Directors adopts a resolution to the effect that, for purposes of this Agreement, a Potential Change of Control has occurred.

(d) “Independent Counsel”: an attorney or a law firm (either being referred to as a “person”) who is experienced in matters of corporate law and who shall not have otherwise performed material services for the Company or Indemnitee within the immediately preceding five (5) years, other than services as Independent Counsel hereunder and who shall not have performed services for any other party to the proceeding giving rise to the claim for indemnification hereunder. Independent Counsel shall not be any person who, under the applicable standards of professional conduct then prevailing, would have a conflict of interest in representing either the Company or Indemnitee in an action to determine Indemnitee’s rights under this Agreement, nor shall Independent Counsel be any person who has been sanctioned or censured for ethical violations of applicable standards of professional conduct in the last five years.

(e) “Final Judgment”: a final (not interlocutory) judgment or other adjudication of a court or arbitration or administrative body of competent jurisdiction as to which there is no further right or option of appeal or the time within which an appeal must be filed has expired without such filing.

## **2. Maintenance of Insurance; Limitations.**

(a) The Company currently has in force and effect several policies of D&O Insurance (collectively, the “Insurance Policy”). The Company agrees to furnish a copy of the Insurance Policy to Indemnitee upon request. The Company agrees that, so long as Indemnitee shall continue to serve as a director or Designated Officer of the Company (or shall at the request of the Company serve as a director, officer, employee or agent of another corporation, partnership, limited liability company, joint venture, trust, employee benefit plan or other enterprise) and thereafter so long as Indemnitee shall be subject to any possible claim, or threatened, pending or completed action, suit or proceeding, whether civil, criminal, administrative, investigative, formal or informal, by reason of the fact that Indemnitee was a director or Designated Officer of the Company (or served in any of said other capacities), the Company will, subject to the limitations set forth in Section 2(b) hereof, endeavor to purchase and maintain in effect for the benefit of Indemnitee one or more valid, binding and enforceable policy or policies of D&O Insurance providing, in all respects, coverage at least comparable to that provided pursuant to the Insurance Policy.

(b) The Company shall not be required to maintain the Insurance Policy or such other policy or policies of D&O Insurance in effect if, in the sole business judgment of the then Board of Directors of the Company, (i) such insurance is not reasonably available, (ii) the premium cost for such insurance is substantially disproportionate to the amount of coverage, or (iii) the coverage provided by such insurance is so limited by exclusions that there is a disproportionately insufficient benefit from such insurance.



**3. Indemnification of Indemnitee.**

The Company agrees to hold harmless, indemnify and defend Indemnitee to the fullest extent authorized or permitted by the provisions of the Corporate Statute and to such greater extent as the Corporate Statute or other applicable law may thereafter from time to time permit.

**4. Additional Indemnity.**

(a) Subject to the exclusions set forth in Section 5 hereof, the Company further agrees to hold harmless, indemnify and defend Indemnitee against any and all reasonable Expenses, and all liability and loss, including, without limitation, judgments, excise taxes, penalties, fines and amounts paid or to be paid in settlement, actually incurred by Indemnitee in connection with any threatened, pending or completed claim, action, suit or proceeding, whether civil, criminal, administrative, investigative, formal or informal (including an action by or in the right of the Company) to which Indemnitee is, was or at any time becomes a party, or is threatened to be made a party, by reason of the fact that Indemnitee is, was or at any time becomes a director, Designated Officer, Designated Employee or agent of the Company, or is or was serving or at any time serves at the request of the Company as a director, officer, trustee, employee, agent, fiduciary or “party in interest” (as defined in ERISA) of, or with respect to, or the Company’s representative in, another corporation, partnership, limited liability company, joint venture, trust, employee benefit plan or other enterprise.

(b) Notwithstanding any other provision of this Agreement, to the extent that Indemnitee is, by reason of having served as a director, Designated Officer, Designated Employee or agent of the Company or at the request of the Company as a director, officer, trustee, employee, agent, fiduciary or “party in interest” (as defined in ERISA) of, or with respect to, or the Company’s representative in, another corporation, partnership, limited liability company, joint venture, trust, employee benefit plan or other enterprise, a witness in any proceeding to which he is not a party, he shall be indemnified against all Expenses actual and reasonably incurred by Indemnitee or on his behalf in connection therewith.

**5. Limitations on Indemnity.**

(a) No indemnification pursuant to Section 3 or Section 4 hereof shall be paid by the Company:

(i) on account of remuneration paid to Indemnitee if it shall be determined by a Final Judgment that such remuneration was in violation of law;

(ii) on account of any suit in which a Final Judgment is rendered against Indemnitee for an accounting of profits made from the purchase or sale by Indemnitee of securities of the Company pursuant to the provisions of Section 16(b) of the Securities Exchange Act of 1934 and amendments thereto or similar provisions of any federal, state or local statutory law; or

(iii) on account of any suit, or any claim therein, brought or made by the Indemnitee voluntarily against the Company, unless (A) the bringing of such suit or making of such claim shall have been approved by the Board of Directors; or (B) such suit is being brought by the Indemnitee to assert, interpret or enforce the Indemnitee's rights under this Agreement; or

(iv) if a Final Judgment establishes that such indemnification is not lawful.

(b) The Company's indemnification obligations under this Agreement shall be reduced to the extent payment is made to or for the benefit of Indemnitee pursuant to any D&O Insurance purchased and maintained by the Company.

(c) To the extent Indemnitee's claim for indemnification under this Agreement arises out of Indemnitee's service at the request of the Company as a director, officer, employee or agent of another corporation, partnership, limited liability company, joint venture, trust, employee benefit plan or other enterprise, the Company's indemnification obligation hereunder shall be limited to that amount required in excess of any indemnification and/or insurance provided to Indemnitee by such other corporation, partnership, limited liability company, joint venture, trust, employee benefit plan or other enterprise. Indemnitee hereby also agrees that any indemnification obligation of the Company under the Certificate of Incorporation or Bylaws with respect to such a claim shall also be subject to this limitation.

#### **6. Continuation of Indemnity.**

All agreements and obligations of the Company contained herein shall continue during the period Indemnitee is a director, Designated Officer and/or Designated Employee of the Company (or is or was serving at the request of the Company as a director, officer, employee or agent of another corporation, partnership, limited liability company, joint venture, trust, employee benefit plan or other enterprise) and shall continue thereafter so long as Indemnitee shall be subject to any possible claim, or threatened, pending or completed action, suit or proceeding, whether civil, criminal, administrative, investigative, formal or informal, by reason of the fact that Indemnitee was a director, Designated Officer, Designated Employee or agent of the Company or was serving in any other capacity described in this Section 6.

#### **7. Notification and Defense of Claim.**

Promptly after receipt by Indemnitee of notice of the commencement of any action, suit or proceeding, Indemnitee shall, if a claim in respect thereof is to be made against the Company under this Agreement, notify the Company of the commencement thereof; but the omission so to notify the Company shall not relieve it from any liability which it may have to Indemnitee. With respect to any such action, suit or proceeding as to which Indemnitee notifies the Company of the commencement thereof:

(a) the Company shall be entitled to participate therein at its own expense;

(b) except as otherwise provided below, to the extent that it may wish, the Company jointly with any other indemnifying party similarly notified shall be entitled to assume the defense thereof, with counsel reasonably satisfactory to Indemnitee. After notice from the Company to Indemnitee of its election so to assume the defense thereof, the Company shall not be liable to Indemnitee under this Agreement for any legal or other expenses subsequently incurred by Indemnitee in connection with the defense thereof other than reasonable costs of investigation or as otherwise provided below. Indemnitee shall have the right to employ his own chosen counsel in such action, suit or proceeding but the fees and expenses of such counsel incurred after notice from the Company of its assumption of the defense thereof shall be at the expense of Indemnitee, unless (i) the employment of such counsel by Indemnitee has been authorized by the Company, (ii) Indemnitee shall have reasonably concluded that there may be a conflict of interest between the Company and Indemnitee in the conduct of the defense of such action, suit or proceeding or (iii) the Company shall not in fact have employed its counsel to assume the defense of such action, in each of which cases the fees and expenses of Indemnitee's counsel shall be at the expense of the Company. The Company shall not be entitled to assume the defense of any action, suit or proceeding brought by or on behalf of the Company or as to which Indemnitee shall have made the conclusion described in clause (ii) of this Section 7(b); and

(c) the Company shall not be liable to indemnify Indemnitee under this Agreement for any amounts paid in settlement of any action or claim effected without the Company's written consent. The Company shall not settle any action or claim in any manner which would impose any penalty, equitable remedy or injunctive or other relief or limitation on Indemnitee without Indemnitee's written consent. Neither the Company nor Indemnitee shall unreasonably withhold their consent to any proposed settlement.

#### **8. Procedures for Determination of Entitlement to Indemnification.**

(a) Initial Request. To obtain indemnification under this Agreement, Indemnitee shall submit to the Company a written request, including therein or therewith such documentation and information as is reasonably available to Indemnitee and is reasonably necessary to determine whether and to what extent Indemnitee is entitled to indemnification. The Secretary of the Company shall promptly advise the Board of Directors in writing that Indemnitee has requested indemnification.

(b) Method of Determination. If such a determination is required as a matter of law as a condition to indemnification, a determination with respect to Indemnitee's entitlement to indemnification shall be made as follows:

(i) if a Change of Control has occurred, unless Indemnitee shall request in writing that such determination be made in accordance with clause (ii) of this Section 8(b), the determination shall be made by Independent Counsel in a written opinion to the Board of Directors, a copy of which shall be delivered to Indemnitee;

(ii) if a Change of Control has not occurred, the determination shall be made by the Board of Directors by a majority vote of a quorum consisting of directors who are

not and were not a party to the action, suit or proceeding in respect of which indemnification is sought by Indemnitee (“Disinterested Directors”). In the event that a quorum of the Board of Directors consisting of Disinterested Directors is not obtainable or, even if obtainable, such quorum of Disinterested Directors so directs, the determination shall be made by Independent Counsel in a written opinion to the Board of Directors, a copy of which shall be delivered to Indemnitee.

(c) Selection, Payment, Discharge of Independent Counsel. In the event the determination of entitlement of indemnification is to be made by Independent Counsel pursuant to Section 8(b) hereof, the Independent Counsel shall be selected, paid, and discharged in the following manner:

(i) If a Change of Control has not occurred, the Independent Counsel shall be selected by the Board of Directors, and the Company shall give written notice to Indemnitee advising Indemnitee of the identity of the Independent Counsel so selected.

(ii) If a Change of Control has occurred, the Independent Counsel shall be selected by Indemnitee (unless Indemnitee shall request that such selection be made by the Board of Directors, in which event clause (i) of this Section 8(c) shall apply), and Indemnitee shall give written notice to the Company advising it of the identity of the Independent Counsel so selected.

(iii) Following the initial selection described in clauses (i) and (ii) of this Section 8(c), Indemnitee or the Company, as the case may be, may, within ten (10) days after such written notice of selection has been received, deliver to the other party a written objection to such selection. Such objection may be asserted only on the ground that the Independent Counsel so selected does not meet the requirements of “Independent Counsel” as defined in Section 1(d) hereof, and the objection shall set forth with particularity the factual basis of such assertion. Absent a proper and timely objection, the person so selected shall act as Independent Counsel. If such written objection is made, the Independent Counsel so selected may not serve as Independent Counsel unless and until a court has determined that such objection is without merit.

(iv) Either the Company or Indemnitee may petition a court of competent jurisdiction if the parties have been unable to agree on the selection of Independent Counsel within twenty (20) days after receipt by the Company of a written request for indemnification pursuant to Section 8(a) hereof. Such petition may request a determination whether an objection to the party’s selection is without merit and/or seek the appointment as Independent Counsel of a person selected by the court or by such other person as the court shall designate. A person so appointed shall act as Independent Counsel under Section 8(b) hereof.

(v) The Company shall pay any and all reasonable fees of Independent Counsel, and the reasonable expenses incurred by such Independent Counsel, in connection with acting pursuant to this Agreement, and the Company shall pay all

reasonable fees and expenses incident to the procedures of this Section 8(c), regardless of the manner in which such Independent Counsel was selected or appointed.

(vi) Upon due commencement of any judicial proceeding pursuant to Section 11(b) hereof, the Independent Counsel shall be discharged and relieved of any further responsibility in such capacity (subject to the applicable standards of professional conduct then prevailing).

(d) Cooperation. Indemnitee shall cooperate with the person, persons or entity making the determination with respect to Indemnitee's entitlement to indemnification under this Agreement, including providing to such person, persons or entity upon reasonable advance request any documentation or information which is not privileged or otherwise protected from disclosure and which is reasonably available to Indemnitee and reasonably necessary to such determination. Any costs or expenses (including attorneys' fees and disbursements) incurred by Indemnitee in so cooperating with the person, persons or entity making such determination shall be borne by the Company (irrespective of the determination as to Indemnitee's entitlement to indemnification) and the Company hereby indemnifies and agrees to hold Indemnitee harmless therefrom. If a determination is made that Indemnitee is entitled to indemnification under this Agreement (including if such indemnification is subject to Section 5(c)), Indemnitee shall continue to provide the Company with such documentation and information and to provide such other cooperation as the Company may reasonably request. Any costs or expenses (including attorneys' fees and disbursements) incurred by Indemnitee in so cooperating with the Company shall be borne by the Company and the Company hereby indemnifies and agrees to hold Indemnitee harmless therefrom.

#### **9. Presumptions and Effect of Certain Proceedings.**

(a) In making a determination with respect to entitlement to indemnification hereunder, the person or persons or entity making such determination shall presume that Indemnitee is entitled to indemnification under this Agreement if Indemnitee has submitted a request for indemnification in accordance with Section 8(a) hereof, and the Company shall have the burden of proof to overcome that presumption in connection with the making by any person, persons or entity of any determination contrary to that presumption.

(b) The termination of any action, suit or proceeding or of any claim, issue or matter therein, by judgment, order, settlement or conviction, or upon a plea of nolo contendere or its equivalent, shall not of itself adversely affect the right of Indemnitee to indemnification or create a presumption that Indemnitee did not act in accordance with any standard of conduct that may be a condition to indemnification.

(c) For purposes of any determination of good faith, Indemnitee shall be deemed to have acted in good faith if Indemnitee's action is based on the records or books of account of the Company, including financial statements, or on information supplied to Indemnitee by the officers of the Company in the course of their duties, or on the advice of legal counsel for the Company or on information or records given or reports made to the Company by an independent certified public accountant or by an appraiser or other expert selected with reasonable care by the

Company. The provisions of this Section 9(c) shall not be deemed to be exclusive or to limit in any way the other circumstances in which Indemnitee may be deemed to have met the applicable standards for indemnification set forth in this Agreement.

(d) The knowledge and/or actions or failure to act of any director, officer, agent or employee of the Company shall not be imputed to Indemnitee for purposes of determining the right to indemnification under this Agreement.

#### **10. Advance of Expenses, Judgments, Etc.**

(a) The Expenses incurred by Indemnitee in defending any claim, action, investigation, formal or informal, request for documents or information, responding to any subpoena or other legal process, suit or proceeding pursuant to which a claim for indemnification may be applied for by Indemnitee pursuant to this Agreement, shall be advanced by the Company at the request of Indemnitee. Any judgments, fines or amounts to be paid in settlement shall also be advanced by the Company to Indemnitee upon request.

(b) Prior to the advancement of Expenses by the Company pursuant to this Section 10, Indemnitee must, if required by law, provide an undertaking that if it shall ultimately be determined in a Final Judgment that Indemnitee was not entitled to be indemnified, or was not entitled to be fully indemnified, Indemnitee shall promptly repay to the Company all amounts advanced or the appropriate portion thereof so advanced.

#### **11. Enforcement.**

(a) The Company expressly confirms and agrees that it has entered into this Agreement and assumed the obligations imposed on the Company hereby in order to induce Indemnitee to commence or continue serving as a director, Designated Officer and/or Designated Employee of the Company, and/or at the request of the Company as a director, officer, employee or agent of another corporation, partnership, limited liability company, joint venture, trust, employee benefit plan or other enterprise, and acknowledges that Indemnitee is relying upon this Agreement in commencing or continuing in such capacity.

(b) If (i) a determination is made that Indemnitee is not entitled to indemnification under this Agreement, (ii) an advancement of Expenses, judgments, fines or amounts to be paid in settlement or other amounts pursuant to Section 11 hereof is not made within fifteen (15) days after receipt by the Company of a request therefor, (iii) a determination of entitlement to indemnification pursuant to Section 8 hereof has not been made within ninety (90) days after receipt by the Company of the request therefor, or (iv) payment of indemnification is not made within 10 days after a determination has been made that Indemnitee is entitled to indemnification, then Indemnitee may bring an action against the Company to recover the unpaid amount of the claim. In the event Indemnitee is required to bring any action to enforce rights or to collect moneys due under this Agreement, the Company shall reimburse Indemnitee for all of the Indemnitee's Expenses in bringing and pursuing such action, whether or not Indemnitee is successful in such action, unless the court or other adjudicative body determines that such action for enforcement brought by Indemnitee was frivolous.

(c) In the event that a determination shall have been made pursuant to Section 8 hereof that Indemnitee is not entitled to indemnification, any judicial proceeding commenced pursuant to this Section 11 shall be conducted in all respects as a de novo trial on the merits and Indemnitee shall not be prejudiced by reason of that adverse determination. If a Change of Control shall have occurred in any judicial proceeding commenced pursuant to this Section 11, the Company shall have the burden of proving that Indemnitee is not entitled to indemnification or advancement of Expenses, as the case may be.

(d) If a determination shall have been made or deemed to have been made pursuant to Section 8 or 9 hereof that Indemnitee is entitled to indemnification, the Company shall be bound by such determination in any judicial proceeding commenced pursuant to this Section 11, absent (i) a misstatement by Indemnitee of a material fact, or an omission of a material fact necessary to make Indemnitee's statement not materially misleading, in connection with the request for indemnification, or (ii) a prohibition of such indemnification under applicable law.

(e) The Company shall be precluded from asserting in any judicial proceeding or arbitration commenced to enforce this Agreement, including a judicial proceeding commenced pursuant to this Section 11, that the procedures and presumptions of this Agreement are not valid, binding and enforceable or that there is not sufficient consideration for this Agreement and shall stipulate in any such court that the Company is bound by all the provisions of this Agreement.

## **12. Establishment of Trust.**

In the event of a Potential Change of Control other than a Potential Change of Control approved by the Board of Directors of the Company prior to the Change of Control or in the event of such a Change of Control that has been so approved, if the Board determines in its discretion that this Section 12 should still apply, the Company shall, upon written request by Indemnitee, create a trust for the benefit of Indemnitee; and from time to time upon written request of Indemnitee the Company shall fund such trust in an amount sufficient to satisfy any and all Expenses reasonably anticipated at the time of each such request to be incurred, and any and all judgments, fines, penalties and settlement amount actually paid or claimed, reasonably anticipated or proposed to be paid, in connection with any pending or completed action, suit or proceeding pursuant to which a claim for indemnification or advancement may be applied for by Indemnitee pursuant to this Agreement. The amount or amounts to be deposited in the trust pursuant to the foregoing funding obligation shall be determined by Independent Counsel. The terms of the trust shall provide that, upon a Change of Control, (i) the trust shall not be revoked or the principal thereof invaded, without the written consent of Indemnitee, (ii) the trustee shall advance, within fifteen (15) days after receipt of a request by Indemnitee, any and all Expenses, judgments, fines or settlement amounts to Indemnitee for which funding has been provided (and Indemnitee hereby agrees to reimburse the trust under the circumstances under which Indemnitee would be required to reimburse the Company under Section 10 hereof), (iii) the trust shall continue to be funded by the Company in accordance with the funding obligations set forth above, (iv) the trustee shall promptly pay to Indemnitee, from and to the extent such trust has been funded, all amounts for which Indemnitee shall be entitled to indemnification pursuant to

this Agreement or otherwise, and (v) all unexpended funds in such trust shall revert to the Company upon a final determination by Independent Counsel or a Final Judgment, as the case may be, that the Indemnitee has been fully indemnified under the terms of this Agreement. The trustee shall be an Independent Counsel or another independent person agreed upon by the Company and the Indemnitee. Nothing in this Section 12 shall relieve the Company of any of its obligations under this Agreement or under applicable law, the Company's Certificate of Incorporation or By-Laws. All income earned on the assets held in the trust shall be reported as income by the Company for federal, state, local and foreign tax purposes. Notwithstanding the foregoing, the Company shall have the right, in its sole discretion, in lieu of creating and funding such trust, to purchase and maintain one or more bonds or other forms of adequate security from an insurance company, surety company or similar source reasonably acceptable to Indemnitee, for the amounts which it would otherwise be required to place in trust pursuant to this Section 12.

### **13. Contribution.**

To the fullest extent permissible under applicable law, if the indemnification provided for in this Agreement is unavailable to Indemnitee for any reason, the Company, in lieu of indemnifying Indemnitee, shall contribute to the amount incurred by Indemnitee in connection with any proceeding, in such proportion as is deemed fair and reasonable in light of all of the circumstances of such proceeding in order to reflect (a) the relative benefits received by the Company and Indemnitee as a result of the event(s) and transaction(s) giving cause to such proceeding; and (b) the relative fault of the Company (and its directors, officers, employees and agents) and Indemnitee in connection with such event(s) and transaction(s).

### **14. Other Rights and Remedies.**

The indemnification and other rights provided by this Agreement shall not be deemed exclusive of any other rights to which Indemnitee may be entitled or hereafter acquire under any provision of law, the Company's Certificate of Incorporation or Bylaws, other agreement, vote of shareholders or directors or otherwise, as to action in Indemnitee's official capacity while occupying any of the positions or having any of the relationships referred to in this Agreement, and shall continue after Indemnitee has ceased to occupy such position or have such relationship, respecting acts or omissions of Indemnitee while Indemnitee occupied such position or had such relationship. No amendment, alteration or repeal of this Agreement or any provision hereof shall be effective as to Indemnitee with respect to any action taken or omitted by Indemnitee while occupying any of the positions or having any of the relationships referred to in this Agreement prior to such amendment, alteration or repeal.

### **15. Notices.**

All notices, requests, demands and other communications hereunder shall be in writing and shall be deemed to have been duly given if (i) delivered by hand and receipted for by the party to whom said notice or other communications shall have been directed, (ii) mailed by certified or registered mail with postage prepaid, or by Federal Express or similar service providing receipt against delivery, and (iii) telefaxed and received with a confirming copy



received by the method described in (ii) above and shall be deemed received on the earlier of actual receipt or the third business day after the date on which it is so mailed:

(a) if to Indemnitee, to the address set forth above or to such other address as may be furnished to the Company by Indemnitee by notice similarly given; or

(b) if to the Company, to:

Vestis Corporation  
500 Colonial Center Parkway, Suite 140  
Roswell, GA 30076  
Attention: [        ]  
Telephone: [        ]

or to such other address as may be furnished to Indemnitee by the Company by notice similarly given.

**16. Subrogation.**

In the event of payment under this Agreement, the Company shall be subrogated to the extent of such payment to all of the rights of recovery of Indemnitee in respect of such payment against one or more third parties (including without limitation D&O Insurance, if applicable). Indemnitee shall execute all documents and instruments necessary or desirable for such purpose, and shall do everything that may be reasonably necessary to secure such rights at the Expense of the Company, including the execution of such documents and instruments reasonably necessary or desirable to enable the Company effectively to bring suit to enforce such rights.

**17. No Construction as Employment Agreement.**

Nothing contained herein shall be construed as giving Indemnitee any right to be retained as a director, officer or employee of the Company or in any capacity with any other entity referred to in Section 6 hereof, or in the employ of the Company or of any such other entity.

**18. Severability.**

The provisions of this Agreement shall be severable in the event that any of the provisions hereof (including any provision within a single section, paragraph or sentence) are held by a court of competent jurisdiction to be invalid, void or otherwise unenforceable, and the remaining provisions shall remain enforceable to the fullest extent permitted by law. Furthermore, to the fullest extent possible, the provisions of this Agreement (including without limitation each portion of this Agreement containing any provision held to be invalid, void or otherwise unenforceable, that is not itself invalid, void or unenforceable) shall be construed so as to give effect to the intent manifested by the provision held invalid, illegal or unenforceable.

**19. No Third Party Beneficiaries.**

Nothing in this Agreement, express or implied, is intended to or shall confer upon any other person any right, benefit or remedy of any nature whatsoever under or by reason of this Agreement other than any estate, heir, executor or administrator of or other successor to Indemnitee.

**20. Governing Law; Binding Effect; Amendment, Termination, Assignment and Waiver.**

(a) This Agreement shall be interpreted and enforced in accordance with the laws of the State of Delaware.

(b) This Agreement shall be binding upon and inure to the benefit of and be enforceable by and against the parties hereto and their respective successors and assigns (including without limitation any direct or indirect successor by purchase, merger, consolidation or otherwise to all, substantially all, or a substantial part, of the business and/or assets of the Company), and spouses, heirs, and personal and legal representatives. The Company shall require and cause any successor (whether direct or indirect by purchase, merger, consolidation or otherwise) to all, substantially all, or a substantial part, of the business and/or assets of the Company, by written agreement in form and substance satisfactory to Indemnitee, expressly to assume and agree to perform this Agreement in the same manner and to the same extent that the Company would be required to perform if no such succession had taken place.

(c) No amendment, modification, termination, cancellation or assignment of this Agreement shall be effective unless in writing signed by both parties hereto. No waiver of any of the provisions of this Agreement shall be binding unless executed in writing by the party making the waiver nor shall any such waiver constitute a continuing waiver.

IN WITNESS WHEREOF, the parties have executed this Agreement on and as of the day and year first above written.

**VESTIS CORPORATION**

By: \_\_\_\_\_

By: \_\_\_\_\_



July 19, 2023

Christopher Synek  
Dallas, TX

Dear Chris:

We are pleased to extend this offer of employment with Aramark as Chief Operating Officer, Aramark Uniform Services. We are looking forward to having you on the team!

In this role, you will be a member of the Executive Team, you will be among the leaders who have the most impact on leading Aramark Uniform Services to achieve our business objectives.

Please see the enclosed Executive Package Enclosures that follows this letter (the "Offer Letter") for a complete list of materials you are receiving, with instructions and deadlines for those materials requiring your signature and those that must be returned to us.

In particular, you will want to immediately review:

- **Offer Detail Summary** highlighting the specifics associated with the offer and setting forth additional terms and conditions incorporated by reference in this Offer Letter.
- Aramark Corporation **Agreement Relating To Employment And Post-Employment Competition** (the "Agreement"). Your employment as an Executive member is contingent upon execution of this Agreement.

This package also includes materials that describe a full range of programs for which you would be eligible as an Executive member:

- Cash compensation, comprising salary and target bonus
- Equity Incentives,
- Benefits and Perquisites

This job offer is contingent on the successful completion of our background & reference checking process, which includes a pre-employment drug screening, verification of information provided by you in connection with your application for employment, and multiple positive reference checks.

You will be required at all times to comply with Aramark's policies, including its Business Conduct Policy. Your incentive compensation, including both cash bonus and incentive stock awards, will be subject to Aramark's Incentive Compensation Recoupment Policy, a copy of which is included in the Executive Package Enclosures. During the course of your employment with Aramark, you will receive information and documents from

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Aramark containing confidential, proprietary trade information concerning Aramark's business and business relationships ("Proprietary Information"). By accepting this position, you agree that at no time while employed by Aramark, or after your employment with Aramark has ended for any reason, will you use or disclose such confidential, proprietary information to any person, firm or entity not affiliated with Aramark.

You will be considered a Covered Aramark Employee for purposes of the Political Contributions Policy. This means you must obtain pre-approval from Government Affairs Compliance before you, your spouse / domestic partner, and/or dependent child make political contributions. As part of the onboarding process, you will receive additional information and training regarding your obligations under the Political Contributions Policy.

By signing this letter and accepting Aramark's offer of employment, you are agreeing that (1) you have disclosed to Aramark the existence and nature of any obligations you owe to any prior employers, including any agreements that restrict your ability to compete with your prior employers or to solicit their clients, customers, or employees, (2) your employment with Aramark will not violate any of your post-employment obligations to your prior employers, and (3) you will not use or disclose any of your prior employers' confidential or proprietary information or trade secrets in the course of your employment with Aramark, unless such information is readily available to the public.

At the end of your employment with Aramark, you will return to Aramark all such Proprietary Information, including, but not limited to, all manuals, client lists, and training and policy materials, as well as all Aramark property.

Your employment will be "at-will." This means you are free to terminate your employment at any time, for any reason, with or without notice, and Aramark possesses these same rights to terminate your employment. At-will employment also means that Aramark may change the terms of employment, such as promotion, demotion, discipline, transfer, compensation, benefits, duties, and location of work, at any time, with or without notice.

This offer letter, the Aramark Agreement, and the Offer Detail Summary, set forth the entire understanding of the parties with respect to all aspects of the offer. Any and all previous agreements or understandings between or among the parties regarding the subject matter hereof, whether written or oral, are superseded by this offer letter, the Aramark Agreement, and the Offer Detail Summary.

If you have any questions, or if I may be of any help to you, please do not hesitate to contact me. Congratulations!

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Sincerely,

Kim Scott  
President & CEO, Aramark Uniform Services

Please sign and date below acknowledging that you have received this letter and accepted our employment offer.

Accept: Christopher R. Synek  
(Please Print Name)

/s/ Christopher R. Synek  
(Please Print Name)

July 28, 2023  
Date

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**Chris Synek**  
**Offer Detail Summary**  
**July 19, 2023**

<b>Title:</b>	Chief Operating Officer, Aramark Uniform Services
<b>Level:</b>	Executive, Band 2
<b>Reports To:</b>	Kim Scott, President & CEO, Aramark Uniform Services
<b>Effective Date:</b>	TBD
<b>Location:</b>	Dallas, TX
<b>Base Salary:</b>	\$600,000
<b>Bonus:</b>	You will be eligible to participate in Aramark's Management Incentive Bonus (MI6) Plan for Fiscal Year 2024. As further described in the Plan, if you are eligible to receive a Management Incentive Bonus, the amount of your Bonus will be determined on the basis of both the performance of Aramark and your performance measured against certain annual financial and non-financial goals. The current guideline for your position is a target bonus of 75% of base salary.
<b>Equity Incentives:</b>	<p>Annually starting in Fiscal Year 2024, we will recommend that you be awarded equity grants of \$1,250,000, subject to the approval of the applicable Board of Directors or the appropriate committee thereof. In addition, following the spin-off of Aramark Uniform Services, we will recommend that, subject to the approval of the Board of Directors of Aramark Uniform Services as a standalone public company ("SpinCo"), you will be awarded a sign-on grant of SpinCo equity awards valued at \$1,250,000, to be granted as soon as reasonably practicable after the completion of the spin-off.</p> <p>The actual terms and conditions of the equity awards, including the vesting terms, will be set forth in the award and grant details for each such instrument that will be provided to you electronically following the grant.</p> <p>All performance-based compensation is subject to the provisions of Aramark's Incentive Compensation Recoupment Policy.</p>
<b>Benefits:</b>	You will be eligible to participate in the standard Aramark Benefits Program, as well as the Benefits/Perquisites Programs in place for Executive members, which are subject to change from time to time.
<b>Financial Planning:</b>	You will be reimbursed up to a maximum of \$7,500 for financial planning services. Services from a Certified Financial Planner and qualified Tax Advisor are eligible for reimbursement. These may include personal tax assistance & financial planning, portfolio review, assessment and management, and estate planning.
<b>Auto Allowance:</b>	You will be eligible to receive an auto allowance of \$1,100 per month. This amount is subject to all applicable withholding taxes.
<b>Vacation:</b>	4 weeks

**ARAMARK SERVICES, INC.  
AGREEMENT RELATING TO EMPLOYMENT AND  
POST-EMPLOYMENT COMPETITION**

This Agreement is between the undersigned individual (“Employee”) and Aramark Services, Inc. (“Aramark”).

**RECITALS**

WHEREAS, Aramark is a leading provider of managed services to business and industry, private and public institutions, and the general public, in the following business groups: food and support services and uniform and career apparel;

WHEREAS, Aramark has a proprietary interest in its business and financial plans and systems, methods of operation and other secret and confidential information, knowledge and data (“Proprietary Information”) which includes, but is not limited to, all confidential, proprietary or non-public information, ideas and concepts; annual and strategic business plans; financial plans, reports and systems including, profit and loss statements, sales, accounting forms and procedures and other information regarding costs, pricing and the financial condition of Aramark and its business segments and groups; management development reviews, including information regarding the capabilities and experience of Aramark employees; intellectual property, including patents, inventions, discoveries, research and development, compounds, recipes, formulae, reports, protocols, computer software and databases; information regarding Aramark’s relationships with its clients, customers, and suppliers and prospective clients, partners, customers and suppliers; policy and procedure manuals, information regarding materials and documents in any form or medium (including oral, written, tangible, intangible, or electronic) concerning any of the above, or any past, current or future business activities of Aramark that is not publicly available; compensation, recruiting and training, and human

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resource policies and procedures; and data compilations, research, reports, structures, compounds, techniques, methods, processes, know-how;

WHEREAS, all such Proprietary Information is developed at great expense to Aramark and is considered by Aramark to be confidential trade secrets;

WHEREAS, Employee, as a senior manager, will have access to Aramark's Proprietary Information, directly in the course of Employee's employment, and indirectly through interaction with and presentations by other Aramark senior managers at the Executive Leadership Institute, Executive Leadership Council meetings, Presidents' Council meetings and the like;

WHEREAS, Aramark will introduce Employee to Aramark clients, customers, suppliers and others, and will encourage, and provide resources for, Employee to develop personal relationships with Aramark's clients, customers, suppliers and others;

WHEREAS, Aramark will provide specialized training and skills to Employee in connection with the performance of Employee's duties at Aramark which training involves the disclosure by Aramark to Employee of Proprietary Information;

WHEREAS, Aramark will be vulnerable to unfair post-employment competition by Employee because Employee will have access to and knowledge of Aramark's Proprietary Information, will have a personal relationship with Aramark's clients, customers, suppliers and others, and will generate good will which Employee acknowledges belongs to Aramark;

NOW, THEREFORE, in consideration of Employee's employment with Aramark, the opportunity to receive the grant of options to purchase the common stock of Aramark, the severance and other post-employment benefits provided for herein, and for other good and valuable consideration, the receipt and sufficiency of which are hereby acknowledged,



Employee agrees to enter into this Agreement with Aramark as a condition of employment pursuant to which Aramark will limit Employee's right to compete against Aramark during and following termination of employment on the terms set forth in this Agreement. Intending to be legally bound, the parties agree as follows:

**ARTICLE 1. NON-DISCLOSURE AND NON-DISPARAGEMENT:** Employee shall not, during or after termination of employment, directly or indirectly, in any manner utilize or disclose to any person, firm, corporation, association or other entity, except where required by law, any Proprietary Information which is not generally known to the public, or has not otherwise been disclosed or recognized as standard practice in the industries in which Aramark is engaged. Employee shall, during and after termination of employment, refrain from making any statements or comments of a defamatory or disparaging nature to any third party regarding Aramark, or any of Aramark's officers, directors, personnel, policies or products, other than to comply with law.

**ARTICLE 2. NON-COMPETITION:**

A. Subject to Article 2. B. below, Employee, during Employee's period of employment with Aramark, and for a period of one year following the voluntary or involuntary termination of employment, shall not, without Aramark's written permission, which shall be granted or denied in Aramark's sole discretion, directly or indirectly, associate with (including, but not limited to, association as a sole proprietor, owner, employer, partner, principal, investor, joint venturer, shareholder, associate, employee, member, consultant, contractor or otherwise), or acquire or maintain ownership interest in, any Business which is competitive with that conducted by or developed for later implementation by Aramark at any time during the term of Employee's employment. For purposes of this Agreement,

“Business” shall be defined as a person, corporation, firm, LLC, partnership, joint venture or other entity. Nothing in the foregoing shall prevent Employee from investing in a Business that is or becomes publicly traded, if Employee’s ownership is as a passive investor of less than 1% of the outstanding publicly traded stock of the Business.

- B. The provision set forth in Article 2.A above, shall apply to the full extent permitted by law (i) in all fifty states, and (ii) in each foreign country, possession or territory in which Aramark may be engaged in, or have plans to engage in, business (x) during Employee’s period of employment, or (y) in the case of a termination of employment, as of the effective date of such termination or at any time during the twenty-four month period prior thereto.
- C. Employee acknowledges that these restrictions are reasonable and necessary to protect the business interests of Aramark, and that enforcement of the provisions set forth in this Article 2 will not unnecessarily or unreasonably impair Employee’s ability to obtain other employment following the termination (voluntary or involuntary) of Employee’s employment with Aramark. Further, Employee acknowledges that the provisions set forth in this Article 2 shall apply if Employee’s employment is involuntarily terminated by Aramark for Cause; as a result of the elimination of employee’s position; for performance-related issues; or for any other reason or no reason at all.

**ARTICLE 3. NON-SOLICITATION:** During the period of Employee’s employment with Aramark and for a period of two years following the termination of Employee’s employment, regardless of the reason for termination, Employee shall not, directly or indirectly: (i) induce or encourage any employee of Aramark to leave the employ of Aramark, (ii) hire any individual who was an employee of Aramark as of the date of Employee’s termination of employment or

within a six month period prior to such date, or (iii) induce or encourage any customer, client, supplier or other business relation of Aramark to cease or reduce doing business with Aramark or in any way interfere with the relationship between any such customer, client, supplier or other business relation and Aramark.

**ARTICLE 4. DISCOVERIES AND WORKS:** Employee hereby irrevocably assigns, transfers, and conveys to Aramark to the maximum extent permitted by applicable law Employee's right, title and interest now or hereinafter acquired, in and to all Discoveries and Works (as defined below) created, invented, designed, developed, improved or contributed to by Employee, either alone or jointly with others, while employed by Aramark and within the scope of Employee's employment and/or with the use of Aramark's resources. The terms "Discoveries and Works" include all works of authorship, inventions, intellectual property, materials, documents, or other work product (including, without limitation, Proprietary Information, patents and patent applications, patentable inventions, research, reports, software, code, databases, systems, applications, presentations, textual works, graphics and audiovisual materials). Employee shall have the burden of proving that any materials or works created, invented, designed, developed, contributed to or improved by Employee that are implicated by or relevant to employment by Aramark are not implicated by this provision. Employee agrees to (i) keep accurate records and promptly notify, make full disclosure to, and execute and deliver any documents and to take any further actions requested by Aramark to assist it in validating, effectuating, maintaining, protecting, enforcing, perfecting, recording, patenting or registering any of its rights hereunder, and (ii) renounce any and all claims, including, without limitation, claims of ownership and royalty, with respect to all Discoveries and Works and all other property owned or licensed by Aramark. Any Discoveries and Works that, within six

months after the termination of Employee's employment with Aramark, are made, disclosed, reduced to a tangible or written form or description, or are reduced to practice by Employee and which pertain to the business carried on or products or services being sold or developed by Aramark at the time of such termination shall, as between Employee and Aramark, be presumed to have been made during such employment with Aramark. Employee acknowledges that, to the fullest extent permitted by law, all Discoveries and Works shall be deemed "works made for hire" under the Copyright Act of 1976, as amended, 17 U.S.C. Section 101. Employee hereby grants Aramark a perpetual, nonexclusive, royalty-free, worldwide, assignable, sublicensable license under all rights and intellectual property rights (including patent, industrial property, copyright, trademark, trade secret, unfair competition and related laws) in any Works and Discoveries, for all purposes in connection with Aramark's current and future business, that Employee has created, invented, designed, developed, improved or contributed to prior to Employee's employment with Aramark that are relevant to or implicated by such employment ("Prior Works"). Any Prior Works are disclosed by Employee in Schedule 1.

**ARTICLE 5. REMEDIES:** Employee acknowledges that in the event of any violation by Employee of the provisions set forth in Articles 1, 2, 3 or 4 above, Aramark will sustain serious, irreparable and substantial harm to its business, the extent of which will be difficult to determine and impossible to fully remedy by an action at law for money damages. Accordingly, Employee agrees that, in the event of such violation or threatened violation by Employee, Aramark shall be entitled to an injunction before trial before any court of competent jurisdiction as a matter of course upon the posting of not more than a nominal bond, in addition to all such other legal and equitable remedies as may be available to Aramark. If Aramark is

required to enforce the provisions set forth in Articles 2 and 3 above by seeking an injunction, Employee agrees that the relevant time periods set forth in Articles 2 and 3 shall commence with the entry of the injunction. Employee further agrees that, in the event any of the provisions of this Agreement are determined by a court of competent jurisdiction to be invalid, illegal, or for any reason unenforceable as written, such court shall substitute a valid provision which most closely approximates the intent and purpose of the invalid provision and which would be enforceable to the maximum extent permitted by law.

**ARTICLE 6. POST-EMPLOYMENT BENEFITS:**

- A. If Employee's employment is terminated by Aramark for any reason other than Cause, Employee shall be entitled to the following post-employment benefits:
1. **Severance Pay:** (a) Monthly payments equivalent to Employee's monthly Base Salary as of the effective date of termination for a period of twelve months. Severance payments shall commence with the Employee's effective date of termination and shall be made in accordance with Aramark's normal payroll cycle. The period during which Employee receives severance payments shall be referred to as the "Severance Pay Period"; and (b) If Employee is not entitled to a bonus pursuant to the Management Incentive Bonus Plan, pro rata or otherwise, in respect of the Aramark fiscal year in which Employee's termination of employment occurs, a pro rata portion, if any, of the bonus to which Employee would have been entitled if Employee satisfied the eligibility criteria under the Management Incentive Bonus Plan (the "Pro Rata Bonus"). If Employee is entitled to receive a Bonus, pro rata or otherwise, in respect of the Aramark fiscal year in which Employee's termination of employment occurs under the terms of

the applicable Bonus Plan, Employee shall be entitled to receive either the Bonus under the terms of the applicable Bonus Plan, or the Pro Rata Bonus, whichever is greater; provided, however, that in no event shall Employee receive duplicate Bonus and Pro Rata Bonus payments under each of this Agreement and the applicable Bonus Plan in respect of the Aramark fiscal year in which Employee's termination of employment occurs. Further, for the avoidance of doubt, any portion of such Bonus or Pro Rata Bonus amount that is payable based on the achievement of any individual performance factors or financial performance metrics shall be determined in accordance with the terms of the applicable Bonus Plan. Any Bonus or Pro Rata Bonus payment will be paid at the same time as all other bonuses are paid under the applicable Bonus Plan; and (c) an amount equal to the Target Bonus established for Employee pursuant to the Management Incentive Bonus Plan in respect of the year in which Employee's termination of employment occurs, whether expressed as a percentage of Employee's base salary or a dollar amount. This amount will be paid in substantially equal installments in accordance with Aramark's normal payroll cycle over the Severance Pay Period.

2. **Other Post-Employment Benefits**

- (a) Basic Group medical and life insurance coverages shall continue under then prevailing terms during the Severance Pay Period; provided, however, that if Employee becomes employed by a new employer during that period, continuing coverage from Aramark will become secondary to any coverage afforded by the new employer. Employee's share of the premiums will be deducted from Employee's severance payments. Basic

Group medical coverage provided during such period shall be applied against Aramark's obligation to continue group medical coverage under the Consolidated Omnibus Budget Reconciliation Act of 1985 ("COBRA"). Upon termination of basic group medical and life coverages, Employee may convert such coverages to individual policies to the extent allowable under the terms of the plans providing such coverages.

- (b) If, at the time of termination, Aramark is providing Employee with a leased vehicle, then Aramark will continue to provide the leased vehicle through the Severance Pay Period under the same terms and conditions as in effect at the time of the Employee's termination. At the expiration of the Severance Pay Period, Employee must return the leased vehicle to Aramark unless the Employee elects to purchase the vehicle in accordance with the Executive Leadership Council policy then in effect. If Employee is receiving a car allowance at the time of the Employee's termination, such car allowance will continue to be paid through the Severance Pay Period. At the expiration of the Severance Pay Period, the Employee will cease being paid a car allowance.
- (c) Employee's eligibility to participate in all other benefit and compensation plans, including, but not limited to the Management Incentive Bonus, Long Term Disability, any nonqualified plans and any stock option or ownership plans, shall terminate as of the effective date of Employee's termination unless provided otherwise under the terms of a particular plan, provided, however, that participation in plans and programs made

available solely to Executive Leadership Council members, including, but not limited to the Executive Leadership Council Medical Plan, shall cease as of the effective date of termination or the date Employee's Executive Leadership Council membership ceases, whichever occurs first. Employee, however, shall have certain rights to continue the Executive Leadership Council Medical Plan under COBRA.

- B. Termination for "Cause" shall be defined as termination of employment due to: (i) conviction of or entry of a plea of guilty or nolo contendere to a felony (or any similar crime for purposes of laws outside the United States), (ii) fraud or dishonesty, (iii) willful failure to perform assigned duties, (iv) willful violation of Aramark's Business Conduct Policy, or (v) intentionally working against the best interests of Aramark.
- C. If Employee is terminated by Aramark for reasons other than Cause, Employee will receive the severance payments and other post-employment benefits during the Severance Pay Period even if Employee commences other employment during such period provided such employment does not violate the terms of Article 2.
- D. In addition to the remedies set forth in Article 5, Aramark reserves the right to terminate all severance payments and other post-employment benefits if Employee violates the covenants set forth in Articles 1, 2, 3 or 4 above.
- E. Employee's receipt of severance and other post-employment benefits under this Agreement is contingent on (i) Employee's execution of a release in a form reasonably acceptable to Aramark, except that such release shall not include any claims by Employee to enforce Employee's rights under, or with respect to, this Agreement or any Aramark benefit plan pursuant to its terms, and (ii) the expiration of the applicable Age



Discrimination in Employment Act revocation period without such release being revoked by Employee. For the avoidance of doubt, notwithstanding anything else contained in this Article 6 to the contrary, Aramark may choose not to commence (or may choose to discontinue) providing any payment or benefit hereunder unless and until Employee executes and delivers, without revocation, the foregoing release within 60 days following Employee's termination of employment; *provided, however*, that subject to receipt of such executed release, Aramark shall commence providing such payments and benefits within 75 days following the date of termination of Employee's employment.

**ARTICLE 7. TERM OF EMPLOYMENT:** Employee acknowledges that Aramark has the right to terminate Employee's employment at any time for any reason whatsoever, provided, however, that any termination by Aramark for reasons other than Cause shall result in the severance and the post-employment benefits described in Article 6 above, to become due in accordance with the terms of this Agreement subject to the conditions set forth in this Agreement. Employee further acknowledges that the severance payments made and other benefits provided by Aramark are in full satisfaction of any obligations Aramark may have resulting from Aramark's exercise of its right to terminate Employee's employment, except for those obligations which are intended to survive termination such as the payments to be made pursuant to retirement plans, deferred compensation plans and conversion of insurance.

**ARTICLE 8. MISCELLANEOUS:**

- A. As used throughout this Agreement, Aramark includes Aramark Services, Inc. and its subsidiaries and affiliates or any corporation, joint venture, or other entity in which Aramark Services, Inc. or its subsidiaries or affiliates have an equity interest in excess of ten percent (10%).

- B. This Agreement shall supersede and substitute for any previous post-employment or severance agreement between Employee and Aramark and its predecessors.
- C. If Employee's employment with Aramark terminates solely by reason of a transfer of stock or assets of, or a merger or other disposition of, a subsidiary of Aramark (whether direct or indirect), such termination shall not be deemed a termination of employment by Aramark for purposes of this Agreement, provided that Aramark requires the subsequent employer, by agreement, to expressly assume and agree to perform this Agreement in the same manner and to the same extent that Aramark would be required to perform it if no such transaction had taken place. Employee acknowledges and agrees that Aramark may assign this Agreement and Aramark's rights hereunder, and particularly Articles 1, 2, 3 and 4, in its sole discretion and without advance approval by Employee. In such case, Employee agrees that Aramark may assign this Agreement and all references to "Aramark" contained in this Agreement shall thereafter be deemed to refer to the subsequent employer.
- D. Employee shall not be required to mitigate damages or the amount of any payment provided for under this Agreement by seeking other employment or otherwise.
- E. In the event any one or more of the provisions of this Agreement shall be or become invalid, illegal or unenforceable in any respect, the validity, legality and enforceability of the remaining provisions of this Agreement shall not be affected thereby.
- F. In the event that it is reasonably determined by Aramark that, as a result of the deferred compensation tax rules under Section 409A of the Internal Revenue Code of 1986, as amended (and any related regulations or other pronouncements thereunder) ("the Deferred Compensation Tax Rules"), any of the payments or benefits that Employee is

entitled to under the terms of this Agreement may not be made at the time contemplated by the terms hereof or thereof, as the case may be, without causing Employee to be subject to tax under the Deferred Compensation Tax Rules, Aramark shall, in lieu of providing such payment or benefit when otherwise due under this Agreement, instead provide such payment or benefit on the first day on which such provision would not result in Employee incurring any tax liability under the Deferred Compensation Tax Rules; which day, if Employee is a “specified employee” within the meaning of the Deferred Compensation Tax Rules, shall be the first day of the seventh month following the date of Employee’s termination of employment (or the earliest date as is permitted under the Deferred Compensation Tax Rules, without any accelerated or additional tax); provided, further, that to the extent that the amount of payments due under Article 6.A are not subject to the Deferred Compensation Tax Rules by virtue of the application of Treas. Reg. Sec. 1.409A-1(b)(9)(iii)(A), such payments may be made prior to the expiration of such six-month period. In addition, in the event that any payments or benefits that Aramark would otherwise be required to provide under this Agreement cannot be provided in the manner contemplated herein without subjecting Employee to tax under the Deferred Compensation Tax Rules, Aramark shall provide such intended payments or benefits to Employee in an alternative manner that conveys an equivalent economic benefit to Employee as soon as practicable as may otherwise be permitted under the Deferred Compensation Tax Rules. For purposes of the Deferred Compensation Tax Rules, (i) each payment made under this Agreement (including, without limitation, each installment payment due under Article 6 above) shall be designated as a “separate payment” within the meaning of the Deferred Compensation

Tax Rules, and if the commencement of any payment or benefit provided under Article 6 (or if applicable Appendix A) that constitutes “deferred compensation” under the Deferred Compensation Tax Rules could, by application of the terms conditioning such payment or benefit upon the execution and non-revocation of a release set forth in Article 6, occur in one of two taxable years, then the commencement of such payment or benefit shall begin on the first payroll date occurring in January of such second taxable year, and (ii) any references herein to Employee’s “termination of employment” shall refer to Employee’s “separation from service” with Aramark and its affiliates within the meaning of the Deferred Compensation Tax Rules.

- G. The terms of this Agreement shall be governed by the laws of the Commonwealth of Pennsylvania, without regard to conflicts of laws principles thereof. For purposes of any action or proceeding, Employee irrevocably submits to the non-exclusive jurisdiction of the courts of Pennsylvania and the courts of the United States of America located in Pennsylvania for the purpose of any judicial proceeding arising out of or relating to this Agreement, and acknowledges that the designated *fora* have a reasonable relation to the Agreement and to the parties’ relationship with one another. Notwithstanding the provisions of this Article 8.G, Aramark may, in its discretion, bring an action or special proceeding in any court of competent jurisdiction for the purpose of seeking temporary or preliminary relief pending resolution of a dispute.
- H. Employee expressly consents to the application of Article 8.G to any judicial action or proceeding arising out of or relating to this Agreement. Aramark shall have the right to serve legal process upon Employee in any manner permitted by law. In addition, Employee irrevocably appoints the General Counsel of Aramark Corporation (or any

successor) as Employee's agent for service of legal process in connection with any such action or proceeding and Employee agrees that service of legal process upon such agent, who shall promptly advise Employee of any such service of legal process at the address of Employee then in the records of Aramark, shall be deemed in every respect effective service of legal process upon Employee in any such action or proceeding.

- I. Employee hereby waives, to the fullest extent permitted by applicable law, any objection that Employee now or hereafter may have to personal jurisdiction or to the laying of venue of any action or proceeding brought in any court referenced in Article 8.G and hereby agrees not to plead or claim the same.
- J. Notwithstanding any other provision of this Agreement, Aramark may, to the extent required by law, withhold applicable federal, state and local income and other taxes from any payments due to Employee hereunder.
- K. Employee and Aramark acknowledge that for purposes of Article 6, Employee's last hire date with Aramark is September 11, 2023.
- L. Employee expressly acknowledges and agrees that Aramark's Incentive Compensation Recoupment Policy, as the same may be amended from time to time, is binding on Employee and that Employee is a Covered Employee as defined in that policy.
- M. This Agreement shall be binding upon, inure to the benefit of and be enforceable by the Company and Employee, and their respective heirs, legal representatives, successors and assigns. Employee acknowledges and agrees that this Agreement, including its provisions on post-employment restrictions, is specifically assignable by Aramark. Employee hereby consents to such future assignment and agrees not to challenge the validity of such future assignment.

IN WITNESS WHEREOF, and intending to be legally bound, the parties hereto have caused this

Agreement to be signed.

**ARAMARK SERVICES, INC.**

Date: August 30, 2023

By: /s/ Abigail Charpentier  
Abigail Charpentier

Date: August 29, 2023

By: /s/ Christopher R. Synek  
Christopher R. Synek

**Schedule 1**

**Prior Works<sup>1</sup>**

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\* If no Prior Works are listed, Employee certifies that there are none.

**Subsidiaries of Vestis Corporation**

The following entities are expected to be subsidiaries of Vestis Corporation upon completion of the distribution described in the information statement.

<b>Subsidiaries</b>	<b>Jurisdiction of Incorporation</b>
Ameripride Services, LLC	Delaware
Aramark Uniform & Career Apparel, LLC	Delaware
Canadian Linen and Uniform Service Corp	Canada
Canadian Linen and Uniform Service HoldCo, Ltd.	Canada





[     ], 20[     ]

Dear Aramark Stockholder:

In May 2022, Aramark announced its plan to separate Aramark Uniform Services (“AUS”) into an independent public company. The separation will occur through a distribution by Aramark of all of the outstanding shares of a newly formed company named Vestis Corporation (“Vestis”), which will hold AUS, to current Aramark stockholders (other than a number of shares of Vestis common stock (less than 1% of Vestis’ issued and outstanding shares of common stock upon the distribution) which may be contributed to a donor advised fund in order to fund charitable contributions).

Under the intended structure, Aramark will continue to operate as a proven global leader in food and facilities services, with world-class scale and capabilities focused on serving clients across 18 countries in five principal sectors: Education, Sports, Leisure & Corrections, Healthcare, Business & Industry and Facilities & Other. We believe that Aramark and AUS can best execute their respective value-creating strategies operating as two independent, publicly traded companies.

Upon completion of the separation, each Aramark stockholder as of September 20, 2023, the record date for the distribution, will receive one share of Vestis common stock for every two shares of Aramark common stock held as of the close of business on the record date. Vestis common stock will be issued in book-entry form only, which means that no physical share certificates will be issued. For U.S. federal income tax purposes, the distribution is intended to be tax-free to Aramark stockholders (other than any cash that Aramark stockholders receive in lieu of fractional shares).

No vote of Aramark stockholders is required for the distribution. You do not need to take any action to receive shares of Vestis common stock to which you are entitled as an Aramark stockholder, and you do not need to pay any consideration or surrender or exchange your Aramark common stock or take any other action to receive your shares of Vestis common stock.

Vestis has applied to have its common stock authorized for listing on the New York Stock Exchange (the “NYSE”) under the symbol “VSTS.” Following the distribution, Aramark common stock will continue to trade on the NYSE under the symbol “ARMK.”

We encourage you to read the attached information statement, which is being made available to Aramark stockholders as of the record date for the distribution. The information statement describes the distribution in detail and contains important business and financial information about Vestis.

We believe the separation provides tremendous opportunities for our businesses, as we work to continue to build long-term value. We appreciate your continuing support of Aramark and look forward to your future support of Aramark and Vestis.

Sincerely,

[     ]

John Zillmer  
Chief Executive Officer  
Aramark

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[     ], 20[   ]

Dear Future Vestis Corporation Stockholder:

I am pleased to welcome you as a future stockholder of Vestis Corporation (“Vestis”), a leading provider of uniform rentals and workplace supplies across the United States and Canada. We have over 75 years of experience providing our services and products to a wide variety of customers. The planned separation of Vestis from Aramark represents an exciting new chapter in our organization’s history.

As an independent, publicly traded company, we believe we will have enhanced ability to align resource and capital allocation decisions to our enhanced business strategy, enabling us to unlock significant value. The key value creation opportunities ahead of us include:

- A new emphasis on driving high-quality revenue growth within our existing customer base and with new customers in attractive verticals, applications and product categories.
- An increased, persistent focus on operating efficiencies including improving our network optimization, strategically managing our workforce and lowering in service inventory costs across our system.
- A performance-driven culture fostered by decisions that are informed by data and incentives linked to performance and aligned to the achievement of our strategic objectives.

As we invest in our business to deliver future value, we intend to take a disciplined approach to capital allocation with a clear, delineated investment framework.

We are eager to take this next step toward becoming a standalone company, recognizing that our historical operation within Aramark has given us a strong foundation to create compelling future opportunities for our business and for our investors.

We are pleased to have you as a stockholder as we prepare to become a publicly traded company and invite you to learn more about Vestis by reviewing the enclosed information statement.

Sincerely,

[     ]

Kim Scott  
President and Chief Executive Officer  
Vestis Corporation

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Information contained herein is subject to completion or amendment. A Registration Statement on Form 10 relating to these securities has been filed with the U.S. Securities and Exchange Commission under the U.S. Securities Exchange Act of 1934, as amended.

Preliminary and Subject to Completion, Dated September 6, 2023

INFORMATION STATEMENT

**Vestis Corporation**

**Common Stock**

(par value \$0.01 per share)

This information statement is being furnished in connection with the distribution by Aramark (“Aramark”) to its stockholders of all of the outstanding shares of Vestis Corporation (“Vestis”), a wholly owned subsidiary of Aramark that will hold Aramark Uniform Services (“AUS”) (other than a number of shares of Vestis common stock (less than 1% of Vestis’ issued and outstanding shares of common stock upon the distribution) which may be contributed to a donor advised fund in order to fund charitable contributions). To implement the separation, a subsidiary of Aramark will contribute to Vestis all of the assets and liabilities associated with AUS and then Aramark will distribute all of the shares of Vestis common stock (other than a number of shares of Vestis common stock (less than 1% of Vestis’ issued and outstanding shares of common stock upon the distribution) which may be contributed to a donor advised fund in order to fund charitable contributions) on a pro rata basis to Aramark stockholders in a distribution that is intended to qualify as tax-free to Aramark stockholders for U.S. federal income tax purposes (other than any cash that Aramark stockholders receive in lieu of fractional shares). Following the distribution, Vestis will be a separate public company.

For every two shares of common stock of Aramark held of record by you as of the close of business on September 20, 2023, which is the record date for the distribution, you will receive one share of Vestis common stock. You will receive cash in lieu of any fractional shares of Vestis common stock that you would have received after application of the above ratio. As discussed under “The Separation and Distribution—Trading Between the Record Date and Distribution Date,” if you sell your shares of Aramark common stock in the “regular-way” market after the record date and before the distribution date, you also will be selling your right to receive shares of Vestis common stock in connection with the distribution. Vestis expects the shares of Vestis common stock to be distributed by Aramark to you at 12:01 a.m., Eastern Time, on September 30, 2023. This information statement refers to the date of the distribution of the Vestis common stock as the “distribution date.”

Until the separation and distribution occur, Vestis will be a wholly owned subsidiary of Aramark, and consequently, Aramark will have the sole and absolute discretion to determine and change the terms of the separation (or to terminate the separation).

No vote of Aramark stockholders is required for the distribution. Therefore, you are not being asked for a proxy, and you are requested not to send Aramark a proxy in connection with the distribution. You do not need to pay any consideration, exchange or surrender your existing shares of Aramark common stock or take any other action to receive your shares of Vestis common stock.

There is no current trading market for Vestis common stock, although Vestis expects that a limited market, commonly known as a “when-issued” trading market, will develop on the third trading day prior to the distribution date, and Vestis expects “regular-way” trading of Vestis common stock to begin on the first trading day following the completion of the distribution. Vestis has applied to have its common stock listed on the New York Stock Exchange (the “NYSE”) under the symbol “VSTS.” The distribution is contingent on the shares of Vestis common stock having been accepted for listing on the NYSE, subject to official notice of distribution. Following the distribution, Aramark common stock will continue to trade on the NYSE under the symbol “ARMK.”

**In reviewing this information statement, you should carefully consider the matters described under the section entitled “Risk Factors.”**

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

**This information statement does not constitute an offer to sell or the solicitation of an offer to buy any securities.**

The date of this information statement is [        ].

This information statement will be made publicly available on or about [        ]. Notice of this information statement’s availability will be first sent to Aramark stockholders on or about [        ].

## TABLE OF CONTENTS

	<u>Page</u>
<a href="#">Questions and Answers About the Separation and Distribution</a>	<a href="#">1</a>
<a href="#">Information Statement Summary</a>	<a href="#">9</a>
<a href="#">Risk Factors</a>	<a href="#">21</a>
<a href="#">Cautionary Note Regarding Forward-Looking Statements</a>	<a href="#">42</a>
<a href="#">The Separation and Distribution</a>	<a href="#">44</a>
<a href="#">Dividend Policy</a>	<a href="#">51</a>
<a href="#">Capitalization</a>	<a href="#">52</a>
<a href="#">Unaudited Pro Forma Condensed Combined Financial Information</a>	<a href="#">53</a>
<a href="#">Business</a>	<a href="#">62</a>
<a href="#">Management’s Discussion and Analysis of Financial Condition and Results of Operations</a>	<a href="#">74</a>
<a href="#">Management</a>	<a href="#">92</a>
<a href="#">Directors</a>	<a href="#">94</a>
<a href="#">Compensation Discussion and Analysis</a>	<a href="#">103</a>
<a href="#">Director Compensation</a>	<a href="#">122</a>
<a href="#">Vestis 2023 Stock Incentive Plan</a>	<a href="#">123</a>
<a href="#">Certain Relationships and Related Party Transactions</a>	<a href="#">128</a>
<a href="#">Material U.S. Federal Income Tax Consequences</a>	<a href="#">134</a>
<a href="#">Description of Material Indebtedness</a>	<a href="#">138</a>
<a href="#">Security Ownership of Certain Beneficial Owners and Management</a>	<a href="#">139</a>
<a href="#">Description of Vestis Capital Stock</a>	<a href="#">141</a>
<a href="#">Where You Can Find More Information</a>	<a href="#">145</a>
<a href="#">Changes in Aramark Uniform Services’ Certifying Accountant</a>	<a href="#">146</a>
<a href="#">Index to the Financial Statements</a>	<a href="#">F-1</a>

### **Presentation of Information**

Unless the context otherwise requires:

- The information included in this information statement about Vestis, including the Combined Financial Statements and unaudited Condensed Combined Financial Statements of AUS, assumes the completion of all of the transactions referred to in this information statement in connection with the separation and distribution.
- References in this information statement to “Vestis,” “we,” “us,” “our,” “our company” and “the company” refer to Vestis Corporation, a Delaware corporation, and its subsidiaries, unless the context otherwise requires or as otherwise specified.
- References in this information statement to “Aramark” refer to Aramark, a Delaware corporation, and its consolidated subsidiaries, including AUS, prior to completion of the separation, unless the context otherwise requires or as otherwise specified.
- References in this information statement to “AUS” refer to Aramark Uniform Services (“AUS”), a full-service employee uniform solution, including design, sourcing and manufacturing, delivery, cleaning and maintenance on a contract basis.
- References in this information statement to the “Aramark Business” refer to Aramark’s businesses other than AUS, which includes Aramark’s Food and Support Services United States segment and Food and Support Services International segment.

- References in this information statement to the “separation” refer to the separation of AUS from Aramark’s other businesses and the creation, as a result of the distribution, of an independent, publicly traded company, Vestis, to hold the assets and liabilities associated with AUS after the distribution.
- References in this information statement to the “distribution” refer to the distribution by Aramark of all of Vestis’ issued and outstanding shares of common stock (other than a number of shares of Vestis common stock (less than 1% of Vestis’ issued and outstanding shares of common stock upon the distribution) which may be contributed to a donor advised fund in order to fund charitable contributions) to Aramark stockholders as of the close of business on the record date for the distribution.
- References in this information statement to Vestis’ per share data assume a distribution ratio of one share of Vestis common stock for every two shares of Aramark common stock.
- References in this information statement to Vestis’ historical assets, liabilities, products, businesses or activities generally refer to the historical assets, liabilities, products, businesses or activities of AUS as the business was conducted as part of Aramark prior to the completion of the separation.
- Vestis’ fiscal year ends on the Friday nearest September 30 in each year. When this information statement refers to Vestis’ fiscal years, it uses the word “fiscal” and the year number, as in “fiscal 2022,” which refers to Vestis’ fiscal year ended September 30, 2022.

#### **Trademarks and Trade Names**

Among the trademarks that Vestis owns or has rights to use that appear in this information statement is the name “Vestis.” Solely for convenience, this information statement only uses the <sup>TM</sup> or <sup>®</sup> symbols the first time any trademark or trade name is mentioned. Each trademark or trade name of any other company appearing in this information statement is, to Vestis’ knowledge, owned by such other company.

#### **Industry Information**

Unless indicated otherwise, the information concerning the industries in which Vestis participates contained in this information statement is based on Vestis’ general knowledge of and expectations concerning the industry. Vestis’ competitive position and industry size are based on estimates using Vestis’ internal data and estimates, data from various industry analyses, Vestis’ internal research and adjustments and assumptions that Vestis believes to be reasonable. In addition, Vestis believes that data regarding the industry, market size and its market position and market share within such industry provide general guidance but are inherently imprecise. Further, Vestis’ estimates and assumptions involve risks and uncertainties and are subject to change based on various factors, including those discussed in the “Risk Factors” section. These and other factors could cause results to differ materially from those expressed in the estimates and assumptions.

#### **Non-GAAP Financial Data**

All financial information presented in this information statement is derived from the Combined Financial Statements and unaudited Condensed Combined Financial Statements of AUS included elsewhere in this information statement. All financial information presented in this information statement has been prepared in United States (“U.S.”) dollars in accordance with generally accepted accounting principles in the United States (“U.S. GAAP”), except for the presentation of the following non-GAAP financial measures: Adjusted Revenue, Adjusted Operating Income, Adjusted Operating Income Margin, EBITDA, Adjusted EBITDA, Adjusted EBITDA Margin and Free Cash Flow.

Vestis presents Adjusted Revenue, Adjusted Operating Income, Adjusted Operating Income Margin, EBITDA, Adjusted EBITDA, Adjusted EBITDA Margin and Free Cash Flow in this information statement because it believes such measures provide investors with additional information to measure Vestis’ performance. Because of their limitations, these non-GAAP financial measures are not intended as alternatives to U.S. GAAP financial measures as indicators of Vestis’ operating performance and should not be considered as measures of cash available to Vestis to invest in the growth of Vestis’ business or that will be available to Vestis to meet its obligations. Vestis compensates

for these limitations by using these non-GAAP financial measures along with other comparative tools, together with U.S. GAAP financial measures, to assist in the evaluation of operating performance.

For more information on the use of Adjusted Revenue, Adjusted Operating Income, Adjusted Operating Income Margin, EBITDA, Adjusted EBITDA, Adjusted EBITDA Margin and Free Cash Flow and reconciliations to their nearest U.S. GAAP financial measures, see “Information Statement Summary—Summary Historical and Unaudited Pro Forma Condensed Combined Financial Information.”

## QUESTIONS AND ANSWERS ABOUT THE SEPARATION AND DISTRIBUTION

- What is Vestis and why is Aramark separating AUS and distributing Vestis common stock?*** Vestis, which is currently an indirect wholly owned subsidiary of Aramark, was formed to hold AUS. Aramark intends to separate Vestis from the rest of Aramark by distributing all of the Vestis common stock (other than a number of shares of Vestis common stock (less than 1% of Vestis' issued and outstanding shares of common stock upon the distribution) which may be contributed to a donor advised fund in order to fund charitable contributions) to Aramark stockholders as of the record date for the distribution. The separation of Vestis from Aramark is intended, among other things, to enable the management of the two companies to best execute their respective value-creating strategies. Aramark expects that the separation will result in enhanced long-term performance of the businesses held by both Aramark and Vestis for the reasons discussed in the section entitled "The Separation and Distribution—Reasons for the Separation."
- Why am I receiving this document?*** Aramark is delivering this document to you because you are a holder of shares of Aramark common stock. If you are a holder of shares of Aramark common stock as of the close of business on September 20, 2023, the record date of the distribution, you will be entitled to receive one share of Vestis common stock for every two shares of Aramark common stock that you hold at the close of business on such date. This document will help you understand how the separation and distribution will affect your post-separation ownership in Aramark and Vestis.
- How will the separation of AUS from Aramark work?*** As part of the separation, Aramark and its subsidiaries expect to conduct an internal reorganization (which this information statement refers to as the "internal reorganization") in order to transfer AUS to Vestis. Aramark will then distribute all of the outstanding shares of Vestis common stock (other than a number of shares of Vestis common stock (less than 1% of Vestis' issued and outstanding shares of common stock upon the distribution) which may be contributed to a donor advised fund in order to fund charitable contributions) to Aramark stockholders as of the record date on a pro rata basis. The distribution is intended to be tax-free to Aramark and Aramark stockholders for U.S. federal income tax purposes (other than any cash that Aramark stockholders receive in lieu of fractional shares). Following the separation, the number of shares of Aramark common stock you own will not change as a result of the separation.
- Why is the separation of Vestis structured as a distribution?*** Aramark believes that a distribution of shares of Vestis common stock to Aramark stockholders that is structured to be generally tax-free for U.S. federal income tax purposes is an efficient way to separate AUS in a manner that will create long-term value for Aramark stockholders.
- What is the record date for the distribution?*** The record date for the distribution will be September 20, 2023.
- When will the distribution occur?*** The distribution is subject to a number of conditions, but subject to the satisfaction or waiver of such conditions, it is expected that the distribution will occur at 12:01 a.m., Eastern Time, on September 30, 2023, to holders of record of shares of Aramark common stock at the close of business on September 20, 2023, the record date for the distribution.

***What do stockholders need to do to participate in the distribution?***

Stockholders of Aramark as of the record date for the distribution are not required to take any action to receive Vestis common stock in the distribution, but you are urged to read this entire information statement carefully. No Aramark stockholder approval is required for the distribution, and you are not being asked for a proxy. You do not need to pay any consideration, exchange or surrender your existing shares of Aramark common stock or take any other action to receive your shares of Vestis common stock. The distribution will not affect the number of outstanding shares of Aramark common stock or any rights of Aramark stockholders, although it will affect the market value of each outstanding share of Aramark common stock.

***How will shares of Vestis common stock be issued?***

You will receive shares of Vestis common stock through the same channels that you currently use to hold or trade shares of Vestis common stock, whether through a brokerage account, 401(k) plan or other channels. Receipt of Vestis shares will be documented for you in the same manner that you typically receive stockholder updates, such as monthly broker statements and 401(k) statements.

If you own shares of Aramark common stock as of the close of business on the record date for the distribution, including shares owned in certificate form, Aramark, with the assistance of Computershare Trust Company, N.A., the distribution agent for the distribution (the “distribution agent” or “Computershare”), will electronically distribute shares of Vestis common stock to you or to your brokerage firm on your behalf in book-entry form. Computershare will mail you a book-entry account statement that reflects your shares of Vestis common stock, or your bank or brokerage firm will credit your account for the shares.

***How many shares of Vestis common stock will I receive in the distribution?***

You are entitled to receive one share of Vestis common stock for every two shares of Aramark common stock held by you as of close of business on the record date for the distribution. Based on approximately 261 million shares of Aramark common stock outstanding as of August 28, 2023, a total of approximately 131 million shares of Vestis common stock will be distributed to Aramark stockholders. For additional information on the distribution, see “The Separation and Distribution.”

***Will Vestis issue fractional shares of its common stock in the distribution?***

No. Vestis will not issue fractional shares of its common stock in the distribution. Fractional shares that Aramark stockholders would otherwise have been entitled to receive will be aggregated and sold in the public market by the distribution agent. The net cash proceeds of these sales will be distributed pro rata (based on the fractional share such holder would otherwise be entitled to receive) to those stockholders who would otherwise have been entitled to receive fractional shares. A U.S. holder that receives cash in lieu of a fractional share of Vestis common stock in the distribution will generally be treated as having received such fractional share pursuant to the distribution and then as having sold such fractional share for cash. See “Material U.S. Federal Income Tax Consequences—Distribution.” Recipients of cash in lieu of fractional shares will not be entitled to any interest on the amounts paid in lieu of fractional shares.



*What are the conditions to the distribution?*

The distribution is subject to the satisfaction (or waiver by Aramark in its sole and absolute discretion) of the following conditions:

- the U.S. Securities and Exchange Commission (the “SEC”) shall have declared effective the registration statement of which this information statement forms a part; there shall be no order suspending the effectiveness of the registration statement in effect; and there shall be no proceedings for such purposes having been instituted or threatened by the SEC;
- this information statement shall have been made available to the holders of record of shares of Aramark common stock at the close of business on September 20, 2023, the record date for the distribution;
- Aramark shall have received a private letter ruling from the Internal Revenue Service (the “IRS”) and opinions of its outside tax advisors, in each case, satisfactory to the Aramark Board of Directors, regarding certain U.S. federal income tax matters relating to the separation and distribution and which shall not have been withdrawn or rescinded;
- the transfer of assets and liabilities contemplated to be transferred from Aramark to Vestis on or prior to the distribution shall have occurred in accordance with a separation and distribution agreement to be entered into by Aramark and Vestis in connection with the separation and distribution (the “separation and distribution agreement”), and the transfer of assets and liabilities contemplated to be transferred from Vestis to Aramark on or prior to the distribution shall have occurred in accordance with the separation and distribution agreement;
- the Aramark Board of Directors shall have received one or more opinions from an independent appraisal firm acceptable to Aramark regarding solvency and capital adequacy matters with respect to each of Aramark and Vestis after the completion of the distribution, in each case, in a form and substance acceptable to the Aramark Board of Directors in its sole and absolute discretion, and such opinion(s) shall not have been withdrawn or rescinded;
- all actions and filings necessary or appropriate under applicable U.S. federal, U.S. state or other securities or blue sky laws and the rules and regulations thereunder shall have been taken or made and, where applicable, shall have become effective or been accepted by the applicable governmental authority;
- certain agreements contemplated by the separation and distribution agreement shall have been executed;
- there shall be no order, injunction or decree issued by any governmental authority of competent jurisdiction or other legal restraint or prohibition preventing the consummation of the separation, the distribution or any of the related transactions pending or in effect;

- the shares of Vestis common stock to be distributed shall have been accepted for listing on the NYSE, subject to official notice of distribution;
- Vestis shall have completed the debt financing arrangements described under “Description of Material Indebtedness,” Aramark shall have received certain proceeds of such debt financing arrangements and Aramark shall be satisfied in its sole and absolute discretion that, as of the effective time of the distribution, Aramark will have no further liability under such debt financing arrangements; and
- there shall be no other events or developments existing or having occurred that, in the judgment of the Aramark Board of Directors, in its sole and absolute discretion, makes it inadvisable to effect the separation, the distribution and the other related transactions.

Aramark and Vestis cannot assure you that any or all of these conditions will be met, or that the separation or distribution will be consummated even if all of the conditions are met. Aramark can decline at any time to go forward with the separation or distribution. In addition, Aramark may waive any of the conditions to the distribution. For a complete discussion of all of the conditions to the distribution, see “The Separation and Distribution—Conditions to the Distribution.”

***What is the expected date of completion of the distribution?***

The completion and timing of the distribution are dependent upon a number of conditions. It is currently expected that the shares of Vestis common stock will be distributed by Aramark at 12:01 a.m., Eastern Time, on September 30, 2023, to the holders of record of shares of Aramark common stock at the close of business on September 20, 2023, the record date for the distribution. However, no assurance can be provided as to the timing of the distribution or that all conditions to the distribution will be met.

***Can Aramark decide to cancel the distribution of Vestis common stock even if all the conditions have been met?***

Yes. Until the distribution has occurred, the Aramark Board of Directors has the right to terminate the distribution, even if all of the conditions described in the section entitled “The Separation and Distribution—Conditions to the Distribution” are satisfied.

***What if I want to sell my Aramark common stock or my Vestis common stock?***

You should consult with your financial advisors, such as your stockbroker, bank or tax advisor. If you sell your shares of Aramark common stock in the “regular-way” market after the record date and before the distribution date, you also will be selling your right to receive shares of Vestis common stock in connection with the distribution.

***What is “regular-way” and “ex-distribution” trading of Aramark common stock?***

Beginning on the third trading day prior to the distribution date and continuing up to and through the distribution date, Vestis expects that there will be two markets in Aramark common stock: a “regular-way” market and an “ex-distribution” market. Aramark common stock that trades in the “regular-way” market will trade with an entitlement to shares of Vestis common stock distributed pursuant to the distribution. Shares that trade in the “ex-distribution” market will trade without an entitlement to Vestis common stock distributed pursuant to the distribution. If you are the registered holder of your shares and want to sell your shares, you should determine whether you want to sell your shares with or without an entitlement to shares of Vestis common stock in the distribution, and make any trades in the “regular-way” or “ex-distribution” market accordingly. If you decide to sell any shares of Aramark common stock before the distribution date and hold your shares in “street name,” you should make sure your stockbroker, bank or other nominee understands whether you want to sell your Aramark common stock with or without your entitlement to Vestis common stock pursuant to the distribution.

***Where will I be able to trade shares of Vestis common stock?***

Vestis has applied for authorization to list its common stock on the NYSE under the symbol “VSTS.” It is anticipated that trading in shares of Vestis common stock will begin on a “when-issued” basis on the third trading day prior to the distribution date and will continue up to and through the distribution date, and that “regular-way” trading in Vestis common stock will begin on the first trading day following the completion of the distribution. If trading begins on a “when-issued” basis, you may purchase or sell Vestis common stock up to and through the distribution date, but your transaction will not settle until after the distribution date. Vestis cannot predict the trading prices for its common stock before, on or after the distribution date.

***What will happen to the listing of Aramark common stock?***

Aramark common stock will continue to trade on the NYSE after the distribution under the symbol “ARMK.”

***Will the number of shares of Aramark common stock that I own change as a result of the distribution?***

No. The number of shares of Aramark common stock that you own will not change as a result of the distribution.

***Will the distribution affect the market price of my Aramark common stock?***

Yes. As a result of the distribution, it is expected that the trading price of shares of Aramark common stock immediately following the distribution will be different from the “regular-way” trading price of such shares immediately prior to the distribution because the trading price of Aramark common stock will no longer reflect the value of AUS. There can be no assurance whether the sum of the market value of the Aramark common stock and the Vestis common stock following the separation will be higher or lower than the market value of Aramark common stock if the separation did not occur. This means, for example, that the combined trading prices of two shares of Aramark common stock and one share of Vestis common stock after the distribution may be equal to, greater than or less than the trading price of one share of Aramark common stock before the distribution.

***What are the material U.S. federal income tax consequences of the separation and distribution?***

It is a condition to the distribution that Aramark receive a private letter ruling from the IRS and opinions of Aramark's outside tax advisors, in each case, satisfactory to the Aramark Board of Directors, regarding certain U.S. federal income tax matters relating to the separation and distribution and which shall not have been withdrawn or rescinded.

Accordingly, for U.S. federal income tax purposes, it is expected that "U.S. holders" (as defined in the section entitled "Material U.S. Federal Income Tax Consequences") generally will not recognize gain or loss or otherwise include any amount in income for U.S. federal income tax purposes upon their receipt of Vestis common stock in the distribution. U.S. holders will, however, recognize gain or loss for U.S. federal income tax purposes with respect to cash received in lieu of fractional shares of Vestis common stock.

For more information regarding the U.S. federal income tax consequences of the distribution, see the section entitled "Material U.S. Federal Income Tax Consequences." All holders of Aramark common stock should consult their own tax advisors as to the particular tax consequences of the distribution to them, including the applicability and effect of any U.S. federal, state and local tax laws, as well as any non-U.S. tax laws.

***What will Vestis' relationship be with Aramark following the separation?***

After the distribution, Aramark and Vestis will be separate companies with separate management teams and separate boards of directors. Aramark and Vestis will enter into the separation and distribution agreement to effect the separation and to provide a framework for Vestis' relationship with Aramark after the separation, and they will enter into certain other agreements, including a transition services agreement, a tax matters agreement, an employee matters agreement and other transaction agreements. See "Certain Relationships and Related Party Transactions." These agreements will provide for the allocation between Vestis and Aramark of the assets, employees, liabilities and obligations (including, among others, investments, property (including intellectual property) and employee benefits and tax-related assets and liabilities) of Aramark and its subsidiaries attributable to periods prior to, at and after Vestis' separation from Aramark and will govern the relationship between Vestis and Aramark subsequent to the completion of the separation. For additional information regarding the separation and distribution agreement and other transaction agreements, see the sections entitled "Risk Factors—Risks Related to the Separation and Distribution" and "Certain Relationships and Related Party Transactions."

***Who will manage Vestis after the separation?***

Vestis' management team will be led by Kim Scott, who will be Vestis' President and Chief Executive Officer. For more information regarding Vestis' management and directors, see "Management" and "Directors."

***Are there risks associated with owning Vestis common stock?***

Yes. Ownership of Vestis common stock is subject to both general and specific risks relating to its business, the industry in which it operates, its ongoing contractual relationships with Aramark and its status as a separate, publicly traded company. Ownership of Vestis common stock is also subject to risks relating to the separation. Certain of these risks are described in the "Risk Factors" section of this information statement. Vestis encourages you to read that section carefully.

***Does Vestis plan to pay dividends?***

Following the separation and distribution, Vestis expects to pay cash dividends. The timing, declaration, amount of and payment of any dividends following the separation and distribution will be within the discretion of Vestis' Board of Directors and will depend upon many factors. See "Dividend Policy." Moreover, if Vestis determines to pay any dividend in the future, there can be no assurance that Vestis will continue to pay such dividends or the amount of such dividends. See "Risk Factors—Vestis cannot guarantee the timing, declaration, amount or payment of dividends on its common stock."

***Will Vestis incur any indebtedness prior to or at the time of the distribution?***

Yes. Vestis expects to complete one or more financing transactions on or prior to the completion of the distribution. Approximately \$1,472 million of the proceeds of such financings are expected to be used to transfer cash to Aramark. As a result of such transactions, Vestis anticipates having approximately \$1,500 million of indebtedness upon completion of the distribution. On the distribution date, Vestis expects to enter into senior secured financing with a syndicate of banks, financial institutions and/or other institutional lenders, with JPMorgan Chase Bank, N.A. acting as the administrative agent and the collateral agent, in an expected aggregate amount of \$1,800 million, consisting of one or more senior secured term loan facilities in an expected aggregate amount of \$1,500 million (the "Term Loan Facilities") and a revolving credit facility in an expected aggregate amount of \$300 million (the "Revolving Credit Facility" and, together with the Term Loan Facilities, the "Credit Facilities"). The Term Loan Facilities are expected to mature no more than five years from the date thereof. Interest on the loans under the Credit Facilities is expected to be calculated by reference to the Secured Overnight Financing Rate ("SOFR") or an alternative base rate, plus an applicable margin, which in the case of any SOFR loan will include a customary spread adjustment. See "Description of Material Indebtedness" and "Risk Factors—Risks Related to Vestis' Business."

***Who will be the distribution agent for the distribution and transfer agent and registrar for Vestis common stock?***

The distribution agent, transfer agent and registrar for the Vestis common stock will be Computershare Trust Company, N.A. If you have any questions relating to the mechanics of the distribution, you should contact Computershare, as the distribution agent at: 1-877-660-6628 (U.S. and Canada) or 1-732-645-4245 (outside the U.S. and Canada).

***Where can I find more information about Aramark and Vestis?***

Before the distribution, if you have any questions relating to Aramark's business performance, you should contact:

Aramark  
2400 Market Street  
Philadelphia, PA 19103  
Attention: Corporate Secretary  
Telephone: (215) 238-3000

After the distribution, Vestis stockholders who have any questions relating to Vestis' business performance should contact Vestis at:

Vestis Corporation  
500 Colonial Center Parkway, Suite 140  
Roswell, GA 30076  
Attention: Corporate Secretary  
Telephone: (470) 226-3655

The Vestis website ([www.vestis.com](http://www.vestis.com)) will be operational on or around the distribution date. **The Vestis website and the information contained therein or connected thereto are not incorporated into this information statement or the registration statement of which this information statement forms a part, or in any other filings with, or any information furnished or submitted to, the SEC.**

## INFORMATION STATEMENT SUMMARY

*The following is a summary of selected information discussed in this information statement. This summary may not contain all of the details concerning the separation or other information that may be important to you. To better understand the separation and Vestis' business and financial position, you should carefully review this entire information statement. Unless the context otherwise requires or as otherwise specified, the information included in this information statement about Vestis, including the Combined Financial Statements and unaudited Condensed Combined Financial Statements of AUS, assumes the completion of all of the transactions referred to in this information statement in connection with the separation and distribution. Unless the context otherwise requires or as otherwise specified references in this information statement to "Vestis," "we," "us," "our," "our company" and "the company" refer to Vestis, a Delaware corporation, and its subsidiaries. Unless the context otherwise requires or as otherwise specified references in this information statement to "Aramark" refer to Aramark, a Delaware corporation, and its consolidated subsidiaries, including AUS prior to completion of the separation.*

*Unless the context otherwise requires or as otherwise specified references in this information statement to Vestis' historical assets, liabilities, products, businesses or activities of Vestis' businesses are generally intended to refer to the historical assets, liabilities, products, businesses or activities of AUS as it was conducted as part of Aramark prior to completion of the separation.*

### Overview

Vestis is a leading provider of uniform rentals and workplace supplies across the United States and Canada. We provide uniforms, mats, towels, linens, restroom supplies, first-aid supplies, safety products and other workplace supplies. In fiscal year 2022, we generated revenue of approximately \$2.7 billion. We are one of the largest companies operating within the United States and Canada in our industry.

We have over 75 years of experience providing uniforms and workplace supplies and a broad footprint that supports efficient delivery of our services and products to more than 300,000 customer locations across the United States and Canada. Our customer base participates in a wide variety of industries including manufacturing, hospitality, retail, food processing, pharmaceuticals, healthcare and automotive. We serve customers ranging from small, family-owned operations with a single location to large corporations and national franchises with multiple locations.

Our customers value the uniforms and workplace supplies we deliver as our services and products can help them reduce operating costs, enhance brand image, maintain a safe and clean workplace and focus on their core business. We provide a full range of uniform programs, managed restroom supply services and first-aid and safety products, as well as ancillary items such as floor mats, towels and linens. Additionally, we provide garments and contamination control supplies that help customers maintain controlled, cleanroom environments commonly used in the manufacturing of electronics, pharmaceuticals and medical equipment.

Our team consists of approximately 20,000 teammates who operate over 350 sites including laundry plants, satellite plants, distribution centers and manufacturing plants. We leverage our broad footprint and our supply chain, delivery fleet and route logistics capabilities to serve customers on a recurring basis, typically weekly, and primarily through multi-year contracts. In addition, we offer customized uniforms through direct sales agreements, typically for large regional or national companies.

Vestis is led by Kim Scott, President and Chief Executive Officer, Rick Dillon, Executive Vice President and Chief Financial Officer and Timothy Donovan, Executive Vice President, Chief Legal Officer and General Counsel. These executives have deep expertise in their respective fields. They were recruited to lead Vestis as a standalone, independent company and are complemented by long-tenured members of management across the company's commercial and operational functions as well as newly appointed leaders who bring functional expertise, diversity and depth to the Vestis leadership team.

## Our Competitive Advantages

We believe we have significant competitive advantages including our full-service uniform solution offering, size and scale, extensive network footprint, long-tenured customer relationships and experienced leadership team. Given our robust capabilities, scale and talent, we are well positioned to partner with customers for their future needs across a range of services, use cases and business strategies. Some of our key competitive strengths include:

*Full-Service Uniforms and Workplace Supplies Offering:* We offer a full-service uniform solution including the ability to design, source, manufacture, customize, personalize, deliver, launder, sanitize, mend and replace uniforms on a regular and recurring basis. Our uniform offerings include shirts, pants, outerwear, gowns, scrubs, high visibility garments, particulate-free garments and flame-resistant garments, along with shoes and accessories. In addition to uniforms, we also provide workplace supplies including managed restroom supply services, first-aid supplies and safety products, floor mats, towels, linens and other workplace supplies.

*Critical Scale in Growing, Fragmented Industry:* We believe the market opportunity for our services is significant and growing. We estimate our total addressable market to be approximately \$48 billion as of March 31, 2023. Within the United States and Canada, we are the second largest provider in our industry, based on publicly reported information related to revenue, number of employees and facilities data for each of Cintas, Aramark and Unifirst. We believe our size and scale provide a competitive advantage in purchasing power, route density, operating efficiencies and ability to attract and retain talent as compared to smaller local and regional competitors.

*Extensive Network Footprint:* We serve over 95% of the largest metropolitan statistical areas in the United States and every province in Canada. Our footprint enables us to serve large, national customers across the United States and Canada.

*Long-Tenured Customer Relationships:* We deliver to over 300,000 customer locations and serve businesses which participate across numerous industries. We maintain long-term relationships with our customers due to the quality of our services and products, our ability to deliver on-time and our ability to provide workplace supplies and services that support our customers' individual strategies and needs.

We believe a key differentiator in our service model is the relationship between our route service representatives and customers. We work to build relationships and trust through weekly, face-to-face interactions with our customers. We believe our customer retention rate was in excess of 90% in the five years ended September 30, 2022, according to internal estimates. Retaining existing customers affords us more opportunities to cross-sell high-value workplace supplies.

*Experienced Leadership Team:* Vestis is led by Kim Scott, President and Chief Executive Officer, Rick Dillon, Executive Vice President and Chief Financial Officer and its other executive officers. See "Management." These executives have deep experience in their respective areas. They were hired to lead Vestis as a standalone, independent company and are complemented by seasoned industry executives across the company's commercial and operational functions as well as newly appointed leaders who bring functional expertise, diversity and depth to the Vestis leadership team.

Ms. Scott has deep and relevant expertise with recurring revenue models having led and operated multiple businesses of this nature over the past 16 years. She also has extensive experience in logistics, route-based distribution and complex rental or subscription-based programs, including in her role as Chief Operating Officer of Terminix. Additionally, she has a broad operating background that includes plant management, logistics, procurement, engineering, acquisitions and large-scale integrations. She joined Aramark in October 2021 as President and CEO of Aramark Uniform Services to develop and launch an accelerated growth and value creation strategy for the company, while also preparing Vestis to be a standalone, independent public company.

Mr. Dillon is a seasoned public company executive with more than 20 years of experience in finance leadership roles. Prior to joining Aramark, Mr. Dillon served as the Chief Financial Officer and Executive Vice President of two publicly traded companies, Enerpac Tool Group and Century Aluminum. He joined Aramark in May 2022 to serve as Chief Financial Officer of Aramark Uniform Services and to prepare Vestis to be a standalone, independent public company.



Our executive leaders foster a culture of investing in our people, supporting their growth and development, instilling a sense of higher purpose, winning through teamwork with integrity and creating a safe environment for all. In addition, our commitment to diversity, equity and inclusion continues to shape our teammate engagement and recruiting efforts.

### **Value Creation Strategy**

As an independent company, we will focus on the development, growth and expansion of our business, with increased flexibility to pursue independent strategic and financial plans, adapt quickly to the changing needs of our customers and sector dynamics, effectively allocate capital to invest in growth areas and accelerate decision-making processes. We are focused on long-term opportunities to make deliveries in our service network more effective, which we expect will drive revenue growth and margin expansion. Our new independence will enable sharper focus on our customers, which we believe will also enhance our competitive positioning and performance.

Our strategy is focused on creating shareholder value through high-quality and profitable revenue growth that is underpinned by efficient operations and a performance-driven culture. We plan to pursue the following key strategies to drive value creation and grow our business:

#### ***High-Quality Revenue Growth***

Going forward, our strategy will continue to focus on retaining customers, with an increased emphasis on increasing revenue per stop through cross-selling, investing in attractive sectors, margin accretive products and service offerings and adding new customers on existing routes to increase our route density. We believe that, by focusing on these areas, we will achieve higher growth rates with more attractive margin profiles.

*Customer Retention:* We serve an attractive, large and long-tenured customer base with services and products that generate recurring revenue streams that typically allow more predictability of revenue than non-recurring revenue business models. We continue to remain focused on retaining these customers, including by ensuring we are delivering new value through new or updated services and products. We will continue to modernize the customer experience to make it easier for our customers to continue to do business with us. This includes investments in new technology, such as sophisticated, digital customer portals, as well as investments in our customer service process to enhance our route check-in process and predictive analytics that help us better anticipate customer service opportunities.

*Increasing Revenue Per Stop Through Cross-Selling to Leverage Fixed Costs:* On average, our current customers take advantage of approximately 30% to 40% of our full line of services and products. We believe there is a significant opportunity to increase our wallet share with our existing customers through cross-selling additional services and products, including compelling adjacent services such as first aid and managed restroom services. This is expected to result in high-margin growth with existing customers by increasing revenue per stop and leveraging our existing delivery costs. We have invested in tools to support our trusted and tenured route service representative teammates, and we are incentivizing them to pursue these opportunities with our existing customer base.

*Targeting Attractive Sectors, Services and Products:* We are implementing more targeted sales strategies to drive growth across high-value sectors, services and products. Using enhanced data analytics and insights will enable us to focus on customer wins that improve our revenue mix. An example is our cleanroom offering, where we have established distinct capabilities that allow us to provide this quality-sensitive service that also delivers higher margins.

*Increasing Route Density:* We are establishing route density metrics to target sales along existing customer routes. We will focus on implementing analytical and geographical prospecting tools that will aid and reward our sales representatives for delivering growth that increases route density and lowers our overall cost to serve per route.

#### ***Efficient Operations***

Our operations currently include significant cost inputs in areas such as labor, in service inventory costs, plant operating costs and service-related costs. We are working to instill a continuous improvement mindset in our

teammates by instituting disciplined, financial metrics and reporting, key performance indicator monitoring and strengthening our leadership in key functional areas such as supply chain, logistics and plant operations.

In our collaboration with new function leaders, we have identified key areas of opportunity to reduce our operating costs and expand margins across our business:

*Network Optimization:* A comprehensive analysis of our plant network and customer flows (route movements from plant to customer) has revealed a significant opportunity throughout our network to lower our cost to serve our customers. Further, we have identified a portfolio of initiatives related to routing and scheduling efficiencies and transport and logistics improvements. We believe we can deliver margin expansion through this flow optimization.

*Workforce Management:* We are working to reduce our labor costs by decreasing frontline turnover to improve plant productivity, reducing general and administrative costs and increasing plant automation.

*Merchandise Inventory Management:* We are focused on lowering in service inventory costs across our system in order to improve the profitability of new and existing business. Examples include delivering higher levels of garment and product reuse to reduce the issuance of new products and supply chain procurement strategies to reduce purchasing costs.

### ***Performance-Driven Culture***

Fostering a performance-driven culture is essential to the delivery of high-quality revenue growth and margin expansion. We are focused on further strengthening our capabilities and enhancing competencies in functional areas that are core to the delivery of our strategy such as sales and marketing, pricing, procurement, logistics, technology, talent acquisition and retention and plant operations. We have invested across these areas over the past year and will continue to strengthen these teams to support our strategy. We will make decisions that are informed by data and design performance measurements and incentives that are aligned to the achievement of our strategic objectives.

### **Summary of Risk Factors**

An investment in Vestis is subject to a number of risks, including risks relating to its business, risks related to Vestis' separation from Aramark and risks related to Vestis common stock. Set forth below is a high-level summary of some, but not all, of these risks. Please read the information in the section entitled "Risk Factors" of this information statement for a more thorough description of these and other risks.

#### ***Risks Related to Vestis' Business***

- Unfavorable economic conditions have in the past adversely affected, are currently adversely affecting and in the future could adversely affect Vestis' business, financial condition or results of operations.
- Increases in fuel and energy costs could materially and adversely affect Vestis' business, financial condition or results of operations.
- Vestis' failure to retain its current customers, renew its existing customer contracts on comparable terms and obtain new customer contracts could adversely affect Vestis' business, financial condition or results of operations.
- Natural disasters, global calamities, climate change, political unrest and other adverse incidents beyond Vestis' control could adversely affect Vestis' business, financial condition or results of operations.
- Competition in Vestis' industry could adversely affect Vestis' business, financial condition or results of operations.
- Vestis may be adversely affected if customers reduce their outsourcing or use of preferred vendors.
- Risks associated with Vestis' suppliers and service providers could adversely affect Vestis' business, financial condition or results of operations.

- Vestis' contracts may be subject to challenge by its customers, which, if determined adversely, could affect Vestis' business, financial condition or results of operations.
- Vestis' expansion strategy involves risks.
- Vestis' international business faces risks that could have an effect on Vestis' business, financial condition or results of operations.
- The ultimate scale and scope of recurring outbreaks stemming from the COVID-19 pandemic ("COVID-19") and the pace and degree of recovery are unknown and may continue to impact Vestis' business for an extended period. The overall impact on Vestis' business, financial condition and results of operations has been material and it may continue to be material.
- Vestis' business may suffer if it is unable to hire and retain sufficient qualified personnel or if labor costs increase.

***Risks Related to the Separation and Distribution***

- Vestis has no history of operating as an independent company, and its historical and pro forma financial information is not necessarily representative of the results that it would have achieved as a separate, publicly traded company and may not be a reliable indicator of its future results.
- Following the separation, Vestis' financial profile will change, and it will be a smaller, less diversified company than Aramark prior to the separation.
- Vestis may not achieve some or all of the expected benefits of the separation.
- If Vestis is unable to replace the services that Aramark currently provides to AUS on terms that are at least as favorable to Vestis as the terms on which Aramark is providing such services, Vestis' business, financial condition or results of operations could be adversely affected.
- Vestis' accounting and other management systems and resources may not be adequately prepared to meet the financial reporting and other requirements to which it will be subject as a standalone publicly traded company following the distribution.
- Following the separation, Vestis will reposition its brand to remove the Aramark name, which could adversely affect its ability to attract and maintain customers.
- Vestis will incur debt obligations that could adversely affect its business and profitability and its ability to meet other obligations.

***Risks Related to Vestis' Common Stock and Organizational Documents***

- There can be no assurance that Vestis will have access to the capital markets on terms acceptable to Vestis.
- As an independent, publicly traded company, Vestis may not enjoy the same benefits that it did as a part of Aramark.
- There is no assurance that an active trading market for Vestis common stock will develop or be sustained after the distribution and, following the distribution, the price of Vestis common stock may fluctuate significantly.
- A significant number of shares of Vestis common stock may be sold following the distribution, which may cause the Vestis stock price to decline.
- Your percentage of ownership in Vestis may be diluted in the future.
- Vestis cannot guarantee the timing, declaration, amount or payment of dividends on its common stock.

- Anti-takeover provisions could enable Vestis' Board of Directors to resist a takeover attempt by a third party and limit the power of its stockholders.

### **The Separation and Distribution**

On May 10, 2022, Aramark announced that it intended to separate AUS into an independent public company. Aramark intends to effect the separation through a pro rata distribution to the Aramark stockholders of all of the common stock of a new entity formed to hold the assets and liabilities associated with AUS (other than a number of shares of Vestis common stock (less than 1% of Vestis' issued and outstanding shares of common stock upon the distribution) which may be contributed to a donor advised fund in order to fund charitable contributions).

On September 5, 2023, the Aramark Board of Directors approved the distribution of all of Vestis' issued and outstanding shares of common stock (other than a number of shares of Vestis common stock (less than 1% of Vestis' issued and outstanding shares of common stock upon the distribution) which may be contributed to a donor advised fund in order to fund charitable contributions) on the basis of one share of Vestis common stock for every two shares of Aramark common stock held as of the close of business on September 20, 2023, the record date for the distribution.

#### ***Vestis' Post-Separation Relationship with Aramark***

After the distribution, Aramark and Vestis will each be separate companies with separate management teams and separate boards of directors. Prior to the distribution, Aramark and Vestis will enter into the separation and distribution agreement. In connection with the separation, Vestis will also enter into various other agreements to effect the separation and to provide a framework for Vestis' relationship with Aramark after the separation, including a transition services agreement, a tax matters agreement, an employee matters agreement and other transaction agreements. See "Certain Relationships and Related Party Transactions." These agreements will provide for the allocation between Vestis and Aramark of the assets, employees, liabilities and obligations (including, among others, investments, property (including intellectual property) and employee benefits and tax-related assets and liabilities) of Aramark and its subsidiaries attributable to periods prior to, at and after Vestis' separation from Aramark and will govern the relationship between Vestis and Aramark subsequent to the completion of the separation. For additional information regarding the separation and distribution agreement and other transaction agreements, see the sections entitled "Risk Factors—Risks Related to the Separation and Distribution" and "Certain Relationships and Related Party Transactions."

#### ***Reasons for the Separation***

The Aramark Board of Directors believes that the separation of AUS from Aramark into an independent, publicly traded company is in the best interests of Aramark and its stockholders for a number of reasons, including:

- *Enhanced Focus on Strategic, Operational Drivers to Accelerate Revenue Growth.* The separation will permit each of Aramark and Vestis to more effectively pursue its own distinct operating priorities and strategies, and will enable the management teams of each of the two companies to focus on strengthening its core business and addressing its unique operating and other needs, and pursue distinct and targeted opportunities for long-term revenue growth and profitability.
- *More Efficient Resource and Capital Allocation to Pursue Each Company's Strategic Goals.* The separation will permit each of Aramark and Vestis to allocate its financial resources to meet the unique needs of its own business, which will allow each company to intensify its focus on its distinct strategic priorities. The separation will also allow each business to more effectively pursue its own distinct capital structures and capital allocation strategies, and allow flexibility for optimizing each business's respective capital structure. In addition, after the separation, the respective businesses within each company will no longer compete internally with the businesses of the other company for capital and other corporate resources.
- *Targeted Investment Opportunity.* The separation will allow each of Aramark and Vestis to more effectively articulate a clear investment thesis to attract a long-term investor base suited to its business, and

will facilitate each company's access to capital by providing investors with two distinct and targeted investment opportunities.

- *Creation of Independent Equity Currencies.* The separation will create independent equity securities for each of Aramark and Vestis, affording each direct access to the capital markets and enabling it to use its own industry-focused stock to consummate future acquisitions or other transactions. As a result, Aramark and Vestis will have more flexibility to capitalize on its unique strategic opportunities.
- *Employee Incentives, Recruitment and Retention.* The separation will allow each of Aramark and Vestis to more effectively recruit, retain and motivate employees through the use of stock-based compensation that more closely reflects and aligns management and employee incentives with specific growth objectives, financial goals and business performance. In addition, the separation will allow incentive structures and targets at each company to be better aligned with each underlying business. Similarly, recruitment and retention will be enhanced by more consistent talent requirements across the businesses, allowing both recruiters and applicants greater clarity and understanding of talent needs and opportunities associated with the core business activities, principles and risks of each company.
- *Other Business Rationales.* The separation will separate and simplify the structures currently required to manage a number of distinct and differing underlying businesses. These differences include exposure to industry cycles, manufacturing and procurement methods, customer base, research and development activities, and overhead structures.

The Aramark Board of Directors also considered a number of potentially negative factors in evaluating the separation, including that (1) the anticipated benefits of the separation may not be achieved for a variety of reasons; and (2) after the separation, as a standalone company, Vestis may be unable to obtain the goods and services that AUS previously obtained as part of Aramark at prices or on terms as favorable as those currently obtained by Aramark. In determining to pursue the separation, the Aramark Board of Directors concluded the potential benefits of the separation outweighed the foregoing factors. See the sections entitled "The Separation and Distribution—Reasons for the Separation" and "Risk Factors" included elsewhere in this information statement.

#### **Corporate Information**

Vestis was incorporated in Delaware for the purpose of holding AUS in connection with the separation and distribution described in this information statement. Prior to the transfer of AUS to Vestis by Aramark, which will occur prior to the distribution, Vestis will have no operations other than those incidental to the separation. The address of Vestis' principal executive offices following the distribution will be 500 Colonial Center Parkway, Suite 140, Roswell, GA 30076. Its telephone number after the distribution will be (470) 226-3655. Vestis will maintain an Internet site at [www.vestis.com](http://www.vestis.com). This website and the information contained therein or connected thereto are not incorporated into this information statement or the registration statement of which this information statement forms a part, or in any other filings with, or any information furnished or submitted to, the SEC.

#### **Reason for Furnishing This Information Statement**

This information statement is being furnished solely to provide information to Aramark stockholders who will receive shares of Vestis common stock in the distribution. It is not to be construed as an inducement or encouragement to buy or sell any of Vestis' securities. The information contained in this information statement is believed by Vestis to be accurate as of the date set forth on its cover. Changes may occur after that date, and neither Aramark nor Vestis will update the information, except as may be required in the normal course of their respective disclosure obligations and practices.

#### **Summary Historical and Unaudited Pro Forma Condensed Combined Financial Information**

The following summary financial data reflects the combined operations of AUS. The summary historical and unaudited pro forma condensed combined financial information shown below should be read in conjunction with the sections herein entitled "Capitalization," "Management's Discussion and Analysis of Financial Condition and Results of Operations," "Unaudited Pro Forma Condensed Combined Financial Information" and "Certain

Relationships and Related Party Transactions” as well as the AUS audited Combined Financial Statements and unaudited Condensed Combined Financial Statements and the corresponding notes included elsewhere in this information statement. For factors that could cause actual results to differ materially from those presented in the summary historical and pro forma condensed combined financial information, see “Cautionary Note Regarding Forward-Looking Statements” and “Risk Factors” included elsewhere in this information statement.

The summary historical condensed combined financial information for each of the fiscal years in the three-year period ended September 30, 2022 was derived from the AUS audited Combined Financial Statements and for each of the nine months ended June 30, 2023 and July 1, 2022 from the AUS unaudited Condensed Combined Financial Statements, which are included elsewhere in this information statement.

The summary unaudited pro forma condensed combined financial information for the nine months ended June 30, 2023 and the fiscal year ended September 30, 2022, has been derived from the AUS unaudited pro forma combined financial information, which is included elsewhere in this information statement.

Thousands of Dollars	Pro Forma		Historical				
	Nine Months Ended	Fiscal Year Ended	Nine Months Ended		Fiscal Year Ended		
	June 30, 2023	September 30, 2022	June 30, 2023	July 1, 2022	September 30, 2022	October 1, 2021	October 2, 2020
Revenue	\$ 2,109,385	\$ 2,687,005	\$ 2,109,385	\$ 2,003,832	\$ 2,687,005	\$ 2,456,577	\$ 2,561,996
Cost of services provided (exclusive of depreciation and amortization)	1,480,143	1,909,676	1,480,143	1,398,212	1,909,676	1,765,635	1,813,985
Depreciation and amortization	101,712	134,352	101,712	100,603	134,352	133,306	137,158
Selling, general and administrative expenses	370,051	454,733	367,396	343,352	450,734	461,397	461,133
Total Operating Expenses	1,951,906	2,498,761	1,949,251	1,842,167	2,494,762	2,360,338	2,412,276
Operating Income	\$ 157,479	\$ 188,244	\$ 160,134	\$ 161,665	\$ 192,243	\$ 96,239	\$ 149,720
Operating Income Margin	7.5 %	7.0 %	7.6 %	8.1 %	7.2 %	3.9 %	5.8 %
Net Income	\$ 52,810	\$ 52,837	\$ 119,186	\$ 118,466	\$ 141,679	\$ 74,270	\$ 111,647
Net Income Margin	2.5 %	2.0 %	5.7 %	5.9 %	5.3 %	3.0 %	4.4 %
Earnings per share							
Basic	\$ 0.40	\$ 0.41	n/a	n/a	n/a	n/a	n/a
Diluted	\$ 0.40	\$ 0.41	n/a	n/a	n/a	n/a	n/a
Net cash provided by operating activities	n/a	n/a	\$ 143,937	\$ 164,976	\$ 232,847	\$ 244,335	\$ 231,291
<b>Other Financial Information</b>							
Adjusted Revenue <sup>(a)</sup>	\$ 2,109,385	\$ 2,687,005	\$ 2,109,385	\$ 2,003,832	\$ 2,687,005	\$ 2,456,577	\$ 2,517,256
Adjusted Operating Income <sup>(a)</sup>	\$ 189,007	\$ 242,901	\$ 197,429	\$ 179,437	\$ 247,214	\$ 146,574	\$ 179,506
Adjusted Operating Income Margin <sup>(a)</sup>	9.0 %	9.0 %	9.4 %	9.0 %	9.2 %	6.0 %	7.1 %
EBITDA <sup>(a)</sup>	\$ 259,191	\$ 322,596	\$ 261,846	\$ 262,268	\$ 326,595	\$ 229,545	\$ 286,878
Adjusted EBITDA <sup>(a)</sup>	\$ 282,794	\$ 368,749	\$ 291,216	\$ 273,534	\$ 373,062	\$ 270,295	\$ 298,633
Adjusted EBITDA Margin <sup>(a)</sup>	13.4 %	13.7 %	13.8 %	13.7 %	13.9 %	11.0 %	11.9 %
Free Cash Flow <sup>(a)</sup>	n/a	n/a	\$ 102,264	\$ 124,811	\$ 163,714	\$ 156,903	\$ 199,857

(a) In addition to Vestis’ operating results, as calculated in accordance with U.S. GAAP, Vestis uses non-GAAP financial measures, which include Adjusted Revenue, Adjusted Operating Income, Adjusted Operating Income Margin, EBITDA, Adjusted EBITDA, Adjusted EBITDA Margin and Free Cash Flow, when monitoring and evaluating operating performance. The non-GAAP financial measures presented in this information statement are supplemental measures of Vestis’ performance that Vestis believes help investors because they enable better comparisons of Vestis’ historical results and allow Vestis’ investors to evaluate its performance based on the same metrics that

Vestis uses to evaluate its performance and trends in its results. Vestis' presentation of these metrics has limitations as an analytical tool and should not be considered in isolation or as a substitute for analysis of Vestis' results as reported under U.S. GAAP. You should not consider these measures as alternatives to revenue, operating income, operating income margin, net income, net income margin or net cash provided by operating activities determined in accordance with U.S. GAAP. Vestis believes that these non-GAAP financial measures, in addition to the corresponding U.S. GAAP financial measures, are important supplemental measures which exclude non-cash or other items that may not be indicative of or are unrelated to Vestis' core operating results and the overall health of Vestis. Adjusted Revenue, Adjusted Operating Income, Adjusted Operating Income Margin, EBITDA, Adjusted EBITDA, Adjusted EBITDA Margin and Free Cash Flow as presented by Vestis may not be comparable to other similarly titled measures of other companies because not all companies use identical calculations.

	Pro Forma		Historical	
	Nine Months Ended		Fiscal Year Ended	
	June 30, 2023	June 30, 2023	September 30, 2022	October 1, 2021
<i>Thousands of Dollars</i>				
Cash and cash equivalents	\$ 30,000	\$ 14,248	\$ 23,736	\$ 41,106
Working Capital <sup>(a)</sup>	672,042	656,290	585,086	548,602
Total property and equipment, net	652,388	652,388	649,599	665,450
Total Assets	3,169,800	3,154,048	3,133,012	3,108,383
Total Liabilities	2,256,043	772,166	797,200	776,398
Total parent's equity	913,757	2,381,882	2,335,812	2,331,985

(a) Working Capital represents Total current assets less Total current liabilities.

The tables below reconcile Vestis' non-GAAP financial measures to the nearest financial measure that is in accordance with U.S. GAAP for the periods presented.

**Adjusted Revenue (Non-GAAP financial measure)**

	Pro Forma		Historical				
	Nine Months Ended	Fiscal Year Ended	Nine Months Ended		Fiscal Year Ended		
	June 30, 2023	September 30, 2022	June 30, 2023	July 1, 2022	September 30 2022	October 1, 2021	October 2, 2020
<i>Thousands of Dollars</i>							
Revenue (U.S. GAAP)	\$ 2,109,385	\$ 2,687,005	\$ 2,109,385	\$ 2,003,832	\$ 2,687,005	\$ 2,456,577	\$ 2,561,996
Estimated Impact of 53rd Week <sup>(a)</sup>	—	—	—	—	—	—	(44,740)
<b>Adjusted Revenue (Non-GAAP)</b>	<b>\$ 2,109,385</b>	<b>\$ 2,687,005</b>	<b>\$ 2,109,385</b>	<b>\$ 2,003,832</b>	<b>\$ 2,687,005</b>	<b>\$ 2,456,577</b>	<b>\$ 2,517,256</b>

(a) Adjustments to eliminate the estimated impact of a 53rd week of operations during fiscal 2020.

(b) Adjusted Revenue represents Revenue adjusted for the Estimated Impact of 53rd Week.

**Adjusted Operating Income (Non-GAAP financial measure)**

Thousands of Dollars	Pro Forma				Historical			
	Nine Months Ended		Fiscal Year Ended		Nine Months Ended		Fiscal Year Ended	
	June 30, 2023	September 30, 2022	June 30, 2023	July 1, 2022	September 30, 2022	October 1, 2021	October 2, 2020	
<b>Operating Income (U.S. GAAP)</b>	\$ 157,479	\$ 188,244	\$ 160,134	\$ 161,665	\$ 192,243	\$ 96,239	\$ 149,720	
Amortization of Acquired Intangibles <sup>(a)</sup>	19,505	25,902	19,505	19,394	25,902	25,012	24,849	
Severance and Other Charges <sup>(b)</sup>	4,672	—	4,672	—	—	7,970	4,923	
Merger and Integration Related Charges <sup>(c)</sup>	—	—	—	—	—	22,169	24,576	
Separation Related Charges <sup>(d)</sup>	7,194	3,829	12,961	1,908	4,143	—	—	
Estimated Impact of 53rd Week <sup>(e)</sup>	—	—	—	—	—	—	(2,885)	
Gain, Losses, Settlements and Other Items <sup>(f)</sup>	157	24,926	157	(3,530)	24,926	(4,816)	(21,677)	
<b>Adjusted Operating Income (Non-GAAP)<sup>(g)</sup></b>	<b>\$ 189,007</b>	<b>\$ 242,901</b>	<b>\$ 197,429</b>	<b>\$ 179,437</b>	<b>\$ 247,214</b>	<b>\$ 146,574</b>	<b>\$ 179,506</b>	
<b>Operating Income Margin (U.S. GAAP)</b>	<b>7.5 %</b>	<b>7.0 %</b>	<b>7.6 %</b>	<b>8.1 %</b>	<b>7.2 %</b>	<b>3.9 %</b>	<b>5.8 %</b>	
<b>Adjusted Operating Income Margin (Non-GAAP)<sup>(h)</sup></b>	<b>9.0 %</b>	<b>9.0 %</b>	<b>9.4 %</b>	<b>9.0 %</b>	<b>9.2 %</b>	<b>6.0 %</b>	<b>7.1 %</b>	

(a) Adjustments to eliminate amortization expense recognized on acquisition-related intangible assets.

(b) Adjustments to eliminate severance expenses in the applicable period.

(c) Adjustments to eliminate merger and integration charges related to the AmeriPride acquisition, including costs for transitional employees and integration related consulting costs, charges related to plant consolidation, mainly asset write-downs, the implementation of a new laundry enterprise resource planning system and other expenses.

(d) Adjustments to eliminate charges related to the separation of AUS, including: (i) salaries and benefits; (ii) one-time expenses relating to recruiting and relocation costs, accounting and legal related expenses, information system separation and implementation costs, branding and other costs; and (iii) one-time pro forma expenses related to special grant of deferred stock units for director advisory services earned upon separation and distribution.

Thousands of Dollars	Pro Forma				Historical		
	Nine Months Ended		Fiscal Year Ended		Nine Months Ended		Fiscal Year Ended
	June 30, 2023	September 30, 2022	June 30, 2023	July 1, 2022	September 30, 2022	September 30, 2022	
Salaries and Benefits	\$ —	\$ —	\$ 5,767	\$ 1,101	\$ 1,434	\$ 1,434	
One-Time Expenses	7,194	2,709	7,194	807	2,709	2,709	
Pro Forma One-Time Expenses	—	1,120	—	—	—	—	
Total Separation Related Charges	\$ 7,194	\$ 3,829	\$ 12,961	\$ 1,908	\$ 4,143	\$ 4,143	

(e) Adjustments to eliminate the estimated impact of a 53rd week of operations during fiscal 2020.

(f) Adjustments to eliminate certain transactions that are not indicative of Vestis' ongoing operational performance, primarily for non-cash charges for inventory write-downs to net realizable value, excess inventory and fixed asset write-offs related to personal protective equipment (\$20.5 million for fiscal 2022), the impact of the change in fair value related to certain gasoline and diesel agreements (\$0.5 million gain for the nine months ended June 30, 2023, \$0.4 million gain for the nine months ended July 1, 2022, \$5.8 million loss for fiscal 2022, \$5.4 million gain for fiscal 2021 and \$0.3 million loss for fiscal 2020), gain from the insurance proceeds received related to the impact of property damage from a tornado in Nashville (\$3.1 million gain for the nine months ended July 1, 2022, \$3.1 million gain for fiscal 2022 and \$16.3 million gain for fiscal 2020), pension plan charges related to a withdrawal liability (\$0.7 million in fiscal 2021), a favorable settlement related to a withdrawal liability obligation (\$0.8 million for the nine months ended June 30, 2023 and \$6.6 million for fiscal 2020), non-cash charges for the impairment of operating lease right-of-use assets and property and equipment related to certain real estate properties (\$7.7 million for the nine months ended June 30, 2023), gain from the sale of land (\$6.8 million for the nine months ended



June 30, 2023), charges related to a legal settlement (\$0.9 million for the nine months ended June 30, 2023 and \$1.8 million for fiscal 2022) and other costs.

- (g) Adjusted Operating Income represents Operating Income adjusted for Amortization Expense of Acquired Intangibles; Severance and Other Charges; Merger and Integration Related Charges; Separation Related Charges; Estimated Impact of 53rd Week; and Gain, Losses, Settlements and Other Items impacting comparability.
- (h) Adjusted Operating Income Margin represents Adjusted Operating Income as a percentage of Adjusted Revenue.

**Adjusted EBITDA (Non-GAAP financial measure)**

	Pro Forma		Historical				
	Nine Months Ended	Fiscal Year Ended	Nine Months Ended		Fiscal Year Ended		
	June 30, 2023	September 30, 2022	June 30, 2023	July 1, 2022	September 30, 2022	October 1, 2021	October 2, 2020
<i>Thousands of Dollars</i>							
<b>Net Income (U.S. GAAP)</b>	\$ 52,810	\$ 52,837	\$ 119,186	\$ 118,466	\$ 141,679	\$ 74,270	\$ 111,647
Provision for Income Taxes	18,209	17,485	41,216	40,391	48,280	23,089	37,867
Interest Expense and Other, net	86,460	117,922	(268)	2,808	2,284	(1,120)	206
Depreciation and Amortization	101,712	134,352	101,712	100,603	134,352	133,306	137,158
<b>EBITDA (Non-GAAP)<sup>(a)</sup></b>	<b>259,191</b>	<b>322,596</b>	<b>261,846</b>	<b>262,268</b>	<b>326,595</b>	<b>229,545</b>	<b>286,878</b>
Share-Based Compensation	11,580	17,398	11,580	12,888	17,398	15,427	6,818
Severance and Other Charges <sup>(b)</sup>	4,672	—	4,672	—	—	7,970	4,923
Merger and Integration Related Charges <sup>(c)</sup>	—	—	—	—	—	22,169	24,576
Separation Related Charges <sup>(d)</sup>	7,194	3,829	12,961	1,908	4,143	—	—
Estimated Impact of 53rd Week <sup>(e)</sup>	—	—	—	—	—	—	(2,885)
Gain, Losses, Settlements and Other Items <sup>(f)</sup>	157	24,926	157	(3,530)	24,926	(4,816)	(21,677)
<b>Adjusted EBITDA (Non-GAAP)<sup>(g)</sup></b>	<b>\$ 282,794</b>	<b>\$ 368,749</b>	<b>\$ 291,216</b>	<b>\$ 273,534</b>	<b>\$ 373,062</b>	<b>\$ 270,295</b>	<b>\$ 298,633</b>
<b>Net Income Margin (U.S. GAAP)</b>	<b>2.5 %</b>	<b>2.0 %</b>	<b>5.7 %</b>	<b>5.9 %</b>	<b>5.3 %</b>	<b>3.0 %</b>	<b>4.4 %</b>
<b>Adjusted EBITDA Margin (Non-GAAP)<sup>(h)</sup></b>	<b>13.4 %</b>	<b>13.7 %</b>	<b>13.8 %</b>	<b>13.7 %</b>	<b>13.9 %</b>	<b>11.0 %</b>	<b>11.9 %</b>

(a) EBITDA represents Net Income adjusted for Provision for Income Taxes; Interest Expense and Other, net; and Depreciation and Amortization.

(b) Adjustments to eliminate severance expenses in the applicable period.

(c) Adjustments to eliminate merger and integration charges related to the AmeriPride acquisition, including costs for transitional employees and integration related consulting costs, charges related to plant consolidation, mainly asset write-downs, the implementation of a new laundry enterprise resource planning system and other expenses.

(d) Adjustments to eliminate charges related to the separation of AUS, including: (i) salaries and benefits; (ii) one-time expenses relating to recruiting and relocation costs, accounting and legal related expenses, information system separation and implementation costs, branding

and other costs; and (iii) one-time pro forma expenses related to special grant of deferred stock units for director advisory services earned upon separation and distribution.

Thousands of Dollars	Pro Forma		Historical		
	Nine Months Ended	Fiscal Year Ended	Nine Months Ended		Fiscal Year Ended
	June 30, 2023	September 30, 2022	June 30, 2023	July 1, 2022	September 30, 2022
Salaries and Benefits	\$ —	\$ —	\$ 5,767	\$ 1,101	\$ 1,434
One-Time Expenses	7,194	2,709	7,194	807	2,709
Pro Forma One-Time Expenses	—	1,120	—	—	—
Total Separation Related Charges	\$ 7,194	\$ 3,829	\$ 12,961	\$ 1,908	\$ 4,143

- (e) Adjustments to eliminate the estimated impact of a 53rd week of operations during fiscal 2020.
- (f) Adjustments to eliminate certain transactions that are not indicative of Vestis' ongoing operational performance, primarily for non-cash charges for inventory write-downs to net realizable value, excess inventory and fixed asset write-offs related to personal protective equipment (\$20.5 million for fiscal 2022), the impact of the change in fair value related to certain gasoline and diesel agreements (\$0.5 million gain for the nine months ended June 30, 2023, \$0.4 million gain for the nine months ended July 1, 2022, \$5.8 million loss for fiscal 2022, \$5.4 million gain for fiscal 2021 and \$0.3 million loss for fiscal 2020), gain from the insurance proceeds received related to the impact of property damage from a tornado in Nashville (\$3.1 million gain for the nine months ended July 1, 2022, \$3.1 million gain for fiscal 2022 and \$16.3 million gain for fiscal 2020), pension plan charges related to a withdrawal liability (\$0.7 million in fiscal 2021), a favorable settlement related to a withdrawal liability obligation (\$0.8 million for the nine months ended June 30, 2023 and \$6.6 million for fiscal 2020), non-cash charges for the impairment of operating lease right-of-use assets and property and equipment related to certain real estate properties (\$7.7 million for the nine months ended June 30, 2023), gain from the sale of land (\$6.8 million for the nine months ended June 30, 2023), charges related to a legal settlement (\$0.9 million for the nine months ended June 30, 2023 and \$1.8 million for fiscal 2022) and other costs.
- (g) Adjusted EBITDA represents EBITDA adjusted for Share-Based Compensation; Severance and Other Charges; Merger and Integration Related Charges; Separation Related Charges; Estimated Impact of 53rd Week; and Gain, Losses, Settlements and Other Items impacting comparability.
- (h) Adjusted EBITDA Margin represents Adjusted EBITDA as a percentage of Adjusted Revenue.

**Free Cash Flow (Non-GAAP financial measure)**

Thousands of Dollars	Historical				
	Nine Months Ended		Fiscal Year Ended		
	June 30, 2023	July 1, 2022	September 30, 2022	October 1, 2021	October 2, 2020
<b>Net cash provided by operating activities (U.S. GAAP)</b>	\$ 143,937	\$ 164,976	\$ 232,847	\$ 244,335	\$ 231,291
Purchases of Property and Equipment and Other <sup>(a)</sup>	(52,641)	(46,428)	(76,449)	(90,138)	(58,074)
Disposals of property and equipment <sup>(b)</sup>	10,968	6,263	7,316	2,706	26,640
<b>Free Cash Flow (Non-GAAP)<sup>(c)</sup></b>	\$ 102,264	\$ 124,811	\$ 163,714	\$ 156,903	\$ 199,857

- (a) Adjustments for purchases of property and equipment and other.
- (b) Adjustments for disposals of property and equipment.
- (c) Free Cash Flow represents Net cash provided by operating activities adjusted for Purchases of Property and Equipment and Other and Disposals of property and equipment.

## RISK FACTORS

*You should carefully consider the following risks and other information in this information statement in evaluating Vestis and Vestis common stock. Any of the following risks and uncertainties could materially adversely affect Vestis' business, financial condition or results of operations.*

### **Risks Related to Vestis' Business**

#### ***Operational Risks***

***Unfavorable economic conditions have in the past adversely affected, are currently adversely affecting and in the future could adversely affect Vestis' business, financial condition or results of operations.***

Unfavorable economic conditions may arise during times of national and international economic downturns, or may be attributed to natural disasters, calamities, public health crises, political unrest and global conflicts. Unfavorable economic conditions may also contribute to supply chain disruptions, geopolitical events, global energy shortages, major central bank policy actions including interest rate increases, public health crises or other factors. Unfavorable economic conditions could adversely affect the demand for Vestis' products and services. For example, in the early stages of the COVID-19 pandemic, Vestis was negatively affected by reduced employment levels at its customers' locations and declining levels of business and customer spending. In addition, adverse economic conditions, including increases in labor costs, labor shortages, higher materials and other costs, supply chain disruptions, inflation and other economic factors could increase Vestis' costs of selling and providing the products and services it offers, which in turn could have a material adverse impact on its business, financial condition or results of operations. Moreover, the impact of inflation on various areas of Vestis' business, including labor and product costs, has recently affected Vestis' business, financial condition or results of operations, and Vestis may not be able to mitigate any future impacts of inflation by increases in pricing for Vestis' goods and services. Vestis is unable to predict any future trends in the rate of inflation, and if (and to the extent that) Vestis is unable to recover higher costs in the event of future increases in inflation, such increases in inflation could adversely affect Vestis' business, financial condition or results of operations.

Conditions or events that adversely affect Vestis' current customers or sales prospects may cause such customers or prospects to restrict expenditures, reduce workforces or even to cease to conduct their businesses. Any of these circumstances would have the effect of reducing the number of employees utilizing Vestis' uniform services, which could have a material adverse impact on Vestis' business, financial condition or results of operations. In addition, financial distress and insolvency experienced by customers, especially larger customers, has in the past made it difficult and in the future could make it difficult for Vestis to collect amounts Vestis is owed and could result in the voiding, termination or modification of existing contracts. For example, in response to the changed circumstances caused by shutdowns earlier in the COVID-19 pandemic, Vestis worked with customers to renegotiate contracts in order to mitigate lost revenues caused by partial or full closure of customer premises. Similarly, financial distress or insolvency, if experienced by Vestis' key vendors and service providers such as insurance carriers, could significantly increase Vestis' costs.

***Increases in fuel and energy costs could materially and adversely affect Vestis' business, financial condition or results of operations.***

The prices of fuel and energy to run Vestis' vehicles, equipment and facilities are volatile and fluctuate based on factors outside of Vestis' control. For example, the ongoing conflict between Russia and Ukraine has disrupted supply chains and caused increases in fuel prices. Vestis' operating margins have been and may continue to be impacted by such increased fuel prices. Continuing or additional increases in fuel and energy costs could have a material adverse effect on Vestis' result of operations.

***Vestis' failure to retain its current customers, renew its existing customer contracts on comparable terms and obtain new customer contracts could adversely affect Vestis' business, financial condition or results of operations.***

Vestis' success depends on its ability to retain its current customers, renew its existing customer contracts and obtain new business on commercially favorable terms. Vestis' ability to do so generally depends on a variety of factors, including the quality, price and responsiveness of its services, as well as Vestis' ability to market these services effectively and differentiate itself from its competitors. In addition, customers are increasingly focused on and requiring Vestis to set targets and meet standards related to environmental sustainability matters, such as greenhouse gas emissions, packaging, waste and wastewater. When Vestis renews existing customer contracts, it is often on terms that are less favorable or less profitable for Vestis than the then-current contract terms. In addition, Vestis typically incurs substantial start-up and operating costs and experiences lower profit margin and operating cash flows in connection with the establishment of new business, and in periods with higher rates of new business, Vestis has experienced and expects to continue to experience negative impact to Vestis' profit margin and its cash flows. There can be no assurance that Vestis will be able to obtain new business, renew existing customer contracts at the same or higher levels of pricing or that Vestis' current customers will not turn to competitors, cease operations, elect to in-source or terminate contracts with Vestis. These risks may be exacerbated by current economic conditions due to, among other things, increased cost pressure at Vestis' customers, tight labor markets and heightened competition in a contracted marketplace. The failure to renew a significant number of Vestis' existing contracts, including on the same or more favorable terms, would have a material adverse effect on Vestis' business, financial condition or results of operations, and the failure to obtain new business could have an adverse impact on Vestis' growth and financial results.

***Natural disasters, global calamities, climate change, political unrest and other adverse incidents beyond Vestis' control could adversely affect Vestis' business, financial condition or results of operations.***

Natural disasters, including hurricanes and earthquakes, global calamities and political unrest have affected, and in the future could affect, Vestis' business, financial condition or results of operations. In the past, due to more geographically isolated natural disasters, such as wildfires in the western United States and hurricanes and extreme cold conditions in the southern United States, Vestis experienced lost and closed customer locations, business disruptions and delays, the loss of inventory and other assets, and asset impairments. The effects of global climate change will likely increase the frequency and severity of such natural disasters and may also impact the availability of water resources, forests or other natural resources.

In addition, political unrest and global conflicts like the ongoing conflict between Russia and Ukraine have disrupted, and in the future may further continue to disrupt, global supply chains and heighten volatility and disruption of global financial markets. While Vestis does not have direct operations within Russia or Ukraine, the conflict involving these nations has heightened the disruption to Vestis' supply chain, triggered inflation in Vestis' labor costs and may increase Vestis' risk of cyberattacks. The impact of these global events on Vestis' longer-term operational and financial performance will depend on future developments, Vestis' response and governmental response to inflation, and the duration and severity of the conflict in Ukraine. Any terrorist attacks or incidents prompted by political unrest also may adversely affect Vestis' revenue and operating results.

***Competition in Vestis' industry could adversely affect Vestis' business, financial condition or results of operations.***

The uniform apparel and workplace supply services industry is highly competitive. Vestis faces competition from major national competitors with significant financial resources. In addition, there are regional and local uniform suppliers whom Vestis believes have strong customer loyalty. The primary areas of competition within the industry are price, design, quality of products and quality of services. While many customers focus primarily on quality of service, uniform rental is also a price-sensitive service and if existing or future competitors seek to gain customers or accounts by reducing prices, Vestis may be required to lower prices, which would reduce its revenue and profits. Vestis' industry competitors are also competitors for acquisitions, which may increase the cost of acquisitions or lower the number of potential targets. The uniform rental business requires investment capital for growth. Failure to maintain capital investment in this business would put Vestis at a competitive disadvantage. In

addition, to maintain a cost structure that allows for competitive pricing, it is important for Vestis to source garments and other products internationally. To the extent Vestis is not able to effectively source such products internationally and gain the related cost savings, Vestis may be at a disadvantage in relation to some of its competitors. An increase in competition, from any of the foregoing or other sources, may require Vestis to reduce prices and/or result in reduced profits and loss of market share, which may have a material adverse impact on Vestis' business and results of operations.

***Vestis may be adversely affected if customers reduce their outsourcing or use of preferred vendors.***

Vestis' business and growth strategies depend in large part on the continuation of a current trend toward outsourcing services. Customers will outsource if they perceive that outsourcing may provide quality services at a lower overall cost and permit them to focus on their core business activities. Vestis cannot be certain this trend will continue or not be reversed or that customers that have outsourced functions will not decide to perform these functions themselves. Unfavorable developments with respect to either outsourcing or the use of preferred vendors could have a material adverse effect on Vestis' business and results of operations.

***Risks associated with Vestis' suppliers and service providers could adversely affect Vestis' business, financial condition or results of operations.***

The raw materials Vestis uses in its business and the finished products Vestis sells are sourced from a variety of domestic and international suppliers. Vestis seeks to require its suppliers and service providers to comply with applicable laws and otherwise meet its quality and/or conduct standards. In addition, customer and stakeholder expectations regarding environmental, social and governance consideration for suppliers are evolving. Vestis' ability to find qualified suppliers who meet its standards and to access raw materials and finished products in a timely and efficient manner is a challenge, especially with respect to suppliers located and goods sourced outside the United States.

Insolvency or business disruption experienced by suppliers could make it difficult for Vestis to source the items it needs to run its business. Political and economic stability in the countries in which foreign suppliers are located, the financial stability of suppliers, suppliers' failure to meet Vestis' standards, labor problems experienced by Vestis' suppliers, the availability of raw materials and labor to suppliers, cybersecurity issues, currency exchange rates, transport availability and cost, tariffs, inflation and other factors relating to the suppliers and the countries in which they are located are beyond Vestis' control. Certain of Vestis' raw materials and products (including Vestis' mats) are currently and may in the future be limited to a single supplier, and if such a supplier faces any difficulty in supplying the materials or products, Vestis may not be able to find an alternative supplier in a timely manner or at all. Current global supply chain disruptions caused by the current macroeconomic environment, the COVID-19 pandemic and the Russia/Ukraine conflict have resulted, and may continue to result, in delivery delays as well as lower fill rates and higher substitution rates for a wide-range of products. While Vestis has continued to modify its business model in response to the current environment, including proactively managing inflation and global supply chain disruption, through supply chain initiatives and by implementing pricing, including pass-throughs, as appropriate, to cover incremental costs, there is no guarantee that Vestis will be able to continue to do so successfully or on comparable terms in the future if supply chain disruptions continue or worsen.

Domestic foreign trade policies, tariffs and other impositions on imported goods, trade sanctions imposed on certain countries, the limitation on the importation of certain types of goods or of goods containing certain materials from other countries and other factors relating to foreign trade are beyond Vestis' control. If one of Vestis' suppliers were to violate the law, or engage in conduct that results in adverse publicity, Vestis' reputation may be harmed simply due to its association with that supplier. Drought, flood, natural disasters and other extreme weather events caused by climate change or other environmental conditions could also result in supply chain disruptions. These and other factors affecting Vestis' suppliers and its access to raw materials and finished products could adversely affect Vestis' business, financial condition or results of operations.

*Vestis' contracts may be subject to challenge by its customers, which, if determined adversely, could affect Vestis' business, financial condition or results of operations.*

Vestis' business is contract-intensive, and Vestis is party to many contracts with customers. From time to time, Vestis' customers may challenge Vestis' contract terms or Vestis' interpretation of its contract terms. These challenges could result in disputes between Vestis and its customers. The resolution of these disputes in a manner adverse to Vestis' interests could negatively affect revenue and operating results. If a large number of Vestis' customer arrangements were modified in response to any such matter, the effect could be materially adverse to Vestis' business, financial condition or results of operations.

*Vestis' expansion strategy involves risks.*

Vestis may seek to acquire companies or interests in companies, or enter into joint ventures that complement its business. Vestis' inability to complete acquisitions, integrate acquired companies successfully or enter into joint ventures may render Vestis less competitive. Vestis' ability to engage in acquisitions, joint ventures and related business opportunities may be subject to additional limitations due to the separation. For additional information on the restrictions related to the separation, please see "—Risks Related to the Separation and Distribution—Vestis may be affected by restrictions under the tax matters agreement, including restrictions on its ability to engage in certain corporate transactions for a two-year period after the distribution, in order to avoid triggering significant tax-related liabilities" included elsewhere in this information statement.

At any given time, Vestis may be evaluating one or more acquisitions or engaging in acquisition negotiations. Vestis cannot be sure that it will be able to continue to identify acquisition candidates or joint venture partners on commercially reasonable terms or at all. If Vestis makes acquisitions, it also cannot be sure that any benefits anticipated from the acquisitions will actually be realized. Likewise, Vestis cannot be sure it will be able to obtain necessary financing for acquisitions. Such financing could be restricted by the terms of Vestis' debt agreements or it could be more expensive than Vestis' current debt. The amount of such debt financing for acquisitions could be significant and the terms of such debt instruments could be more restrictive than Vestis' current covenants. In addition, Vestis' ability to control the planning and operations of its joint ventures and other less than majority-owned affiliates may be subject to numerous restrictions imposed by the joint venture agreements and majority stockholders. Vestis' joint venture partners may also have interests which differ from Vestis'.

The process of integrating acquired operations into Vestis' existing operations may result in operating, contract and supply chain difficulties, such as the failure to retain existing customers or attract new customers, maintain relationships with suppliers and other contractual parties, or retain and integrate acquired personnel. In addition, cost savings that Vestis expects to achieve, for example, from the elimination of duplicative expenses and the realization of economies of scale or synergies, may take longer than expected to realize or may ultimately be smaller than Vestis expects. Also, in connection with any acquisition, Vestis could fail to discover liabilities of the acquired company for which Vestis may be responsible as a successor owner or operator in spite of any investigation Vestis makes prior to the acquisition, or significant compliance issues which require remediation, resulting in additional unanticipated costs, risk creation and potential reputational harm. In addition, labor laws in certain countries may require Vestis to retain more employees than would otherwise be optimal from entities Vestis acquires. Such integration difficulties may divert significant financial, operational and managerial resources from Vestis' existing operations and make it more difficult to achieve Vestis' operating and strategic objectives, which could have a material adverse effect on Vestis' business, financial condition or results of operations. Similarly, Vestis' business depends on effective information technology and financial reporting systems. Delays in or poor execution of the integration of these systems could disrupt Vestis' operations and increase costs, and could also potentially adversely impact the effectiveness of Vestis' disclosure controls and internal controls over financial reporting.

Possible future acquisitions could also result in additional contingent liabilities and amortization expenses related to intangible assets being incurred, which could have a material adverse effect on Vestis' business, financial condition or results of operations. In addition, goodwill and other intangible assets resulting from business combinations represent a significant portion of Vestis' assets. If goodwill or other intangible assets were deemed to be impaired, Vestis would need to take a charge to earnings to write down these assets to their fair value.

***Vestis' international business faces risks that could have an effect on Vestis' business, financial condition or results of operations.***

Vestis operates primarily in the United States and Canada. During fiscal 2022, approximately 91% of Vestis' revenue was generated in the United States and approximately 9% of Vestis' revenue was generated in Canada. In addition, Vestis operates manufacturing plants and a distribution center in Mexico that collectively employ approximately 2,000 personnel as of June 30, 2023. Vestis' international operations are subject to risks that are different from those Vestis faces in the United States, including the requirement to comply with changing or conflicting national and local regulatory requirements and laws, as well as cybersecurity, data protection and supply chain laws; potential difficulties in staffing and labor disputes; managing and obtaining support and distribution for local operations; credit risk or financial condition of local customers; potential imposition of restrictions on investments; potentially adverse tax consequences, including imposition or increase of withholding, value-added tax ("VAT") and other taxes on remittances and other payments by subsidiaries; foreign exchange controls; local political and social conditions; and the ability to comply with the terms of government assistance programs.

The operating results of Vestis' international subsidiaries (which are currently primarily in Canada) are translated into U.S. dollars and such results are affected by movements in foreign currencies relative to the U.S. dollar. Recently, the strength of the U.S. dollar has generally increased as compared to other currencies (including the Canadian dollar), which has had, and may continue to have, an adverse effect on Vestis' operating results as reported in U.S. dollars.

Vestis owns and operates facilities in Mexico. Violence, crime and instability in Mexico may have an adverse effect on Vestis' operations. Vestis is not insured against such criminal attacks and there can be no assurance that losses that could result from an attack on Vestis trucks or personnel would not have a material adverse effect on Vestis' business, financial condition or results of operations.

Vestis may continue to consider opportunities to develop its business in emerging countries over the long term. Emerging international operations present several additional risks, including greater fluctuation in currencies relative to the U.S. dollar; economic and governmental instability; civil disturbances; volatility in gross domestic production; and nationalization and expropriation of private assets.

There can be no assurance that the foregoing factors will not have a material adverse effect on Vestis' international operations or on Vestis' consolidated financial condition and results of operations.

***The ultimate scale and scope of recurring outbreaks stemming from the COVID-19 pandemic and the pace and degree of recovery are unknown and may continue to impact Vestis' business for an extended period. The overall impact on Vestis' business, financial condition and results of operations has been material and it may continue to be material.***

The COVID-19 pandemic has disrupted, and it may in the future disrupt, Vestis' business and has materially affected, and may in the future affect, results of operations and/or financial condition. The COVID-19 pandemic and the pace of recovery has in the past adversely impacted Vestis' business and financial condition in specific ways, and it may continue to do so, including its impact on: Vestis' ability to maintain sufficient qualified personnel due to employee illness, quarantine, willingness to return to work, vaccine and/or testing mandates, face coverings and other safety requirements, general scarcity of employees, or other restrictions; the financial health of Vestis' customers and their demand and ability to pay for certain of its services; legal actions or proceedings related to COVID-19; the pace of return of employees to places where Vestis provides services; the pace at which customers resume certain services; and Vestis' ability to maintain a cost-effective supply chain as COVID-19 may continue to adversely affect Vestis' suppliers and distributors.

The duration and extent of the impact from COVID-19 depends on future developments that cannot be accurately predicted at this time, such as the severity and transmission rate of different variants, the extent and effectiveness of governmental responses and other preventative treatment and containment actions, including the distribution and acceptance of vaccines, availability of testing, shifts in behavior going forward and the impact of these and other factors on Vestis' employees, customers, suppliers and partners. In addition, even after the COVID-19 pandemic subsides, any permanent increase in and acceptance of remote and hybrid working

arrangements may continue to adversely impact Vestis' revenues and business model. There is the risk that certain mitigation and cost-saving initiatives to date may not be sustainable or repeatable, or that the effects of COVID-19 may be different than what Vestis has experienced thus far, including permanent closures of customer facilities or reductions in service offerings. Further, while Vestis has benefited from government assistance programs to date, there is no assurance that such programs will be available in the future. For more information on the impact of COVID-19 on Vestis' business, see "Management's Discussion and Analysis of Financial Condition and Results of Operations."

#### **Labor-Related Risks**

***Vestis' business may suffer if it is unable to hire and retain sufficient qualified personnel or if labor costs increase.***

Vestis believes much of its future growth and success depends on the continued availability, service and well-being of entry level personnel. Vestis has had and may continue to have difficulty in hiring and retaining qualified personnel, particularly at the entry level. Vestis will continue to have significant requirements to hire such personnel. At times when the United States or other geographic regions experience reduced levels of unemployment or a general scarcity of labor like has been seen in recent periods, there may be a shortage of qualified workers at all levels. Given that Vestis' workforce requires large numbers of entry level and skilled workers and managers, low levels of unemployment when such conditions exist, a general difficulty finding sufficient employees or mismatches between the labor markets and Vestis' skill requirements can compromise Vestis' ability in certain areas of its businesses to continue to provide quality service or compete for new business. Vestis is also impacted by the costs and other effects of compliance with U.S. and international regulations affecting its workforce. These regulations are increasingly focused on employment issues, including wage and hour, healthcare, immigration, retirement and other employee benefits and workplace practices. Compliance and claims of non-compliance with these regulations could result in liability and expense to Vestis. Competition for labor has at times resulted in wage increases in the past and future competition could substantially increase Vestis' labor costs. Due to the labor-intensive nature of Vestis' businesses, a shortage of labor or increases in wage levels in excess of normal levels could have a material adverse effect on Vestis' business, financial condition or results of operations.

***Continued or further unionization of Vestis' workforce may increase Vestis' costs and work stoppages could damage Vestis' business.***

As of June 30, 2023, approximately 10,500 of Vestis' employees were represented by labor unions and covered by over 200 collective bargaining agreements with various terms and dates of expiration. There can be no assurance that any current or future issues with Vestis employees will be resolved or that Vestis will not encounter future strikes, work stoppages or other disputes with labor unions or Vestis employees. A work stoppage or other limitations on Vestis' operations and facilities for any reason could have an adverse effect on Vestis' business, financial condition or results of operations.

The continued or further unionization of Vestis' workforce could increase Vestis' overall costs and adversely affect Vestis' flexibility to run its business in the most efficient manner, to remain competitive and acquire new business. In addition, any significant increase in the number of work stoppages at any of Vestis' operations could adversely affect Vestis' business, financial condition or results of operations.

***Vestis may incur significant liability as a result of its participation in multiemployer-defined benefit pension plans.***

A number of Vestis' locations operate under collective bargaining agreements. Under some of these agreements, Vestis is obligated to contribute to multiemployer-defined benefit pension plans. As a contributing employer to such plans, should Vestis trigger either a "complete" or "partial" withdrawal, or should the plan experience a "mass" withdrawal, Vestis could be subject to withdrawal liability for its proportionate share of any unfunded vested benefits which may exist for the particular plan. In addition, if a multiemployer-defined benefit pension plan fails to satisfy the minimum funding standards, Vestis could be liable to increase its contributions to meet minimum funding standards. Also, if another participating employer withdraws from the plan or experiences financial difficulty, including bankruptcy, Vestis' obligation could increase. The financial status of a small number



of the plans to which Vestis contributes has deteriorated in the recent past and continues to deteriorate. Vestis proactively monitors the financial status of these and the other multiemployer-defined benefit pension plans in which it participates. In addition, any increased funding obligations for underfunded multiemployer-defined benefit pension plans could have an adverse financial impact on Vestis.

#### **Legal, Regulatory, Safety and Security Risks**

***If Vestis fails to comply with requirements imposed by applicable law or other governmental regulations, it could become subject to lawsuits, investigations and other liabilities and restrictions on its operations that could significantly and adversely affect Vestis' business, financial condition or results of operations.***

Vestis is subject to governmental regulation at the federal, state, international, national, provincial and local levels in many areas of Vestis' business, such as employment laws, wage and hour laws, discrimination laws, immigration laws, human health and safety laws, import and export controls and customs laws, environmental laws, false claims or whistleblower statutes, tax codes, antitrust and competition laws, customer protection statutes, procurement regulations, intellectual property laws, supply chain laws, the Foreign Corrupt Practices Act and anti-corruption laws, lobbying laws, motor carrier safety laws and data privacy and security laws. Vestis is from time to time subject to varied and changing rules and regulations at the federal, state, international, national, provincial and local level, including vaccine and testing mandates, capacity limitations and cleaning and sanitation standards, which may in the future impact Vestis' operations across customer locations and business sectors.

From time to time, government agencies have conducted reviews and audits of certain of Vestis' practices as part of routine inquiries of providers of services under government contracts, or otherwise. Like others in its business, Vestis also receives requests for information from government agencies in connection with these reviews and audits.

While Vestis attempts to comply with all applicable laws and regulations, there can be no assurance that Vestis is in full compliance with all applicable laws and regulations or interpretations of these laws and regulations at all times or that it will be able to comply with any future laws, regulations or interpretations of these laws and regulations.

Government agencies may make changes in the regulatory frameworks within which Vestis operates that may require Vestis to incur substantial increases in costs in order to comply with such laws and regulations. For example, during the outbreak of the COVID-19 pandemic, businesses, such as Vestis, were subject to new, varied and evolving rules and regulations at all levels of government, including vaccine and testing mandates, capacity limitations, cleaning and sanitation standards and travel restrictions, which have impacted, and may in the future, materially impact Vestis' operations.

If Vestis fails to comply with applicable laws and regulations, including those referred to above, Vestis may be subject to investigations, criminal sanctions or civil remedies, including fines, penalties, damages, reimbursement, injunctions, seizures, disgorgements or debarments from government contracts or the loss of the ability to operate its motor vehicles. The cost of compliance or the consequences of non-compliance, including debarments, could have a material adverse effect on Vestis' business, financial condition or results of operations and cause reputational harm.

***Environmental regulations may subject Vestis to significant liability and limit Vestis' ability to grow.***

Vestis uses and manages chemicals and hazardous materials as part of its operations. Vestis is subject to various environmental protection laws and regulations, including the United States Federal Clean Water Act, Clean Air Act, Resource Conservation and Recovery Act, Comprehensive Environmental Response, Compensation, and Liability Act and similar local, provincial, state, federal and international laws and regulations governing the use, treatment, management, transportation and disposal of wastes and hazardous materials. Vestis is mindful of the environmental concerns surrounding the use, treatment, management, transportation and disposal of these chemicals and hazardous materials, and has taken and continues to take measures to comply with environmental protection laws and regulations.

In particular, industrial laundries generate wastewater, air emissions and related wastes as part of operations relating to the laundering of garments and other merchandise. Residues removed from soiled garments and other merchandise laundered at Vestis' facilities and from detergents and chemicals used in Vestis' wash process may be contained in discharges to air and water (through sanitary sewer systems and publicly owned treatment works) and in waste generated by Vestis' wastewater treatment systems. Similar to other companies in its industry, Vestis' industrial laundries are subject to certain air and water pollution discharge limits, monitoring, permitting and recordkeeping requirements.

Vestis also owns or operates a limited number of aboveground and underground storage tank systems at some locations to store petroleum or propane for use in Vestis' operations. Certain of these storage tank systems are subject to performance standards, periodic monitoring and recordkeeping requirements. Vestis also uses and manages hazardous materials, chemicals and wastes in its operations from time to time. In the course of Vestis' business, Vestis may be subject to penalties and fines and reputational harm for non-compliance with environmental protection laws and regulations, and Vestis may settle, or contribute to the settlement of, actions or claims relating to the handling and disposal of wastes or hazardous materials. Vestis may, in the future, be required to expend material amounts to rectify the consequences of any such events.

In addition, changes to environmental laws may subject Vestis to additional costs or cause Vestis to change aspects of its business. In particular, new laws and regulations related to climate change (including, but not limited to, certain requirements relating to the disclosure of greenhouse gas emissions and associated business risks), could affect Vestis' operations or result in significant additional expense and operating restrictions on Vestis. Under environmental laws, Vestis may be liable for the costs of removal or remediation of certain hazardous materials located on or in or migrating from its owned or leased property or located at sites to which it has sent waste for off-site disposal, as well as related costs of investigation and property damage. Such laws may impose liability without regard to Vestis' fault, knowledge, or responsibility for the presence of such hazardous materials. There can be no assurance that locations that Vestis owns, leases, or otherwise operates, or that Vestis may acquire in the future, have been operated in compliance with environmental laws and regulations or that future uses or conditions will not result in the imposition of liability upon Vestis under such laws or expose Vestis to third-party actions such as tort suits. In addition, such regulations may limit Vestis' ability to identify suitable sites for new or expanded facilities. In connection with Vestis' present or past operations and the present or past operations of AUS, including those by companies that AUS has acquired, hazardous substances may migrate from properties on which Vestis operates or which were operated by Vestis' predecessors or companies AUS acquired to other properties. Vestis may be subject to significant liabilities to the extent that human health is adversely affected or the value of such properties is diminished by such migration.

On a quarterly basis, Vestis assesses each of its environmental sites to determine whether the costs of investigation and remediation of environmental conditions are probable and can be reasonably estimated as well as the adequacy of its accruals with respect to such costs. There can be no assurance that Vestis' accruals with respect to its environmental sites will be sufficient or that the costs of remediation and investigation will not substantially exceed its accruals as new facts, circumstances or estimates arise.

***Increases or changes in income tax rates or laws relating to tax matters could adversely impact Vestis' financial results.***

Vestis is subject to income taxes, as well as non-income-based taxes, in both the United States and the foreign jurisdictions within which it conducts business (currently primarily Canada and Mexico). Changes in tax laws or regulations in the jurisdictions in which Vestis does business could increase Vestis' effective tax rate, restrict Vestis' ability to repatriate undistributed offshore earnings, or impose new restrictions, costs or prohibitions on Vestis' current practices and reduce Vestis' net income and adversely affect Vestis' cash flows.

Additionally, at any point in time, Vestis may be under examination for income-based, sales-based, payroll, or other non-income taxes. Vestis regularly assesses the likelihood of adverse outcomes resulting from these audits to determine the adequacy of its provision for income taxes. Although Vestis believes that its current tax provisions are reasonable and appropriate, there can be no assurance that these items will be settled for the amounts accrued, that additional tax exposures will not be identified in the future or that additional tax reserves will not be necessary for

any such exposures. Any increase in the amount of taxation incurred as a result of challenges to Vestis' tax filing positions could result in a material adverse effect on Vestis' business, consolidated results of operations and consolidated financial condition.

Changes in tax laws or tax rulings may have a significant adverse impact on Vestis' effective tax rate. Considering the unpredictability of possible changes to the United States or foreign tax laws and regulations and their potential interdependency, it is very difficult to predict the cumulative effect of such tax laws and regulations on Vestis' results of operations and cash flow, but such laws and regulations (and changes thereto) could adversely impact its financial results.

***Vestis' operations and reputation may be adversely affected by disruptions to or breaches of Vestis' information systems or if Vestis' data is otherwise compromised.***

Vestis is increasingly utilizing information technology systems, including with respect to administrative functions, financial and operational data, ordering, point-of-sale processing and payment and the management of Vestis' supply chain, to enhance the efficiency of its business and to improve the overall experience of Vestis' customers. Vestis maintains confidential, proprietary and personal information about, or on behalf of, its potential, current and former customers, employees and other third parties in these systems or engages third parties in connection with storage and processing of this information. Such information includes employee, customer and third-party data, including credit card numbers, social security numbers, healthcare information and other personal information.

Vestis' systems and the systems of its vendors and other third parties are subject to damage or interruption from power outages, computer or telecommunication failures, computer viruses, catastrophic events and implementation delays or difficulties, as well as usage errors by Vestis' employees or third-party service providers. These systems are also vulnerable to an increasing threat of rapidly evolving cyber-based attacks, including malicious software, attempts to deny access to systems or networks, attempts to gain unauthorized access to data, including through phishing emails, attempts to fraudulently induce employees or others to disclose information, the exploitation of software and operating vulnerabilities and physical device tampering/skimming at card reader units. The techniques used to obtain unauthorized access, disable or degrade service or sabotage systems change frequently, may be difficult to detect for a long time and often are not recognized until after an attack is launched or occurs. As a result, Vestis and such third parties may be unable to anticipate these techniques or to implement adequate preventative measures. In addition, Vestis or such third parties may decide to upgrade existing information technology systems from time to time to support the needs of its business and growth strategy and the risk of system disruption is increased when significant system changes are undertaken.

Aramark has maintained and Vestis intends to maintain a global cybersecurity program governed by an information security management system aligned with ISO27001. Vestis will establish and maintain a cross-functional Cyber Governance Committee that will be responsible for prioritizing and managing evolving cyber risks. During the normal course of business, Vestis has experienced and expects to continue to experience cyber-based attacks and other attempts to compromise its information systems, although none, to Vestis' knowledge, has had a material adverse effect on Vestis' business, financial condition or results of operations.

Any damage to, or compromise or breach of, Vestis' systems or the systems of its vendors could impair Vestis' ability to conduct its business, result in transaction errors, result in corruption or loss of accounting or other data, which could cause delays in Vestis' financial reporting, and result in a violation of applicable privacy and other laws, significant legal and financial exposure, reputational damage, adverse publicity and a loss of confidence in Vestis' security measures. Any such event could cause Vestis to incur substantial costs, including costs associated with systems remediation, customer protection, litigation, lost revenue or the failure to retain or attract customers following an attack. The failure to properly respond to any such event could also result in similar exposure to liability. While Vestis maintains insurance coverage that may cover certain aspects of cyber risks, such insurance coverage may be unavailable or insufficient to cover all losses or all types of claims that may arise. Further, as cybersecurity risks evolve, such insurance may not be available to Vestis on commercially reasonable terms or at all. The occurrence of some or all of the foregoing could have a material adverse effect on Vestis' results of operations, financial condition, business and reputation.

Vestis is subject to numerous laws and regulations in the United States and internationally as well as contractual obligations and other security standards, each designed to protect the personal information of customers, employees and other third parties that Vestis collects and maintains. These laws and regulations are evolving to match changes in cyber-attacks and protection programs, which require Vestis to review and amend the legal framework it has in place.

Because Vestis accepts debit and credit cards for payment from customers, Vestis is also subject to various industry data protection standards and protocols, such as payment network security operating guidelines and the Payment Card Industry Data Security Standard. In certain circumstances, payment card association rules and obligations make Vestis liable to payment card issuers if information in connection with payment cards and payment card transactions that Vestis holds is compromised, the liabilities for which could be substantial.

These laws, regulations and obligations are increasing in complexity and number, change frequently and may be inconsistent across the various jurisdictions in which Vestis operates. Additionally, the federal government and some states have adopted, are considering or in the future may adopt similar data protection laws. Vestis' systems and the systems maintained or used by third parties and service providers to process data on Vestis' behalf may not be able to satisfy these changing legal and regulatory requirements, or may require significant additional investments or time to do so. If Vestis fails to comply with these laws or regulations, it could be subject to significant litigation, monetary damages, regulatory enforcement actions or fines in one or more jurisdictions and Vestis could experience a material adverse effect on its results of operations, financial condition and business.

***Vestis expects that stakeholder expectations relating to environmental, social and governance (“ESG”) considerations may expose Vestis to liabilities, increased costs, reputational harm and other adverse effects on Vestis’ business.***

Vestis, along with many governments, regulators, investors, employees, customers and other stakeholders, is increasingly focused on ESG considerations relating to Vestis' business, including greenhouse gas emissions, human and civil rights and diversity, equity and inclusion. New laws and regulations in these areas have been proposed and may be adopted, and the criteria used by regulators and other relevant stakeholders to evaluate Vestis' ESG practices, capabilities and performance may change rapidly, which in each case could require Vestis to undertake costly initiatives or operational changes. Non-compliance with these emerging rules or standards or a failure to address regulator, stakeholder and societal expectations may result in potential cost increases, litigation, fines, penalties, production and sales restrictions, brand or reputational damage, loss of customers, suppliers and commercial partners, failure to retain and attract talent, lower valuation and higher investor activism activities. In addition, Vestis may make statements about Vestis' ESG goals and initiatives through periodic financial and non-financial reports, information provided on Vestis' website, press statements and other communications. Managing these considerations and implementing these goals and initiatives involves risks and uncertainties, including increased costs, requires investments and often depends on third-party performance or data that is outside Vestis' control. Vestis cannot guarantee that it will achieve any ESG goals and initiatives it may announce, satisfy all stakeholder expectations, or that the benefits of implementing or achieving these goals and initiatives will not surpass their projected costs. Any failure, or perceived failure, to achieve ESG goals and initiatives, as well as to manage ESG risks, adhere to public statements, comply with federal, state or international ESG laws and regulations or meet evolving and varied stakeholder expectations and standards could result in legal and regulatory proceedings against Vestis and materially adversely affect Vestis' business, financial condition or results of operations.

***Vestis is subject to legal proceedings that may adversely affect its business, financial condition or results of operations.***

Vestis is subject to various litigation claims and legal proceedings arising from the ordinary course of its business, including personal injury, customer contract, environmental and employment claims. Certain of these lawsuits or potential future lawsuits, if decided adversely to Vestis or settled by Vestis, may result in liability and expense material to Vestis' consolidated financial condition and consolidated results of operations. See “Business—Legal Proceedings.”

## Risks Related to the Separation and Distribution

*Vestis has no history of operating as an independent company, and its historical and pro forma financial information is not necessarily representative of the results that it would have achieved as a separate, publicly traded company and may not be a reliable indicator of its future results.*

The historical information about Vestis in this information statement refers to AUS as operated by and integrated with Aramark. The historical and pro forma financial information of Vestis included in this information statement is derived from the Combined Financial Statements and accounting records of Aramark. Accordingly, the historical and pro forma financial information included in this information statement does not necessarily reflect the financial condition, results of operations or cash flows that Vestis would have achieved as a separate, publicly traded company during the periods presented or those that Vestis will achieve in the future primarily as a result of the factors described below:

- Generally, Vestis' working capital requirements and capital for its general corporate purposes, including capital expenditures and acquisitions, have historically been satisfied as part of the corporate-wide cash management policies of Aramark. Following the completion of the distribution, Vestis' results of operations and cash flows may be more volatile, and it may need to obtain additional financing from banks, through public offerings or private placements of debt or equity securities, strategic relationships or other arrangements, which may or may not be available and may be more costly.
- Prior to the distribution, Vestis' business has been operated by Aramark as part of its broader corporate organization, rather than as an independent company. Aramark or one of its affiliates performed various corporate functions for Vestis, such as legal, treasury, accounting, auditing, human resources, investor relations and finance. Vestis' historical and pro forma financial results reflect allocations of corporate expenses from Aramark for such functions, which are likely to be less than the expenses Vestis would have incurred had it operated as a separate publicly traded company.
- Currently, Vestis' business is integrated with the other businesses of Aramark. Historically, this business shared economies of scope and scale in costs, employees, vendor relationships and customer relationships. While Aramark has sought to minimize the impact on Vestis when separating these arrangements, there is no guarantee these arrangements will continue to capture these benefits in the future.
- As a current part of Aramark, Vestis' business currently takes advantage of Aramark's overall size and scope to procure more advantageous arrangements. After the distribution, as a standalone company, Vestis may be unable to obtain similar arrangements to the same extent as Aramark did, or on terms as favorable as those Aramark obtained, prior to completion of the distribution.
- After the completion of the distribution, the cost of capital for Vestis' business may be higher than Aramark's cost of capital prior to the distribution.
- Vestis' historical financial information does not reflect the debt that Vestis will incur as part of the distribution.
- As an independent public company, Vestis will separately become subject to the reporting requirements of the Securities Exchange Act of 1934, as amended (the "Exchange Act"), the Sarbanes-Oxley Act and the Dodd-Frank Wall Street Reform and Consumer Protection Act and will be required to prepare its standalone financial statements according to the rules and regulations required by the SEC. These reporting and other obligations will place significant demands on Vestis' management and administrative and operational resources. Moreover, to comply with these requirements, Vestis anticipates that it will need to migrate its systems, including information technology systems, implement additional financial and management controls, reporting systems and procedures, and hire additional accounting and finance staff. Vestis expects to incur additional annual expenses related to these steps, and those expenses may be significant. If Vestis is unable to upgrade its financial and management controls, reporting systems, information technology and procedures in a timely and effective fashion, its ability to comply with financial

reporting requirements and other rules that apply to reporting companies under the Exchange Act could be impaired.

Other significant changes may occur in Vestis' cost structure, management, financing and business operations as a result of operating as a company separate from Aramark. For additional information about the past financial performance of its business and the basis of presentation of the historical Combined Financial Statements and the Unaudited Pro Forma Condensed Combined Financial Statements of its business, see "Unaudited Pro Forma Condensed Combined Financial Information," "Information Statement Summary—Summary Historical and Unaudited Pro Forma Condensed Combined Financial Information," "Management's Discussion and Analysis of Financial Condition and Results of Operations" and the historical Combined Financial Statements and accompanying notes included elsewhere in this information statement.

***Following the separation, Vestis' financial profile will change, and it will be a smaller, less diversified company than Aramark prior to the separation.***

The separation will result in Vestis being a smaller, less diversified company than Aramark. As a result, Vestis may be more vulnerable to changing market conditions, which could have a material adverse effect on its business, financial condition or results of operations. In addition, the diversification of Vestis' revenues, costs and cash flows will diminish as a standalone company, such that its results of operations, cash flows, working capital and financing requirements may be subject to increased volatility and its ability to fund capital expenditures and investments, pay dividends and service debt may be diminished. Following the separation, Vestis may also lose capital allocation efficiency and flexibility, as Vestis will no longer have access to cash flow from Aramark to fund Vestis' business.

Vestis will incur debt obligations that could adversely affect its business and profitability and its ability to meet other obligations. Please refer to the section entitled "— Vestis will incur debt obligations that could adversely affect its business and profitability and its ability to meet other obligations" included elsewhere in this information statement for additional information regarding Vestis' leverage upon completion of the separation.

***Vestis may not achieve some or all of the expected benefits of the separation.***

Vestis may not be able to achieve the full strategic and financial benefits expected to result from the separation, or such benefits may be delayed or not occur at all. The separation is expected to provide the following benefits, among others: (1) permitting each of Aramark and Vestis to more effectively pursue the distinct operating priorities and strategies of their respective businesses; (2) permitting each of Aramark and Vestis to allocate financial resources to meet the unique needs of its own business, which will allow each company to intensify its focus on its distinct strategic priorities and to more effectively pursue its own distinct capital structures and capital allocation strategies; (3) allowing each of Aramark and Vestis to more effectively articulate a clear investment thesis to attract a long-term investor base suited to its business and facilitate each company's access to capital by providing investors with two distinct and targeted investment opportunities; (4) creating an independent equity security for Vestis, affording Vestis direct access to the capital markets and enabling it to use its own industry-focused stock to consummate future acquisitions or other transactions; and (5) permitting each of Aramark and Vestis to more effectively recruit, retain and motivate employees through the use of stock-based compensation that more closely reflects and aligns management and employee incentives with specific growth objectives, financial goals and business performance and allow incentive structures and targets at each company to be better aligned with each underlying business.

Vestis may not achieve these and other anticipated benefits for a variety of reasons, including, among others: (1) the separation will demand significant management resources and require significant amounts of management's time and effort, which may divert management's attention from operating and growing Vestis' business; (2) following the separation, Vestis may be more susceptible to market fluctuations and other adverse events than if it were still a part of Aramark because Vestis' business will be less diversified than Aramark's businesses prior to the completion of the separation; (3) after the separation, as a standalone company, Vestis may be unable to obtain certain goods, services and technologies at prices or on terms as favorable as those Aramark obtained prior to completion of the separation; (4) the separation may require Vestis to pay costs that could be substantial and material to its financial resources, including accounting, tax, legal and other professional services costs, recruiting and relocation costs

associated with hiring key senior management and personnel new to Vestis, tax costs and costs to separate information systems; (5) under the terms of the tax matters agreement that Vestis will enter into with Aramark, it will be restricted from taking certain actions that could cause the distribution or certain related transactions to fail to qualify as tax-free to Aramark and Aramark stockholders, or could result in certain other taxes to Aramark, and these restrictions may limit Vestis for a period of time from pursuing certain strategic transactions and equity issuances or engaging in other transactions that might increase the value of its business; and (6) the contractual arrangements between Vestis and Aramark may be on less favorable terms than the existing intercompany arrangements from which AUS benefits, and such arrangements may be inadequate to provide for the ongoing operation and growth of Vestis' business. If Vestis fails to achieve some or all of the benefits expected to result from the separation, or if such benefits are delayed, it could have a material adverse effect on its competitive position, cash flows and its business, financial condition or results of operations.

***If Vestis is unable to replace the services that Aramark currently provides to AUS on terms that are at least as favorable to Vestis as the terms on which Aramark is providing such services, Vestis' business, financial condition or results of operations could be adversely affected.***

Vestis will engage in the process of creating its own, or engaging third parties separate from Aramark to provide, systems and services to replace many of the systems and services that Aramark currently provides to AUS, including, for example, information technology infrastructure and systems and accounting and reporting systems. Vestis may incur temporary interruptions in business operations if it cannot transition effectively from Aramark's existing operating systems, databases and programming languages that support these functions to its own systems. The failure to implement the new systems and transition data successfully and cost-effectively could disrupt Vestis' business operations and have a material adverse effect on its profitability. In addition, Vestis' costs for the operation of these systems may be higher than the amounts reflected in its historical Combined Financial Statements.

***Vestis' accounting and other management systems and resources may not be adequately prepared to meet the financial reporting and other requirements to which it will be subject as a standalone publicly traded company following the distribution.***

Vestis' financial results previously were included within the consolidated results of Aramark. Vestis was not directly subject to the reporting and other requirements of the Exchange Act. As a result of the distribution, Vestis will be directly subject to reporting and other obligations under the Exchange Act, including the requirements of Section 404 of Sarbanes-Oxley Act, which will require annual management assessments of the effectiveness of its internal control over financial reporting and a report by its independent registered public accounting firm addressing these assessments. These reporting and other obligations will place significant demands on Vestis' management and administrative and operational resources, including accounting resources.

Moreover, to comply with these requirements, Vestis anticipates that it will need to migrate its systems, including information technology systems, implement additional financial and management controls, reporting systems and procedures and hire additional accounting and finance staff. Vestis expects to incur additional annual expenses related to these steps, and those expenses may be significant. If Vestis is unable to upgrade its financial and management controls, reporting systems, information technology and procedures in a timely and effective fashion, its ability to comply with its financial reporting requirements and other rules that apply to reporting companies under the Exchange Act could be impaired. Any failure to achieve and maintain effective internal controls could have a material adverse effect on its cash flows and its business, financial condition or results of operations.

***Following the separation, Vestis will reposition its brand to remove the Aramark name, which could adversely affect its ability to attract and maintain customers.***

AUS has historically marketed its products and services using the "Aramark" name and logo, which is a globally recognized brand with a strong reputation for high-quality products and services. Following the separation, subject to limited exceptions, Vestis will reposition its brand and update, as applicable, its products and services using the "Vestis" name or other names and marks and remove the "Aramark" name and logo on its products and to discontinue its use in connection with its service offerings. The "Vestis" name and any other new names and brands

may not benefit from the same recognition and association with product quality as the Aramark name, which could adversely affect Vestis' ability to attract and maintain its customers, who may prefer to use products with a stronger brand identity.

***Vestis will incur debt obligations that could adversely affect its business and profitability and its ability to meet other obligations.***

Vestis is expected to complete one or more financing transactions on or prior to the completion of the distribution. Approximately \$1,472 million of the proceeds of such financings are expected to be used to distribute cash to Aramark. As a result of such transactions, Vestis anticipates having approximately \$1,500 million of indebtedness upon completion of the distribution. On the distribution date, Vestis expects to enter into senior secured financing with a syndicate of banks, financial institutions and/or other institutional lenders, with JPMorgan Chase Bank, N.A. acting as the administrative agent and the collateral agent, in an expected aggregate amount of \$1,800 million, consisting of the Term Loan Facilities and the Revolving Credit Facility. The Term Loan Facilities are expected to mature no more than five years from the date thereof. Interest on the loans under the Credit Facilities is expected to be calculated by reference to SOFR or an alternative base rate, plus an applicable margin, which in the case of any SOFR loan will include a customary spread adjustment. Vestis may also incur additional indebtedness in the future.

This significant amount of debt could potentially have important consequences to Vestis and its debt and equity investors, including:

- requiring a substantial portion of its cash flow from operations to make interest payments, thereby reducing Vestis' ability to use its cash flow to fund operations, capital expenditures and future business opportunities;
- making it more difficult to satisfy debt service and other obligations;
- increasing the risk of a future credit ratings downgrade of its debt, which could increase future debt costs and limit the future availability of debt financing;
- increasing its vulnerability to general adverse economic and industry conditions;
- reducing the cash flow available to fund capital expenditures and other corporate purposes and to grow its business;
- limiting Vestis' flexibility in planning for, or reacting to, changes in its business and the industry;
- limiting Vestis' ability to adjust to changing market conditions and placing Vestis at a competitive disadvantage relative to its competitors that may not be as highly leveraged with debt; and
- limiting Vestis' ability to borrow additional funds as needed or take advantage of business opportunities as they arise.

To the extent that Vestis incurs additional indebtedness, the foregoing risks could increase. In addition, Vestis' actual cash requirements in the future may be greater than expected. Its cash flow from operations may not be sufficient to repay all of the outstanding debt as it becomes due, and Vestis may not be able to borrow money, sell assets or otherwise raise funds on acceptable terms, or at all, to refinance its debt.

***Vestis may be affected by restrictions under the tax matters agreement, including restrictions on its ability to engage in certain corporate transactions for a two-year period after the distribution, in order to avoid triggering significant tax-related liabilities.***

Under current U.S. federal income tax law, a spin-off that otherwise qualifies for tax-free treatment can be rendered taxable to the parent corporation and its stockholders as a result of certain post-spin-off transactions, including certain acquisitions of shares or assets of the spun-off corporation. Under the tax matters agreement that Vestis will enter into with Aramark, Vestis will be restricted from taking certain actions that could prevent the



distribution and certain related transactions from being tax-free for U.S. federal income tax purposes. In particular, under the tax matters agreement, for the two-year period following the distribution, as described in the section entitled “Certain Relationships and Related Party Transactions—Agreements with Aramark—Tax Matters Agreement,” Vestis will be subject to specific restrictions on its ability to pursue or enter into acquisition, merger, sale and redemption transactions with respect to Vestis stock. These restrictions may limit Vestis’ ability to pursue certain strategic transactions or other transactions that it may believe to be in the best interests of its stockholders or that might increase the value of its business. In addition, under the tax matters agreement, Vestis may be required to indemnify Aramark and its affiliates against any tax-related liabilities incurred by them as a result of the acquisition of Vestis’ stock or assets, even if Vestis does not participate in or otherwise facilitate the acquisition. Furthermore, Vestis will be subject to specific restrictions on discontinuing the active conduct of its trade or business, the issuance or sale of stock or other securities (including securities convertible into Vestis stock but excluding certain compensatory arrangements), and sales of assets outside the ordinary course of business. Such restrictions may reduce Vestis’ strategic and operating flexibility. For more information, see the section entitled “Certain Relationships and Related Party Transactions—Agreements with Aramark—Tax Matters Agreement.”

***Vestis may be held liable to Aramark if it fails to perform under its agreements with Aramark, and the performance of such services may negatively affect Vestis’ business, financial condition or results of operations.***

In connection with the separation, Vestis and Aramark will enter into various agreements, including a separation and distribution agreement, a transition services agreement, a tax matters agreement, an employee matters agreement and other transaction agreements. See “Certain Relationships and Related Party Transactions.” These agreements will provide for the performance of certain services by each company for the benefit of the other for a period of time after the separation. If Vestis does not satisfactorily perform its obligations under these agreements, it may be held liable for any resulting losses suffered by Aramark, subject to certain limits. In addition, during the transition services periods under the transition services agreement, Vestis’ management and employees may be required to divert their attention away from its business in order to provide services to Aramark, which could adversely affect Vestis’ business.

***Vestis’ agreements with Aramark may be on terms that are less beneficial to Vestis than the terms may have otherwise been from unaffiliated third parties.***

The agreements that Vestis will enter into with Aramark in connection with the separation include the separation and distribution agreement, a transition services agreement, a tax matters agreement, an employee matters agreement and other transaction agreements. See “Certain Relationships and Related Party Transactions.” These agreements were prepared in the context of the separation while Vestis was still a wholly owned subsidiary of Aramark. Accordingly, during the period in which the terms of those agreements were prepared, Vestis did not have an independent Board of Directors or a management team that was independent of Aramark. As a result, the terms of those agreements may not reflect terms that would have resulted from arm’s-length negotiations between unaffiliated third parties.

***If there is a determination that the distribution or certain related transactions are taxable for U.S. federal income tax purposes, Aramark and its stockholders could incur significant tax liabilities, and Vestis could incur significant liabilities pursuant to its indemnification obligations under the tax matters agreement.***

It is a condition to the distribution that Aramark receive a private letter ruling from the IRS and opinions of its outside tax advisors, in each case, satisfactory to the Aramark Board of Directors, regarding certain U.S. federal income tax matters relating to the separation and distribution and which shall not have been withdrawn or rescinded. The receipt and continued effectiveness of the IRS private letter ruling and the opinions of outside tax advisors are separate conditions to the distribution, either or both of which may be waived by the Aramark Board of Directors in its sole and absolute discretion. The opinions of its outside tax advisors will be based upon and rely on, among other things, various facts and assumptions, as well as certain representations, statements and undertakings of Aramark and Vestis, including facts, assumptions, representations, statements and undertakings relating to the past and future conduct of the companies’ respective businesses and other matters. If any of these facts, assumptions, representations and statements are or become inaccurate or incomplete, or if any such undertaking is not complied

with, Aramark may not be able to rely on the opinions of its outside tax advisors, and the conclusions reached therein could be jeopardized.

Notwithstanding Aramark's receipt of the opinions of its outside tax advisors, the IRS could determine on audit that the distribution or certain related transactions are taxable for U.S. federal income tax purposes if it determines that any of the facts, assumptions, representations, statements and undertakings upon which the opinions were based are incorrect or have been violated, or if it disagrees with any of the conclusions in the opinions. Accordingly, notwithstanding Aramark's receipt of the opinions of its outside tax advisors, there can be no assurance that the IRS will not assert that the distribution or certain related transactions do not qualify for tax-free treatment for U.S. federal income tax purposes, or that a court would not sustain such a challenge. In the event the IRS were to prevail in such a challenge, Aramark and Aramark's stockholders could incur significant tax liabilities. For a discussion of the U.S. federal income tax consequences of the distribution, see "Material U.S. Federal Income Tax Consequences."

Under the tax matters agreement that Vestis will enter into with Aramark, Vestis generally will be required to indemnify Aramark for any taxes incurred by Aramark that arise as a result of (i) any representations made by Vestis being inaccurate, (ii) an acquisition of Vestis' stock or assets or (iii) any other action undertaken or failure to act by Vestis. Any such indemnification could materially adversely affect Vestis' business, financial condition or results of operations. For a more detailed discussion, see "Certain Relationships and Related Party Transactions—Agreements with Aramark—Tax Matters Agreement."

***The transfer to Vestis of certain contracts, permits and other assets and rights may require the consents, approvals of, or provide other rights to, third parties and governmental authorities. If such consents or approvals are not obtained, Vestis may not be entitled to the full benefit of such contracts, permits and other assets and rights, which could increase its expenses or otherwise harm its business, financial condition or results of operations.***

The separation and distribution agreement will provide that certain contracts, permits and other assets and rights are to be transferred from Aramark or its subsidiaries to Vestis or its subsidiaries in connection with the separation. The transfer of certain of these contracts, permits and other assets and rights may require consents or approvals of third parties or governmental authorities or provide other rights to third parties.

Some parties may use consent requirements or other rights to seek to terminate contracts or obtain more favorable contractual terms from Vestis, which, for example, could take the form of price increases. This could require Vestis to expend additional resources in order to obtain the services or assets previously provided under the contract, or require Vestis to seek arrangements with new third parties or obtain letters of credit or other forms of credit support. If Vestis is unable to obtain required consents or approvals, it may be unable to obtain the benefits, permits, assets and contractual commitments that are intended to be allocated to Vestis as part of its separation from Aramark, and Vestis may be required to seek alternative arrangements to obtain services and assets that may be more costly and/or of lower quality. The termination or modification of these contracts or permits or the failure to timely complete the transfer or separation of these contracts or permits could negatively affect Vestis' cash flows and its business, financial condition or results of operations.

***Until the distribution occurs, the Aramark Board of Directors has sole and absolute discretion to change the terms of the separation in ways which may be unfavorable to Vestis, including to determine not to effect the distribution at all.***

On May 10, 2022, Aramark announced its plan to separate AUS into an independent, publicly traded company, Vestis. The distribution is subject to the satisfaction of certain conditions (or waiver by Aramark in its sole and absolute discretion), including that there shall be no other events or developments existing or having occurred that, in the judgment of the Aramark Board of Directors, in its sole and absolute discretion, makes it inadvisable to effect the separation, the distribution and the other related transactions. See "The Separation and Distribution—Conditions to the Distribution." The separation is complex in nature, and unanticipated developments or changes, including changes in the law, the macroeconomic environment, competitive conditions of Aramark's markets, regulatory approvals or clearances, the uncertainty of the financial markets and challenges in executing the separation and

distribution, could delay or prevent the completion of the proposed separation or distribution, or cause the separation and distribution to occur on terms or conditions that are different or less favorable than expected. If the distribution is completed and the Aramark Board of Directors waived any condition to the distribution, such waiver could have a material adverse effect on (i) Aramark's and Vestis' respective businesses, financial conditions or results of operations, (ii) the trading price of Vestis' common stock or (iii) the ability of stockholders to sell their Vestis shares after the distribution, including, without limitation, as a result of (a) illiquid trading if the Aramark Board of Directors waived the condition relating to Vestis common stock having been accepted for listing and such common stock was not in fact accepted for listing or (b) litigation relating to any injunctions sought to prevent the consummation of the distribution if the Board of Directors determined to waive the related condition and proceed with the distribution. Additionally, the Aramark Board of Directors, in its sole and absolute discretion, may decide not to proceed with the distribution at any time prior to the distribution date, which could have a material adverse effect on (i) Aramark's and AUS's respective business, financial condition or results of operations or (ii) the trading price of Aramark's common stock.

***No vote of Aramark stockholders is required in connection with the distribution. As a result, if the distribution occurs and you do not want to receive Vestis common stock in the distribution, your sole recourse will be to divest yourself of your Aramark common stock prior to the distribution date.***

No vote of Aramark stockholders is required in connection with the distribution. Accordingly, if the distribution occurs and you do not want to receive Vestis common stock in the distribution, your only recourse will be to divest your Aramark common stock prior to the record date for the distribution or, following the record date, in the "regular-way" market for Aramark common stock before the distribution date.

***Satisfaction of indemnification obligations following the distribution could have a material adverse effect on Vestis' cash flows and its business, financial condition or results of operations.***

Pursuant to the separation and distribution agreement and certain other agreements Vestis expects to enter into with Aramark in connection with the separation and distribution, Aramark will agree to indemnify Vestis for certain liabilities, and Vestis will agree to indemnify Aramark for certain liabilities as discussed further in "Certain Relationships and Related Party Transactions." Indemnities that Vestis will be required to provide Aramark could negatively affect Vestis' business.

The indemnity from Aramark may not be sufficient to protect Vestis against the full amount of such liabilities if, for example, Aramark is not able to fully satisfy its indemnification obligations. Moreover, even if Vestis ultimately succeeds in recovering from Aramark any amounts for which it is held liable, Vestis may be temporarily required to bear these losses itself, requiring Vestis to divert cash that would otherwise have been used in furtherance of its operating business. In addition, third parties could also seek to hold Vestis responsible for any of the liabilities that Aramark has agreed to retain. Each of these risks could have a material adverse effect on Vestis' cash flows and its business, financial condition or results of operations.

***There can be no assurance that Vestis will have access to the capital markets on terms acceptable to Vestis.***

From time to time Vestis may need to access the long-term and short-term capital markets to obtain financing. Although Vestis believes that the sources of capital in place at the time of the separation will permit it to finance its operations for the foreseeable future on acceptable terms and conditions, Vestis' access to, and the availability of, financing on acceptable terms and conditions in the future will be impacted by many factors, including, but not limited to: (1) Vestis' financial performance; (2) Vestis' credit ratings or absence of a credit rating; (3) the liquidity of the overall capital markets; and (4) the state of the economy. There can be no assurance, particularly as a new company, that Vestis will have access to the capital markets on terms acceptable to it.

***As an independent, publicly traded company, Vestis may not enjoy the same benefits that it did as a part of Aramark.***

There is a risk that, by separating from Aramark, Vestis may become more susceptible to market fluctuations and other adverse events than it would have been if it was still a part of the current Aramark organizational structure. As part of Aramark, AUS has been able to enjoy certain benefits from Aramark's operating diversity, size,

purchasing power, cost of capital, and opportunities to pursue integrated strategies with Aramark's other businesses. As an independent, publicly traded company, Vestis will not have the same benefits. Additionally, as part of Aramark, AUS has been able to leverage Aramark's historical reputation, performance and brand identity to recruit and retain key personnel to run and operate Vestis' business. As an independent, publicly traded company, Vestis will need to develop new strategies, and it may be more difficult for Vestis to recruit or retain such key personnel.

#### **Risks Related to Vestis' Common Stock and Organizational Documents**

*There is no assurance that an active trading market for Vestis common stock will develop or be sustained after the distribution and, following the distribution, the price of Vestis common stock may fluctuate significantly.*

A public market for Vestis common stock does not currently exist. Vestis anticipates that on the third trading day prior to the distribution date, trading of shares of Vestis common stock will begin on a "when-issued" basis and will continue through the distribution date. However, Vestis cannot guarantee that an active trading market will develop or be sustained for Vestis common stock after the distribution, nor can Vestis predict the prices at which shares of Vestis common stock may trade after the distribution. Similarly, Vestis cannot predict the effect of the distribution on the trading prices of Vestis common stock or whether the combined market value of one share of Vestis common stock and two shares of Aramark common stock will be less than, equal to or greater than the market value of one share of Aramark common stock prior to the distribution.

The prices at which shares of Vestis common stock trade may fluctuate more significantly than might otherwise be typical, even with other market conditions, including general volatility, held constant. The market price of Vestis common stock may fluctuate significantly due to a number of factors, some of which may be beyond Vestis' control, including:

- actual or anticipated fluctuations in Vestis' operating results;
- changes in earnings estimated by securities analysts or Vestis' ability to meet those estimates;
- the operating and stock price performance of comparable companies;
- changes to the regulatory and legal environment under which Vestis operates;
- actual or anticipated fluctuations in commodities prices;
- analyst research reports, recommendation and changes in recommendations, price targets and withdrawals of coverage;
- whether Vestis common stock is included in stock market indices; and
- domestic and worldwide economic conditions.

*A significant number of shares of Vestis common stock may be sold following the distribution, which may cause the Vestis stock price to decline.*

Any sales of substantial amounts of Vestis common stock in the public market or the perception that such sales might occur, in connection with the distribution or otherwise, may cause the market price of Vestis common stock to decline. Upon completion of the distribution, Vestis expects that it will have an aggregate of approximately 131 million shares of common stock issued and outstanding. Shares distributed to Aramark stockholders in the separation will generally be freely tradeable without restriction or further registration under the U.S. Securities Act of 1933, as amended (the "Securities Act"), except for shares owned by Vestis' "affiliates," as that term is defined in Rule 405 under the Securities Act.

Vestis cannot predict whether large amounts of Vestis common stock will be sold in the open market following the distribution. Vestis is also unable to predict whether a sufficient number of buyers of Vestis common stock to meet the demand to sell shares of Vestis common stock at attractive prices would exist at that time.

*Your percentage of ownership in Vestis may be diluted in the future.*

In the future, your percentage ownership in Vestis may be diluted because of equity issuances for acquisitions, capital market transactions or otherwise, including any equity awards that Vestis will grant to its directors, officers and employees. Vestis employees will have stock-based awards that correspond to shares of Vestis common stock after the distribution as a result of conversion of their Aramark stock-based awards. Such awards will have a dilutive effect on Vestis' earnings per share, which could adversely affect the market price of Vestis common stock. From time to time, Vestis will issue additional stock-based awards to its employees under its employee benefits plans.

***Vestis cannot guarantee the timing, declaration, amount or payment of dividends on its common stock.***

Following the separation and distribution, Vestis expects to pay cash dividends. However, the timing, declaration, amount and payment of any dividends following the separation and distribution will be within the discretion of Vestis' Board of Directors, and will depend upon many factors, including Vestis' financial condition, earnings, capital requirements of its operating subsidiaries, covenants associated with certain of Vestis' debt service obligations, legal requirements, regulatory constraints, industry practice, ability to access capital markets and other factors deemed relevant by Vestis' Board of Directors. The aggregate amount of dividends paid by Vestis and Aramark may differ from historical dividends paid by Aramark due to, among other matters, changes in the level of cash generated by Vestis' operations and changes in Vestis' capital needs. Moreover, if Vestis determines to pay any dividend in the future, there can be no assurance that it will continue to pay such dividends or the amount of such dividends. For more information, see the section entitled "Dividend Policy."

***Anti-takeover provisions could enable Vestis' Board of Directors to resist a takeover attempt by a third party and limit the power of its stockholders.***

Vestis' amended and restated certificate of incorporation and amended and restated bylaws will contain, and Delaware law contains, provisions that are intended to deter coercive takeover practices and inadequate takeover bids by making such practices or bids unacceptably expensive to the bidder and to encourage prospective acquirers to negotiate with Vestis' Board of Directors rather than to attempt a hostile takeover. These provisions are expected to include, among others:

- until the third annual stockholder meeting following the distribution, Vestis' Board of Directors will be divided into three classes, with each class consisting, as nearly as may be possible, of one-third of the total number of directors, which could have the effect of making the replacement of incumbent directors more time consuming and difficult;
- as long as the Board of Directors is classified, Vestis directors can be removed by stockholders only for cause;
- vacancies occurring on the Board of Directors can only be filled by a majority of the remaining members of Vestis' Board of Directors or by a sole remaining director;
- for two years following the distribution, stockholders do not have the right to call a special meeting;
- stockholders do not have the ability to act by written consent;
- Vestis' Board of Directors has the power to designate and issue, without any further vote or action by the Vestis stockholders, shares of preferred stock from time to time in one or more series; and
- stockholders have to follow certain procedures and notice requirements in order to present certain proposals or nominate directors for election at stockholder meetings.

In addition, Vestis will be subject to Section 203 of the Delaware General Corporation Law, which could have the effect of delaying or preventing a change of control that you may favor. Section 203 provides that, subject to limited exceptions, persons that acquire, or are affiliated with persons that acquire, more than 15% of the outstanding voting stock of a Delaware corporation may not engage in a business combination with that corporation, including by merger, consolidation or acquisitions of additional shares, for a three-year period following the date on which that person or any of its affiliates becomes the holder of more than 15% of the corporation's outstanding voting stock.

Vestis believes these provisions will protect Vestis stockholders from coercive or otherwise unfair takeover tactics by requiring potential acquirers to negotiate with Vestis' Board of Directors and by providing the Board with more time to assess any acquisition proposal. These provisions are not intended to make Vestis immune from takeovers; however, these provisions will apply even if the offer may be considered beneficial by some stockholders and could delay or prevent an acquisition that Vestis' Board of Directors determines is not in the best interests of Vestis and its stockholders. These provisions may also prevent or discourage attempts to remove and replace incumbent directors. See "Description of Vestis Capital Stock—Anti-Takeover Effects of Governance Provisions."

In addition, an acquisition or further issuance of Vestis common stock could trigger the application of Section 355(e) of the Code, causing the distribution to be taxable to Aramark. For a discussion of Section 355(e) of the Code, see "Material U.S. Federal Income Tax Consequences." Under the tax matters agreement, Vestis would be required to indemnify Aramark for the resulting tax, and this indemnity obligation might discourage, delay or prevent a change of control that Vestis stockholders may consider favorable.

***Vestis' amended and restated certificate of incorporation will designate the state courts within the State of Delaware as the sole and exclusive forum for certain types of actions and proceedings that may be initiated by Vestis stockholders, which could discourage lawsuits against Vestis and its directors and officers.***

Vestis' amended and restated certificate of incorporation will provide that, unless Vestis (through approval of Vestis' Board of Directors) consents in writing to the selection of an alternative forum, the Court of Chancery of the State of Delaware shall be the sole and exclusive forum for (1) any derivative action brought on behalf of Vestis, (2) any action asserting a claim of breach of a fiduciary duty owed by any director or officer or other employee of Vestis to Vestis or Vestis' stockholders, (3) any action asserting a claim against Vestis or any director or officer or other employee of Vestis arising pursuant to, or seeking to enforce any right, obligation or remedy under, any provision of the Delaware General Corporation Law (the "DGCL") or Vestis' amended and restated certificate of incorporation or amended and restated bylaws (as either may be amended from time to time), (4) any action asserting a claim against Vestis or any director or officer or other employee of Vestis governed by the internal affairs doctrine, which is a conflict of laws principle which recognizes that only one state should have the authority to regulate a corporation's internal affairs or (5) any action as to which the DGCL (as it may be amended from time to time) confers jurisdiction on the Court of Chancery of the State of Delaware. If and only if the Court of Chancery of the State of Delaware dismisses any such action for lack of subject matter jurisdiction, such action may be brought in another state court sitting in the State of Delaware (or, if no state court located within the State of Delaware has jurisdiction, the federal district court for the District of Delaware). This exclusive forum provision will apply to all covered actions, including any covered action in which the plaintiff chooses to assert a claim or claims under federal law in addition to a claim or claims under Delaware law. However, the exclusive forum provision will not apply to actions asserting only federal law claims under the Securities Act or the Exchange Act, regardless of whether the state courts in the State of Delaware have jurisdiction over those claims. Although Vestis believes the exclusive forum provision benefits it by providing increased consistency in the application of law in the types of lawsuits to which it applies, the provision may limit the ability of Vestis stockholders to bring a claim in a judicial forum that such stockholders find favorable for disputes with Vestis or its directors or officers, and it may be costlier for Vestis stockholders to bring a claim in the Court of Chancery of the State of Delaware than other judicial forums, each of which may discourage such lawsuits against Vestis and its directors and officers.

Although Vestis' amended and restated certificate of incorporation will include this exclusive forum provision, it is possible that a court could rule that this provision is inapplicable or unenforceable. Alternatively, if a court were to find this exclusive forum provision inapplicable to, or unenforceable in respect of, one or more of the specified types of actions or proceedings described above, Vestis may incur additional costs associated with resolving such matters in other jurisdictions, which could negatively affect its business, financial condition or results of operations.

***The combined post-separation value of two shares of Aramark common stock and one share of Vestis common stock may not equal or exceed the pre-distribution value of one share of Aramark common stock.***

As a result of the separation, the trading price of shares of Aramark common stock immediately following the separation may be different from the "regular-way" trading price of such shares immediately prior to the separation because the trading price of Aramark common stock will no longer reflect the value of AUS. There can be no

assurance that the aggregate market value of two shares of Aramark common stock and one share of Vestis common stock following the separation will be higher than, lower than or the same as the market value of a share of Aramark common stock if the separation did not occur.

## CAUTIONARY NOTE REGARDING FORWARD-LOOKING STATEMENTS

This information statement and other materials Aramark and Vestis have filed or will file with the SEC (and oral communications that Aramark or Vestis may make) contain or incorporate by reference “forward-looking statements” within the meaning of the securities laws. All statements that reflect Aramark’s or Vestis’ expectations, assumptions or projections about the future, other than statements of historical fact, are forward-looking statements, including, without limitation, forecasts relating to discussions of future operations and financial performance (including volume growth, pricing, sales and earnings per share growth and cash flows) and statements regarding Aramark’s or Vestis’ strategy for growth, future product development, regulatory approvals, competitive position and expenditures. These statements include, but are not limited to, statements related to Aramark’s or Vestis’ expectations regarding the impact of the ongoing COVID-19 pandemic, the performance of Aramark’s or Vestis’ business, Aramark’s or Vestis’ financial results, Aramark’s or Vestis’ operations, Aramark’s or Vestis’ liquidity and capital resources, the conditions in Aramark’s or Vestis’ industry and Aramark’s or Vestis’ growth strategy. In some cases, forward-looking statements can be identified by words such as “outlook,” “aim,” “anticipate,” “are or remain or continue to be confident,” “have confidence,” “estimate,” “expect,” “will be,” “will continue,” “will likely result,” “project,” “intend,” “plan,” “believe,” “see,” “look to” and other words and terms of similar meaning or the negative versions of such words. These forward-looking statements are subject to risks and uncertainties that may change at any time, and actual results or outcomes may differ materially from those that Aramark or Vestis expected. Forward-looking statements are not guarantees of future performance and are subject to risks, uncertainties, and changes in circumstances that are difficult to predict. Although each of Aramark and Vestis believes that the expectations reflected in any forward-looking statements it makes are based on reasonable assumptions, it can give no assurance that these expectations will be attained and it is possible that actual results may differ materially from those indicated by these forward-looking statements due to a variety of risks and uncertainties.

Such risks and uncertainties include, but are not limited to:

- unfavorable economic conditions;
- increases in fuel and energy costs;
- the failure to retain current customers, renew existing customer contracts and obtain new customer contracts;
- natural disasters, global calamities, climate change, new pandemics, sports strikes and other adverse incidents;
- competition in Vestis’ industry;
- increased operating costs and obstacles to cost recovery due to the pricing and cancellation terms of Vestis’ support services contracts;
- a determination by Vestis’ customers to reduce their outsourcing or use of preferred vendors;
- risks associated with suppliers from whom Vestis’ products are sourced;
- challenge of contracts by Vestis’ customers;
- Vestis’ expansion strategy and its ability to successfully integrate the businesses it acquires and costs and timing related thereto;
- currency risks and other risks associated with international operations, including compliance with a broad range of laws and regulations, including the United States Foreign Corrupt Practices Act;
- the COVID-19 pandemic’s impact on the United States and global economies, including particularly the customer sectors Vestis serves and governmental responses to the pandemic;
- Vestis’ inability to hire and retain key or sufficient qualified personnel or increases in labor costs;



- continued or further unionization of Vestis' workforce;
- liability resulting from Vestis' participation in multiemployer-defined benefit pension plans;
- liability associated with noncompliance with applicable law or other governmental regulations;
- laws and governmental regulations including those relating to the environment, wage and hour and government contracting;
- increases or changes in income tax rates or tax-related laws;
- new interpretations of or changes in the enforcement of the government regulatory framework;
- a cybersecurity incident or other disruptions in the availability of Vestis' computer systems or privacy breaches;
- the expected benefits and timing of the separation, and the risk that conditions to the separation will not be satisfied and/or that the separation will not be completed within the expected time frame, on the expected terms or at all;
- the risk of increased costs from lost synergies, costs of restructuring transactions and other costs incurred in connection with the separation;
- retention of existing management team members as a result of the separation;
- reaction of customers, employees and other parties to the separation, and the impact of the separation on each of Vestis' and Aramark's businesses;
- Vestis' leverage;
- risks associated with expected financing transactions undertaken in connection with the separation and risks associated with indebtedness incurred in connection with the separation;
- any failure by Aramark to perform of its obligations under the various separation agreements to be entered into in connection with the separation and distribution;
- a determination by the IRS that the distribution or certain related transactions are taxable;
- the possibility that any consents or approvals required in connection with the separation will not be received or obtained within the expected time frame, on the expected terms or at all; and
- the impact of the separation on its businesses and the risk that the separation may be more difficult, time consuming or costly than expected, including the impact on its resources, systems, procedures and controls, diversion of management's attention and the impact on relationships with customers, suppliers, employees and other business counterparties.

There can be no assurance that the separation, distribution or any other transaction described above will in fact be consummated in the manner described or at all. The above list of factors is not exhaustive or necessarily in order of importance. For additional information on identifying factors that may cause actual results to vary materially from those stated in forward-looking statements, see the discussions under "Risk Factors" in this information statement. Any forward-looking statement speaks only as of the date on which it is made, and each of Aramark and Vestis assumes no obligation to update or revise such statement, whether as a result of new information, future events or otherwise, except as required by applicable law.

## THE SEPARATION AND DISTRIBUTION

### Background

On May 10, 2022, Aramark announced that it intended to separate AUS into an independent public company. Aramark intends to effect the separation through a pro rata distribution to the Aramark stockholders of all of the common stock of a new entity formed to hold the assets and liabilities associated with AUS (other than a number of shares of Vestis common stock (less than 1% of Vestis' issued and outstanding shares of common stock upon the distribution) which may be contributed to a donor advised fund in order to fund charitable contributions).

In connection with the distribution, it is expected that:

- Aramark will complete the internal reorganization as a result of which Vestis will become the parent company of AUS;
- Vestis is expected to enter into senior secured financing with a syndicate of banks, financial institutions and/or other institutional lenders, with JPMorgan Chase Bank, N.A. acting as the administrative agent and the collateral agent, in an expected aggregate amount of \$1,800 million, consisting of the Term Loan Facilities and the Revolving Credit Facility. The Term Loan Facilities are expected to mature no more than five years from the date thereof. Interest on the loans under the Credit Facilities is expected to be calculated by reference to SOFR or an alternative base rate, plus an applicable margin, which in the case of any SOFR loan will include a customary spread adjustment; and
- using a portion of the proceeds from one or more financing transactions on or prior to the completion of the distribution, Vestis will transfer approximately \$1,472 million of cash to Aramark.

On September 5, 2023, the Aramark Board of Directors approved the distribution of all of Vestis' issued and outstanding shares of common stock (other than a number of shares of Vestis common stock (less than 1% of Vestis' issued and outstanding shares of common stock upon the distribution) which may be contributed to a donor advised fund prior to the distribution in order to fund charitable contributions) on the basis of one share of Vestis common stock for every two shares of Aramark common stock held as of the close of business on September 20, 2023, the record date for the distribution.

Subject to the satisfaction or waiver of the conditions to the distribution (see “—Conditions to the Distribution” below), at 12:01 a.m., Eastern time, on September 30, 2023, the distribution date, each Aramark stockholder holding outstanding Aramark common stock as of September 20, 2023 will receive one share of Vestis common stock for every two shares of Aramark common stock held at the close of business on the record date for the distribution, as described below. Aramark stockholders will receive cash in lieu of any fractional shares of Vestis common stock that they would have received after application of this ratio. Upon completion of the separation, each Aramark stockholder as of the record date will continue to own shares of Aramark common stock and will receive a proportionate share of the outstanding common stock of Vestis to be distributed. You will not be required to make any payment, surrender or exchange your Aramark common stock or take any other action to receive your shares of Vestis common stock in the distribution. The distribution of Vestis common stock as described in this information statement is subject to the satisfaction or waiver of certain conditions. For a more detailed description of these conditions, see “—Conditions to the Distribution” below.

### Reasons for the Separation

The Aramark Board of Directors believes that the separation of AUS from Aramark into an independent, publicly traded company is in the best interests of Aramark and its stockholders for a number of reasons, including:

- *Enhanced Focus on Strategic, Operational Drivers to Accelerate Revenue Growth.* The separation will permit each of Aramark and Vestis to more effectively pursue its own distinct operating priorities and strategies, and will enable the management teams of each of the two companies to focus on strengthening its core business and addressing its unique operating and other needs, and pursue distinct and targeted opportunities for long-term revenue growth and profitability.

- *More Efficient Resource and Capital Allocation to Pursue Each Company's Strategic Goals.* The separation will permit each of Aramark and Vestis to allocate its financial resources to meet the unique needs of its own business, which will allow each company to intensify its focus on its distinct strategic priorities. The separation will also allow each business to more effectively pursue its own distinct capital structures and capital allocation strategies, and allow flexibility for optimizing each business's respective capital structure. In addition, after the separation, the respective businesses within each company will no longer compete internally with the businesses of the other company for capital and other corporate resources.
- *Targeted Investment Opportunity.* The separation will allow each of Aramark and Vestis to more effectively articulate a clear investment thesis to attract a long-term investor base suited to its business, and will facilitate each company's access to capital by providing investors with two distinct and targeted investment opportunities.
- *Creation of Independent Equity Currencies.* The separation will create independent equity securities for each of Aramark and Vestis, affording each direct access to the capital markets and enabling it to use its own industry-focused stock to consummate future acquisitions or other transactions. As a result, Aramark and Vestis will have more flexibility to capitalize on its unique strategic opportunities.
- *Employee Incentives, Recruitment and Retention.* The separation will allow each of Aramark and Vestis to more effectively recruit, retain and motivate employees through the use of stock-based compensation that more closely reflects and aligns management and employee incentives with specific growth objectives, financial goals and business performance. In addition, the separation will allow incentive structures and targets at each company to be better aligned with each underlying business. Similarly, recruitment and retention will be enhanced by more consistent talent requirements across the businesses, allowing both recruiters and applicants greater clarity and understanding of talent needs and opportunities associated with the core business activities, principles and risks of each company.
- *Other Business Rationales.* The separation will separate and simplify the structures currently required to manage a number of distinct and differing underlying businesses. These differences include exposure to industry cycles, manufacturing and procurement methods, customer base, research and development activities, and overhead structures.

The Aramark Board of Directors also considered a number of potentially negative factors in evaluating the separation, including:

- *Risk of Failure to Achieve Anticipated Benefits of the Separation.* The anticipated benefits of the separation may not be achieved for a variety of reasons, including, among others: the separation will demand significant management resources and require significant amounts of management's time and effort; and following the separation, Vestis' business may be more susceptible to market fluctuations and other adverse events than if it were still part of Aramark because Vestis' business will be less diversified than Aramark's businesses prior to the completion of the separation.
- *Loss of Scale and Increased Administrative Costs.* As a part of Aramark, AUS currently takes advantage of Aramark's size and purchasing power in procuring certain goods and services. After the separation, as a standalone company, Vestis may be unable to obtain these goods and services at prices or on terms as favorable as those currently obtained by Aramark for AUS. In addition, as part of Aramark, AUS benefits from certain functions performed by Aramark, such as accounting, tax, legal, human resources and other general and administrative functions. After the separation, Aramark will not perform these functions for Vestis, other than certain functions that will be provided for a limited time pursuant to the transition services agreement, and, because of Vestis' smaller scale as a standalone company, its cost of performing such functions could be higher than the amounts reflected in its historical Combined Financial Statements.

In determining to pursue the separation, the Aramark Board of Directors concluded the potential benefits of the separation outweighed the foregoing factors. See the section entitled "Risk Factors" included elsewhere in this information statement.

## **Formation of Vestis**

Vestis was formed in Delaware on February 22, 2023, for the purpose of holding AUS. As part of the plan to separate AUS from the remainder of Aramark's businesses, in connection with the internal reorganization, Aramark plans to transfer the equity interests of certain entities and the assets and liabilities of the AUS to Vestis prior to the distribution.

## **When and How You Will Receive the Distribution**

With the assistance of Computershare, and subject to the satisfaction or waiver of the conditions to the distribution, Aramark expects to distribute Vestis common stock at 12:01 a.m., Eastern time, on September 30, 2023, the distribution date, to all holders of outstanding Aramark common stock as of the close of business on September 20, 2023, the record date for the distribution. Computershare, which currently serves as the transfer agent and registrar for Aramark common stock, will serve as the settlement and distribution agent in connection with the distribution and the transfer agent and registrar for Vestis common stock.

If you own Aramark common stock as of the close of business on the record date for the distribution, Vestis common stock that you are entitled to receive in the distribution will be issued electronically, as of the distribution date, to you in direct registration form or to your bank or brokerage firm on your behalf. If you are a registered holder, Computershare will then mail you a direct registration account statement that reflects your shares of Vestis common stock. If you hold your Aramark shares through a bank or brokerage firm, your bank or brokerage firm will credit your account for the Vestis shares. "Direct registration form" refers to a method of recording share ownership when no physical share certificates are issued to stockholders, as is the case in this distribution. If you sell Aramark common stock in the "regular-way" market up to and including the distribution date, you will be selling your right to receive shares of Vestis common stock in the distribution.

Most Aramark stockholders hold their common stock through a bank or brokerage firm. In such cases, the bank or brokerage firm is said to hold the shares in "street name" and ownership would be recorded on the bank or brokerage firm's books. If you hold your Aramark common stock through a bank or brokerage firm, your bank or brokerage firm will credit your account for the Vestis common stock that you are entitled to receive in the distribution. If you have any questions concerning the mechanics of having shares held in "street name," please contact your bank or brokerage firm.

## **Transferability of Shares You Receive**

Shares of Vestis common stock distributed to holders in connection with the distribution will be transferable without registration under the Securities Act, except in certain cases for shares received by persons who may be deemed to be Vestis' affiliates. Persons who may be deemed to be Vestis' affiliates after the distribution generally include individuals or entities that control, are controlled by or are under common control with Vestis, which may include certain of its executive officers or directors. Securities held by Vestis' affiliates will be subject to resale restrictions under the Securities Act. Vestis' affiliates will be permitted to sell shares of Vestis common stock only pursuant to an effective registration statement or an exemption from the registration requirements of the Securities Act, such as the exemption afforded by Rule 144 under the Securities Act.

## **Number of Shares of Vestis Common Stock You Will Receive**

For every two shares of Aramark common stock that you own at the close of business on September 20, 2023, the record date for the distribution, you will receive one share of Vestis common stock on the distribution date. No fractional shares of Vestis common stock will be distributed. Instead, if you are a registered holder, Computershare will aggregate fractional shares into whole shares, sell the whole shares in the open market at prevailing market prices and distribute the aggregate cash proceeds (net of discounts and commissions) of the sales pro rata (based on the fractional share such holder would otherwise be entitled to receive) to each holder who otherwise would have been entitled to receive a fractional share in the distribution. The distribution agent, in its sole discretion, without any influence by Aramark or Vestis, will determine when, how and through which broker-dealer and at what price to sell the whole shares. Any broker-dealer used by the distribution agent will not be an affiliate of either Aramark or Vestis, and the distribution agent is not an affiliate of either Aramark or Vestis. Neither Vestis nor Aramark will be

able to guarantee any minimum sale price in connection with the sale of these shares. Recipients of cash in lieu of fractional shares will not be entitled to any interest on the amounts paid in lieu of fractional shares.

The net cash proceeds of these sales of fractional shares will be taxable for U.S. federal income tax purposes. See “Material U.S. Federal Income Tax Consequences” for an explanation of certain material U.S. federal income tax consequences of the distribution. Vestis estimates that it will take approximately two weeks from the distribution date for the distribution agent to complete the distribution of the net cash proceeds. If you hold your shares of Aramark common stock through a bank or brokerage firm, your bank or brokerage firm will receive, on your behalf, your pro rata share of the net cash proceeds of the sales and will electronically credit your account for your share of such proceeds.

### **Treatment of Equity-Based Compensation**

In connection with the separation and distribution, Aramark equity-based awards that are outstanding immediately prior to the separation and distribution will either remain awards in respect of Aramark common stock or convert into awards in respect of Vestis common stock, in each case adjusted to reflect the separation and distribution. Generally, equity awards held by an individual who will be an employee of Vestis following the separation and distribution (a “Vestis Employee”) will be converted into awards in respect of Vestis common stock, and awards held by employees who will remain employed by Aramark following the separation and distribution and former employees as of immediately prior to the separation and distribution will remain awards in respect of Aramark common stock. Specifically, awards held by Vestis Employees will be treated as follows:

*Restricted Stock Units (“RSUs”).* Each RSU award with respect to Aramark common stock held by a Vestis Employee will be converted into an RSU award with respect to Vestis common stock, with the number of shares of Vestis common stock subject to each such converted RSU award to be adjusted in a manner intended to preserve the aggregate intrinsic value of the Aramark RSU award as measured immediately before and immediately after the separation and distribution, subject to rounding. Such adjusted Vestis RSU award will otherwise be subject to the same terms and conditions as those that applied to the Aramark RSU award immediately prior to the separation and distribution.

*Performance Stock Units (“PSUs”).* Each PSU award with respect to Aramark common stock held by a Vestis Employee will be converted into a PSU award with respect to Vestis common stock, with the number of shares of Vestis common stock subject to each such converted PSU award to be adjusted in a manner intended to preserve the aggregate intrinsic value of the Aramark PSU award at maximum as measured immediately before and immediately after the separation and distribution, subject to rounding. Such adjusted Vestis PSU award will otherwise be subject to the same terms and conditions as those that applied to the Aramark PSU award immediately prior to the separation and distribution, other than with respect to the performance goals, which will (i) for the first two years of the 2022-2024 performance period, be measured by the Compensation Committee of the Aramark Board of Directors in the ordinary course and (ii) for all other performance years and periods applicable to the Vestis PSUs, be modified or established by the Compensation Committee of the Vestis Board of Directors.

*Stock Options.* Each stock option to acquire a share of Aramark common stock held by a Vestis Employee following the separation and distribution will be converted into an award of stock options with respect to Vestis common stock. The exercise price of, and number of shares subject to, each such converted stock option award will be adjusted in a manner intended to preserve the aggregate intrinsic value of the Aramark stock option award as measured immediately before and immediately after the separation and distribution, subject to rounding. Such adjusted stock option award will otherwise be subject to the same terms and conditions that applied to the original Aramark award immediately prior to the separation and distribution.

### **Internal Reorganization**

As part of the separation, and prior to the distribution, Aramark and its subsidiaries expect to complete an internal reorganization in order to transfer AUS to Vestis. The internal reorganization is expected to include various restructuring transactions pursuant to which (1) the operations, assets and liabilities of Aramark and its subsidiaries used to conduct AUS will be separated from the operations, assets and liabilities of Aramark and its subsidiaries used to conduct the Aramark Business and (2) such AUS operations, assets and liabilities will be contributed,

transferred or otherwise allocated to Vestis or one of its direct or indirect subsidiaries. These restructuring transactions may take the form of asset transfers, mergers, demergers, dividends, contributions and similar transactions, and may involve the formation of new subsidiaries in U.S. and non-U.S. jurisdictions to own and operate AUS or the Aramark Business in such jurisdictions.

As part of this internal reorganization, Aramark will contribute to Vestis certain liabilities and certain assets, including equity interests in entities that are expected to conduct the operations comprising AUS.

Following the completion of the internal reorganization and immediately prior to the distribution, Vestis will be the parent company of the entities that are expected to conduct the operations comprising AUS and Aramark will remain the parent company of the entities that are expected to conduct the Aramark Business.

### **Results of the Distribution**

After the distribution, Vestis will be an independent, publicly traded company. The actual number of shares to be distributed will be determined at the close of business on September 20, 2023, the record date for the distribution, and will reflect any exercise of Aramark options and Aramark shares issued under Aramark compensation awards between the date on which the Aramark Board of Directors declares the distribution and the record date for the distribution. The distribution will not affect the number of outstanding shares of Aramark common stock or any rights of Aramark stockholders. No fractional shares of Aramark common stock will be distributed.

Vestis will enter into a separation and distribution agreement and other related agreements with Aramark to effect the separation and to provide a framework for its relationship with Aramark after the separation, and will enter into certain other agreements, including a transition services agreement, a tax matters agreement, an employee matters agreement and other transaction agreements. See “Certain Relationships and Related Party Transactions.” These agreements will provide for the allocation between Vestis and Aramark of the assets, employees, liabilities and obligations (including, among others, investments, property and employee benefits and tax-related assets and liabilities) of Aramark and its subsidiaries attributable to periods prior to, at and after Vestis’ separation from Aramark and will govern the relationship between Vestis and Aramark subsequent to the completion of the separation. For additional information regarding the separation and distribution agreement and other transaction agreements, see the sections entitled “Risk Factors—Risks Related to the Separation and Distribution” and “Certain Relationships and Related Party Transactions.”

### **Market for Vestis Common Stock**

There is currently no public trading market for Vestis common stock. Vestis has applied to list its common stock on the NYSE under the symbol “VSTS.” Vestis has not and will not set the initial price of its common stock. The initial price will be established by the public markets.

Vestis cannot predict the price at which its common stock will trade after the distribution. In fact, the combined trading prices, after the distribution, of one share of Vestis common stock and two shares of Aramark common stock may not equal the “regular-way” trading price of two shares of Aramark common stock immediately prior to the distribution. The price at which Vestis common stock trades may fluctuate significantly, particularly until an orderly public market develops. Trading prices for Vestis common stock will be determined in the public markets and may be influenced by many factors. See “Risk Factors—Risks Related to Vestis Common Stock.”

### **Incurrence of Debt**

Vestis expects to complete one or more financing transactions on or prior to the completion of the distribution. Approximately \$1,472 million of the proceeds of such financings are expected to be used to transfer cash to Aramark. As a result of such transactions, Vestis anticipates having approximately \$1,500 million of indebtedness upon completion of the distribution. On the distribution date, Vestis expects to enter into senior secured financing with a syndicate of banks, financial institutions and/or other institutional lenders, with JPMorgan Chase Bank, N.A. acting as the administrative agent and the collateral agent, in an expected aggregate amount of \$1,800 million, consisting of the Term Loan Facilities and the Revolving Credit Facility. The Term Loan Facilities are expected to mature no more than five years from the date thereof. Interest on the loans under the Credit Facilities is expected to

be calculated by reference to SOFR or an alternative base rate, plus an applicable margin, which in the case of any SOFR loan will include a customary spread adjustment. For more information, see “Description of Material Indebtedness.”

#### **Trading Between the Record Date and Distribution Date**

Beginning on or shortly before the record date for the distribution and continuing up to and including through the distribution date, Aramark expects that there will be two markets in Aramark common stock: a “regular-way” market and an “ex-distribution” market. Aramark common stock that trades on the “regular-way” market will trade with an entitlement to Vestis common stock distributed in the distribution. Aramark common stock that trades on the “ex-distribution” market will trade without an entitlement to Vestis common stock distributed in the distribution. Therefore, if you sell shares of Aramark common stock in the “regular-way” market up to and including through the distribution date, you will be selling your right to receive shares of Vestis common stock in the distribution. If you own Aramark common stock at the close of business on the record date and sell those shares on the “ex-distribution” market up to and including through the distribution date, you will receive the shares of Vestis common stock that you are entitled to receive pursuant to your ownership of shares of Aramark common stock as of the record date.

Furthermore, beginning on the third trading day prior to the distribution date and continuing up to and including the distribution date, Vestis expects that there will be a “when-issued” market in its common stock. “When-issued” trading refers to a sale or purchase made conditionally because the security has been authorized but not yet issued. The “when-issued” trading market will be a market for Vestis common stock that will be distributed to holders of Aramark common stock on the distribution date. If you owned Aramark common stock at the close of business on the record date for the distribution, you would be entitled to Vestis common stock distributed pursuant to the distribution. You may trade this entitlement to shares of Vestis common stock, without trading the Aramark common stock you own, on the “when-issued” market. On the first trading day following the distribution date, “when-issued” trading with respect to Vestis common stock will end, and “regular-way” trading with respect to Vestis common stock will begin.

#### **Conditions to the Distribution**

The distribution will be effective at 12:01 a.m., Eastern time, on September 30, 2023, which is the distribution date, provided that the conditions set forth in the separation and distribution agreement have been satisfied (or waived by Aramark in its sole and absolute discretion), including, among others:

- the SEC shall have declared effective the registration statement of which this information statement forms a part; there shall be no order suspending the effectiveness of the registration statement in effect; and there shall be no proceedings for such purposes having been instituted or threatened by the SEC;
- this information statement shall have been made available to the holders of record of shares of Aramark common stock at the close of business on September 20, 2023, the record date for the distribution;
- Aramark shall have received a private letter ruling from the IRS and opinions of its outside tax advisors, in each case, satisfactory to the Aramark Board of Directors, regarding certain U.S. federal income tax matters relating to the separation and distribution and which shall not have been withdrawn or rescinded;
- the transfer of assets and liabilities contemplated to be transferred from Aramark to Vestis on or prior to the distribution shall have occurred in accordance with the separation and distribution agreement, and the transfer of assets and liabilities contemplated to be transferred from Vestis to Aramark on or prior to the distribution shall have occurred in accordance with the separation and distribution agreement;
- the Aramark Board of Directors shall have received one or more opinions from an independent appraisal firm acceptable to Aramark regarding solvency and capital adequacy matters with respect to each of Aramark and Vestis after the completion of the distribution, in each case, in a form and substance acceptable to the Aramark Board of Directors in its sole and absolute discretion, and such opinion(s) shall not have been withdrawn or rescinded;

- all actions and filings necessary or appropriate under applicable U.S. federal, U.S. state or other securities or blue sky laws and the rules and regulations thereunder shall have been taken or made and, where applicable, shall have become effective or been accepted by the applicable governmental authority;
- certain agreements contemplated by the separation and distribution agreement shall have been executed;
- there shall be no order, injunction or decree issued by any governmental authority of competent jurisdiction or other legal restraint or prohibition preventing the consummation of the separation, the distribution or any of the related transactions pending or in effect;
- the shares of Vestis common stock to be distributed shall have been accepted for listing on the NYSE, subject to official notice of distribution;
- Vestis shall have completed the debt financing arrangements described under “Description of Material Indebtedness,” Aramark shall have received certain proceeds of such debt financing arrangements and Aramark shall be satisfied in its sole and absolute discretion that, as of the effective time of the distribution, Aramark will have no further liability under such debt financing arrangements; and
- there shall be no other events or developments existing or having occurred that, in the judgment of the Aramark Board of Directors, in its sole and absolute discretion, makes it inadvisable to effect the separation, the distribution and the other related transactions.

Aramark will have the sole and absolute discretion to determine (and change) the terms of, and whether to proceed with, the distribution and, to the extent it determines to so proceed, to determine the record date for the distribution, the distribution date and the distribution ratio. Aramark will also have sole and absolute discretion to waive any of the conditions to the distribution. Aramark does not intend to notify its stockholders of any modifications to the terms of the separation or distribution that, in the judgment of its Board of Directors, are not material. The Aramark Board of Directors might consider material such matters as significant changes to the distribution ratio and the assets to be contributed or the liabilities to be assumed in the separation. To the extent that the Aramark Board of Directors determines that any modifications by Aramark materially change the material terms of the distribution, Aramark will notify Aramark stockholders in a manner reasonably calculated to inform them about the modification as may be required by law, by, for example, publishing a press release, filing a current report on Form 8-K or circulating a supplement to this information statement.



## DIVIDEND POLICY

Following the separation and distribution, Vestis expects to pay cash dividends. The timing, declaration, amount and payment of any dividends following the separation and distribution will be within the discretion of Vestis' Board of Directors and will depend upon many factors, including its financial condition, earnings, capital requirements of its operating subsidiaries, covenants associated with certain of its debt service obligations, legal requirements, regulatory constraints, industry practice, ability to access capital markets and other factors deemed relevant by Vestis' Board of Directors.

The following table summarizes cash dividends declared by the Aramark Board of Directors to Aramark stockholders for the periods presented:

Quarter Ended	Aramark Cash Dividend Declared per Share of Common Stock
<b>2020</b>	
December 27, 2019	\$ 0.11
March 27, 2020	\$ 0.11
June 26, 2020	\$ 0.11
October 2, 2020	\$ 0.11
<b>2021</b>	
January 1, 2021	\$ 0.11
April 2, 2021	\$ 0.11
July 2, 2021	\$ 0.11
October 1, 2021	\$ 0.11
<b>2022</b>	
December 31, 2021	\$ 0.11
April 1, 2022	\$ 0.11
July 1, 2022	\$ 0.11
September 30, 2022	\$ 0.11
<b>2023</b>	
December 30, 2022	\$ 0.11
March 31, 2023	\$ 0.11
June 30, 2023	\$ 0.11

The aggregate amount of dividends paid by Vestis and Aramark may differ from historical dividends paid by Aramark due to, among other matters, changes in the level of cash generated by Vestis' operations and changes in Vestis' capital needs. Moreover, if Vestis determines to pay any dividend in the future, there can be no assurance that Vestis will continue to pay such dividends or the amount of such dividends. See "Risk Factors—Vestis cannot guarantee the timing, declaration, amount or payment of dividends on its common stock."

## CAPITALIZATION

The following table sets forth the Cash and cash equivalents and capitalization of Vestis as of June 30, 2023, on a historical basis and on a pro forma basis, which reflects the adjustments described in more detail in the notes to the unaudited pro forma financial information included elsewhere in this information statement. You should read this information in conjunction with those notes, as well as “Management’s Discussion and Analysis of Financial Condition and Results of Operations” and the audited annual Combined Financial Statements and unaudited interim Condensed Combined Financial Statements and the related notes included elsewhere in this information statement.

<i>Millions of Dollars</i>	<u>Actual</u>	<u>Pro Forma</u>
<b>Assets</b>		
Cash and cash equivalents	\$ 14.2	\$ 30.0
<b>Liabilities</b>		
Current maturities of financing lease obligations	\$ 23.5	\$ 23.5
Noncurrent financing lease obligations	\$ 99.6	\$ 99.6
Long-term borrowings	\$ —	\$ 1,487.5
<b>Equity</b>		
Net parent investment	\$ 2,406.6	\$ —
Common stock	\$ —	\$ 1.3
Additional paid-in capital	\$ —	\$ 937.1
Accumulated other comprehensive loss	\$ (24.7)	\$ (24.7)
<b>Total capitalization</b>	<u>\$ 2,505.0</u>	<u>\$ 2,524.3</u>

## UNAUDITED PRO FORMA CONDENSED COMBINED FINANCIAL INFORMATION

The following unaudited pro forma condensed combined financial information was prepared in accordance with Article 11 of Regulation S-X, and consists of the unaudited pro forma condensed combined balance sheet as of June 30, 2023 and the unaudited pro forma condensed combined statements of income for the nine months ended June 30, 2023 and the year ended September 30, 2022.

The unaudited pro forma condensed combined financial information reflects adjustments to the AUS historical unaudited condensed combined balance sheet as of June 30, 2023, historical unaudited condensed combined statement of income for the nine months ended June 30, 2023, and historical audited combined statement of income for the year ended September 30, 2022.

The unaudited pro forma condensed combined balance sheet gives effect to the separation and related transactions, described below, as if they had occurred on June 30, 2023. The unaudited pro forma condensed combined statements of income give effect to the separation and related transactions as if they had occurred on October 2, 2021.

The unaudited pro forma condensed combined financial information have been prepared to reflect adjustments to the AUS historical combined financial information for transaction accounting adjustments and autonomous entity adjustments. In addition, Vestis has provided a presentation of management adjustments that management believes are necessary to enhance an understanding of the pro forma effects of the transaction. The unaudited pro forma condensed combined financial information have been adjusted to give effect to the following:

- the anticipated post-separation capital structure, including: (1) the incurrence of debt of \$1,500 million of gross proceeds; and (2) the distribution of approximately \$1,472 million of such proceeds to Aramark in connection with the separation and distribution;
- the distribution of all of Vestis' issued and outstanding common stock (other than a number of shares of Vestis common stock (less than 1% of Vestis' issued and outstanding shares of common stock upon the distribution) which may be contributed to a donor advised fund in order to fund charitable contributions) by Aramark in connection with the separation;
- transaction costs specifically related to the separation;
- the impact of, and transactions contemplated by the separation and distribution agreement and the transition services agreement;
- other adjustments described in the notes to the unaudited pro forma condensed combined financial information; and
- management adjustments which consist of reasonably estimated transaction effects expected to occur.

The unaudited pro forma condensed combined financial information is for informational purposes only and does not purport to represent what Vestis' financial position and results of operations would have actually been had the separation occurred on the dates indicated and are not necessarily indicative of Vestis' future financial position and future results of operations. The pro forma adjustments are based on available information and assumptions Vestis believes are reasonable; however, such adjustments are subject to change.

The AUS audited historical Combined Financial Statements and unaudited condensed combined interim financial statements, which were the basis for the unaudited pro forma condensed combined financial information, were prepared on a carve-out basis as Vestis did not operate as an independent, publicly traded company for the periods presented. Accordingly, such financial information reflects an allocation of certain Aramark corporate costs, such as finance, supply chain, human resources, information technology, share-based compensation, insurance, legal and other expenses that are either specifically identifiable or clearly applicable to Vestis. See Note 1, "Nature of Business, Basis of Presentation and Summary of Significant Accounting Policies" and Note 4, "Related Party Transactions and Parent Company Investment" to the audited Combined Financial Statements and unaudited

Condensed Combined Financial Statements included elsewhere in this Information Statement for further information on the allocation of corporate costs.

The unaudited pro forma condensed combined financial information should be read in conjunction with the sections herein entitled “Information Statement Summary—Summary Historical and Unaudited Pro Forma Condensed Combined Financial Information,” “Capitalization,” “Management’s Discussion and Analysis of Financial Condition and Results of Operations,” “Director Compensation,” the AUS audited Combined Financial Statements and accompanying notes and the AUS unaudited Condensed Combined Financial Statements and accompanying notes, which are included elsewhere in this information statement. The unaudited pro forma condensed combined financial information constitutes forward-looking information and is subject to certain risks and uncertainties that could cause actual results to differ materially from those anticipated. See “Cautionary Note Regarding Forward-Looking Statements” and “Risk Factors” included elsewhere in this information statement.

**UNAUDITED PRO FORMA CONDENSED COMBINED STATEMENTS OF INCOME**  
**FOR THE NINE MONTHS ENDED JUNE 30, 2023**  
(\$ in thousands, except per share data)

	Historical	Transaction Accounting Adjustments	Autonomous Entity Adjustments	Pro Forma
Revenue	\$ 2,109,385	\$ —	\$ —	\$ 2,109,385
Operating Expenses:				
Cost of services provided (exclusive of depreciation and amortization)	1,480,143	—	—	1,480,143
Depreciation and amortization	101,712	—	—	101,712
Selling, general and administrative expenses	367,396	—	2,655 <sup>(j, k)</sup>	370,051
Total Operating Expenses	1,949,251	—	2,655	1,951,906
Operating Income	160,134	—	(2,655)	157,479
Interest Expense and Other, net	(268)	86,728 <sup>(b)</sup>	—	86,460
Income Before Income Taxes	160,402	(86,728)	(2,655)	71,019
Provision for Income Taxes	41,216	(22,324) <sup>(c)</sup>	(683) <sup>(c)</sup>	18,209
Net Income	<u>\$ 119,186</u>	<u>\$ (64,404)</u>	<u>\$ (1,972)</u>	<u>\$ 52,810</u>
Earnings per share:				
Basic			(h)	\$ 0.40
Diluted			(i)	\$ 0.40
Weighted Average Shares Outstanding:				
Basic			(h)	130,985,144
Diluted			(i)	130,985,144

See accompanying notes to unaudited pro forma condensed combined financial information.

**UNAUDITED PRO FORMA CONDENSED COMBINED STATEMENTS OF INCOME**  
**FOR THE FISCAL YEAR ENDED SEPTEMBER 30, 2022**  
(\$ in thousands, except per share data)

	Historical	Transaction Accounting Adjustments	Autonomous Entity Adjustments	Pro Forma
Revenue	\$ 2,687,005	\$ —	\$ —	\$ 2,687,005
Operating Expenses:				
Cost of services provided (exclusive of depreciation and amortization)	1,909,676	—	—	1,909,676
Depreciation and amortization	134,352	—	—	134,352
Selling, general and administrative expenses	450,734	1,120 <sup>(e)</sup>	2,879 <sup>(i, k)</sup>	454,733
Total Operating Expenses	2,494,762	1,120	2,879	2,498,761
Operating Income	192,243	(1,120)	(2,879)	188,244
Interest Expense and Other, net	2,284	115,638 <sup>(b)</sup>	—	117,922
Income Before Income Taxes	189,959	(116,758)	(2,879)	70,322
Provision for Income Taxes	48,280	(30,054) <sup>(c)</sup>	(741) <sup>(c)</sup>	17,485
Net Income	<u>\$ 141,679</u>	<u>\$ (86,704)</u>	<u>\$ (2,138)</u>	<u>\$ 52,837</u>
Earnings per share:				
Basic			(h)	\$ 0.41
Diluted			(i)	\$ 0.41
Weighted Average Shares Outstanding:				
Basic			(h)	129,864,471
Diluted			(i)	129,864,471

See accompanying notes to unaudited pro forma condensed combined financial information.

**UNAUDITED PRO FORMA CONDENSED COMBINED BALANCE SHEET**  
**JUNE 30, 2023**  
**(\$ in thousands)**

	Historical	Transaction Accounting Adjustments	Autonomous Entity Adjustments	Pro Forma
<b>ASSETS</b>				
Current Assets:				
Cash and cash equivalents	\$ 14,248	\$ 15,752 <sup>(a)</sup>	\$ —	\$ 30,000
Receivables	388,438	—	—	388,438
Inventories	209,071	—	—	209,071
Rental merchandise in service	395,821	—	—	395,821
Other current assets	16,010	—	—	16,010
Total current assets	<u>1,023,588</u>	<u>15,752</u>	<u>—</u>	<u>1,039,340</u>
Property and Equipment, net	652,388	—	—	652,388
Goodwill	963,777	—	—	963,777
Other Intangible Assets	245,586	—	—	245,586
Operating Lease Right-of-Use Assets	60,621	—	—	60,621
Other Assets	208,088	—	—	208,088
Total Assets	<u>\$ 3,154,048</u>	<u>\$ 15,752</u>	<u>\$ —</u>	<u>\$ 3,169,800</u>
<b>LIABILITIES AND PARENT'S EQUITY</b>				
Current Liabilities:				
Current maturities of financing lease obligations	\$ 23,483	\$ —	\$ —	\$ 23,483
Current operating lease liabilities	20,239	—	—	20,239
Accounts payable	145,455	—	—	145,455
Accrued payroll and related expenses	101,327	—	—	101,327
Accrued expenses and other current liabilities	76,794	—	—	76,794
Total current liabilities	<u>367,298</u>	<u>—</u>	<u>—</u>	<u>367,298</u>
Noncurrent Financing Lease Obligations	99,577	—	—	99,577
Long-Term Borrowings	—	1,487,450 <sup>(a)</sup>	—	1,487,450
Noncurrent Operating Lease Liabilities	48,940	—	—	48,940
Deferred Income Taxes	203,677	(3,573) <sup>(d)</sup>	—	200,104
Other Noncurrent Liabilities	52,674	—	—	52,674
Total Liabilities	<u>772,166</u>	<u>1,483,877</u>	<u>—</u>	<u>2,256,043</u>
Commitments and Contingencies				
Parent's Equity:				
Net parent investment	2,406,551	(2,406,551) <sup>(f)</sup>	—	—
Common stock	—	1,310 <sup>(f)</sup>	—	1,310
Additional paid-in capital	—	937,116 <sup>(f,g)</sup>	—	937,116
Accumulated other comprehensive loss	(24,669)	—	—	(24,669)
Total parent's equity	<u>2,381,882</u>	<u>(1,468,125)</u>	<u>—</u>	<u>913,757</u>
Total Liabilities and Parent's Equity	<u>\$ 3,154,048</u>	<u>\$ 15,752</u>	<u>\$ —</u>	<u>\$ 3,169,800</u>

See accompanying notes to unaudited pro forma condensed combined financial information.

## NOTES TO THE UNAUDITED PRO FORMA CONDENSED COMBINED FINANCIAL INFORMATION

The unaudited pro forma condensed combined balance sheet as of June 30, 2023, the unaudited pro forma condensed combined statements of income for the nine months ended June 30, 2023 and the unaudited pro forma condensed combined statements of income for the year ended September 30, 2022 include the following adjustments:

- (a) The unaudited pro forma condensed combined balance sheet reflects anticipated financing transactions of approximately \$1,500 million, consisting of the Term Loan Facilities, and related debt issuance costs of \$12.6 million, which are expected to be issued in connection with the separation and distribution. Approximately \$1,472 million of the proceeds of such financing is expected to be distributed to Aramark in connection with the separation and distribution. As a result of such transactions, Vestis will have approximately \$30 million in cash upon completion of the distribution. The terms of such indebtedness are being negotiated and will be finalized prior to the separation and distribution.

Additionally, Vestis anticipates entering into the Revolving Credit Facility in an expected aggregate amount of \$300 million substantially concurrently with the separation. The Revolving Credit Facility will be available for immediate working capital needs and for general corporate purposes, but Vestis does not expect to draw upon the Revolving Credit Facility upon consummation of the separation. As a result, Vestis expects there to be \$300 million available for borrowings thereafter. As such, impacts related to the Revolving Credit Facility are not reflected in the unaudited pro forma condensed combined financial information.

- (b) The initial interest rate on the issued debt is expected to range from approximately 7.25% to 7.75%. As a result, Vestis used a rate of 7.5% to calculate the pro forma interest rate, which represents the midpoint of the range. The unaudited pro forma condensed combined statements of income reflect estimated interest expense of \$84.4 million and \$112.5 million and debt issuance cost amortization of \$2.3 million and \$3.1 million for the nine months ended June 30, 2023 and for the year ended September 30, 2022, respectively. Interest expense was calculated assuming constant debt levels throughout the periods. A 1/8% change to the annual interest rate would change interest expense by \$1.4 million and \$1.9 million for the nine months ended June 30, 2023 and for the year ended September 30, 2022, respectively.
- (c) Reflects the tax effects of the pro forma adjustments at the applicable statutory income tax rate of 25.74% based on the statutory rate for the respective jurisdiction. Management believes the statutory tax rate provides a reasonable basis for the pro forma adjustment. However, the effective tax rate of Vestis could be significantly different depending on actual operating results by jurisdiction and the application of enacted tax law to those specific results.
- (d) Related to the consolidated tax attributes allocated to Vestis upon the separation and distribution.
- (e) Related to special grant of deferred stock units for director advisory services earned upon the separation and distribution.
- (f) Represents the reclassification of Aramark's net parent investment in Vestis into additional paid-in capital and issuance of 130,985,144 shares, par value \$0.01 per share, to reflect the number of shares of Vestis common stock expected to be outstanding at the distribution date. The assumed number of outstanding shares of common stock is based on the number of Aramark common stock outstanding of 260,970,287 as of June 30, 2023 and an assumed pro rata distribution ratio of one share of Vestis common stock for every two shares of Aramark common stock and, in addition, approximately 500,000 shares of Vestis common stock which may be contributed to a donor advised fund in order to fund charitable contributions.



(g) Reconciliation of Additional paid-in capital (in thousands):

Cash and cash equivalent <sup>(a)</sup>	\$	15,752
Long-Term Borrowings <sup>(a)</sup>		(1,487,450)
Deferred Income Taxes <sup>(d)</sup>		3,573
Net parent investment <sup>(f)</sup>		2,406,551
Common stock issuance <sup>(f)</sup>		(1,310)
Additional paid-in capital	\$	<u>937,116</u>

- (h) The number of Vestis shares used to compute basic earnings per share for the nine months ended June 30, 2023 and for the year ended September 30, 2022 is based on the number of shares of Vestis common stock assumed to be outstanding on June 30, 2023 and September 30, 2022, assuming the anticipated distribution ratio of one share of Vestis common stock for every two shares of Aramark common stock outstanding. The assumed number of outstanding shares of Vestis common stock is based on the number of shares of Aramark common stock outstanding as of June 30, 2023 and September 30, 2022 and, in addition, approximately 500,000 shares of Vestis common stock which may be contributed to a donor advised fund in order to fund charitable contributions.
- (i) The number of shares used to compute diluted earnings per share is based on the number of basic shares of Vestis common stock as described in Note (h) above. The actual dilutive effect following the completion of the separation will depend on various factors, including the impact of share-based compensation arrangements. Vestis cannot fully estimate the dilutive effects at this time.
- (j) Reflects \$1.7 million and \$1.5 million for the nine months ended June 30, 2023 and for the year ended September 30, 2022, respectively, of certain incremental costs for the services to be provided by Aramark to Vestis under the transition services agreement. These incremental costs are primarily associated with information technology services, finance, tax and accounting, general administrative services and other support services.
- (k) Reflects \$1.0 million and \$1.4 million for the nine months ended June 30, 2023 and for the year ended September 30, 2022, respectively, related to incremental compensation to Vestis Board of Directors under the non-employee director compensation program.

The adjustments shown below include those that management deemed necessary for a fair statement of the unaudited pro forma condensed combined financial information presented. Following the separation, Vestis expects to incur incremental costs as a stand-alone public entity in certain of its corporate support functions (e.g., finance, accounting, tax, treasury, investor relations, information technology, supply chain, human resources and legal, among others) based on the expected organizational and cost structure. Vestis received the benefit of economies of scale as an operating segment of Aramark; however, in establishing these independent support functions, the expenses are expected to be higher than the prior shared allocation. As a stand-alone public company, Vestis expects to incur certain costs in addition to those incurred pursuant to the transition services agreement as described in note (j) and other transaction and autonomous entity adjustments noted above.

These incremental costs are based on assessing the expected resources and associated one-time and recurring costs that each function (e.g., finance, accounting, tax, etc.) will require to stand up and operate Vestis as a stand-alone public entity. In order to determine synergies and dis-synergies, Vestis prepared a detailed assessment of the resources and associated costs required as a baseline to stand up Vestis as a stand-alone public entity. With respect to expected headcount increases, internal resources were matched to job roles to meet the required baseline. In addition to internal resources, third-party support costs in each function were considered, which included business support functions and corporate overhead charges previously shared with Aramark. This process was used by all functions resulting in incremental costs when compared to the cost allocations from Aramark included in our historical combined and condensed combined financial statements. Vestis expects to fill any shortfalls to the estimated required resources, in addition to the services provided by Aramark under the transition services agreement, through additional hiring or incremental vendor and other third-party spend.

Vestis expects to incur dis-synergies, or higher costs resulting from:

- separation and establishment of Vestis as a standalone company including recurring costs to perform reporting and regulatory compliance, costs associated with external reporting, internal audit, tax, treasury, human resources, legal, information technology and investor relations. These costs include audit fees, professional service fees, subscription fees, salaries and benefits for incremental headcount and depreciation and amortization related to information technology infrastructure investments; and
- one-time expenses associated with the separation and stand-up of functions required to operate as a standalone public entity, primarily from the development and deployment of Vestis' brand and information system separation and implementation costs.

Vestis estimates that it would incur dis-synergies, or higher costs of approximately \$1.8 million (including one-time expenses of approximately \$0 and estimated recurring expenses of \$1.8 million) for the nine months ended June 30, 2023 and \$17.7 million (including one-time expenses of approximately \$12.3 million and estimated recurring expenses of \$5.4 million) for the year ended September 30, 2022, respectively. Vestis expects to incur these recurring costs beginning at separation, with the one-time costs expected to be incurred over a period of 12 months post separation.

The additional expenses have been estimated based on assumptions that Vestis' management believes are reasonable and representative of the expected organizational and cost structure. However, actual additional costs that will be incurred could be different from the estimates and would depend on several factors, including the economic environment, results of contractual negotiations with third-party vendors, and strategic decisions made in areas such as separation, selling and marketing, information technology and infrastructure. In addition, adverse effects and limitations including those discussed in the section entitled "Risk Factors" to this document may impact actual costs incurred. Vestis may also decide to increase or reduce resources or invest more heavily in certain areas in the future which may further differentiate the management adjustments from actual costs incurred in the future.

These management adjustments include forward-looking information that is subject to the safe harbor protections of the Exchange Act.

The tax effect has been determined by applying the applicable statutory tax rates to the aforementioned adjustments for the periods presented.

**For the nine months ended June 30, 2023**

\$ in thousands, except share and per share data	Net Income	Basic earnings per share	Diluted earnings per share
Unaudited pro forma condensed combined net income*	\$ 52,810	\$ 0.40	\$ 0.40
Management adjustments			
<b>Dis-synergies:</b>			
Corporate and other (recurring)	(1,825)	(0.01)	(0.01)
Corporate and other (one-time)	—	—	—
Total Management adjustments	(1,825)	(0.01)	(0.01)
Tax effect	470	0.00	0.00
Unaudited pro forma condensed combined net income after management adjustments	\$ 51,455	\$ 0.39	\$ 0.39
Weighted-average shares outstanding			
Basic	130,985,144		
Diluted	130,985,144		

\* As shown in the Unaudited Pro Forma Condensed Combined Statements of Income.

**For the year ended September 30, 2022**

\$ in thousands, except share and per share data	Net Income	Basic earnings per share	Diluted earnings per share
Unaudited pro forma condensed combined net income*	\$ 52,837	\$ 0.41	\$ 0.41
Management adjustments			
<b>Dis-synergies:</b>			
Corporate and other (recurring)	(5,349)	(0.04)	(0.04)
Corporate and other (one-time)	(12,306) <sup>(a)</sup>	(0.09)	(0.09)
Total Management adjustments	(17,655)	(0.13)	(0.13)
Tax effect	4,544	0.03	0.03
Unaudited pro forma condensed combined net income after management adjustments	\$ 39,726	\$ 0.31	\$ 0.31
Weighted-average shares outstanding			
Basic	129,864,471		
Diluted	129,864,471		

\* As shown in the Unaudited Pro Forma Condensed Combined Statements of Income.

(a) Includes expenses associated with the separation and stand-up of functions required to operate as a standalone public entity, primarily from the development and deployment of Vestis' brand (\$7.8 million) and information system separation and implementation costs (\$4.3 million).

## BUSINESS

*This section discusses Vestis' business assuming the completion of all of the transactions described in this information statement, including the separation. References to "we," "us" and "our" refer to AUS as held by Vestis.*

### Company Overview

Vestis is a leading provider of uniform rentals and workplace supplies across the United States and Canada. We provide uniforms, mats, towels, linens, restroom supplies, first-aid supplies, safety products and other workplace supplies. In fiscal year 2022, we generated revenue of approximately \$2.7 billion. We are one of the largest companies operating within the United States and Canada in our industry.

We have over 75 years of experience providing uniforms and workplace supplies and a broad footprint that supports efficient delivery of our services and products to more than 300,000 customer locations across the United States and Canada. Our customer base participates in a wide variety of industries including manufacturing, hospitality, retail, food processing, pharmaceuticals, healthcare and automotive. We serve customers ranging from small, family-owned operations with a single location to large corporations and national franchises with multiple locations.

Our customers value the uniforms and workplace supplies we deliver as our services and products can help them reduce operating costs, enhance brand image, maintain a safe and clean workplace and focus on their core business. We provide a full range of uniform programs, managed restroom supply services and first-aid and safety products, as well as ancillary items such as floor mats, towels and linens. Additionally, we provide garments and contamination control supplies that help customers maintain controlled, cleanroom environments commonly used in the manufacturing of electronics, pharmaceuticals and medical equipment.

Our team consists of approximately 20,000 teammates who operate over 350 sites including laundry plants, satellite plants, distribution centers and manufacturing plants. We leverage our broad footprint and our supply chain, delivery fleet and route logistics capabilities to serve customers on a recurring basis, typically weekly, and primarily through multi-year contracts. In addition, we offer customized uniforms through direct sales agreements, typically for large regional or national companies.

Vestis is led by Kim Scott, President and Chief Executive Officer, Rick Dillon, Executive Vice President and Chief Financial Officer and Timothy Donovan, Executive Vice President, Chief Legal Officer and General Counsel. These executives have deep expertise in their respective fields. They were recruited to lead Vestis as a standalone, independent company and are complemented by long-tenured members of management across the company's commercial and operational functions as well as newly appointed leaders who bring functional expertise, diversity and depth to the Vestis leadership team.

### Financial Profile

In fiscal year 2022, we generated revenue of approximately \$2.7 billion, operating income of \$192.2 million, or 7.2% of revenue, and net income of \$141.7 million, or 5.3% of revenue. Adjusted operating income was \$247.2 million, or 9.2% of revenue, and adjusted EBITDA was \$373.1 million, or 13.9% of revenue. Cash provided from operating activities was \$232.8 million.

In fiscal year 2022, revenue exceeded pre-COVID-19 fiscal 2019 levels, the highest annual revenue for our business. Revenue from our recurring rental business comprised 92% of total revenue, with 8% from direct sales. The contracted and recurring nature of our business provides a meaningful level of predictability to annual revenue. Additionally, the diversity of our customer base and the variety of industries in which our customers participate results in relatively low exposure to discrete industry trends. Our revenue is diversified across numerous sectors and customers operating primarily in manufacturing, hospitality, retail, food processing, automotive and healthcare.

These are all sectors where we have decades of expertise. Geographically, 91% of our fiscal year 2022 revenue was from sales in the United States, with the remaining 9% from sales in Canada.

**Historical Financial Results**

\$ millions

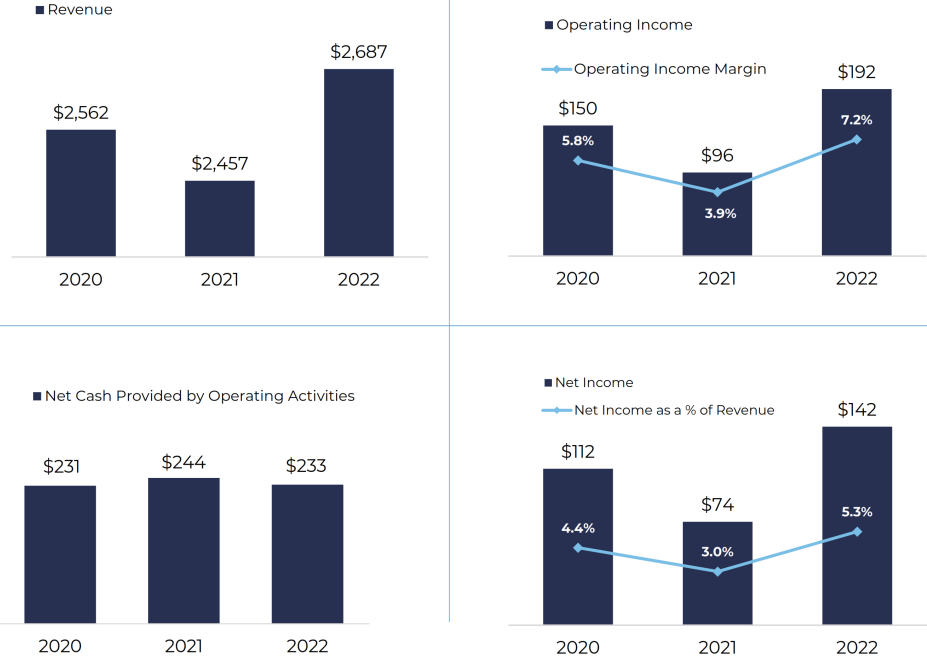


Figure A: Revenue, Operating Income, Net Cash Provided by Operating Activities and Net Income

### Historical Financial Results

\$ millions

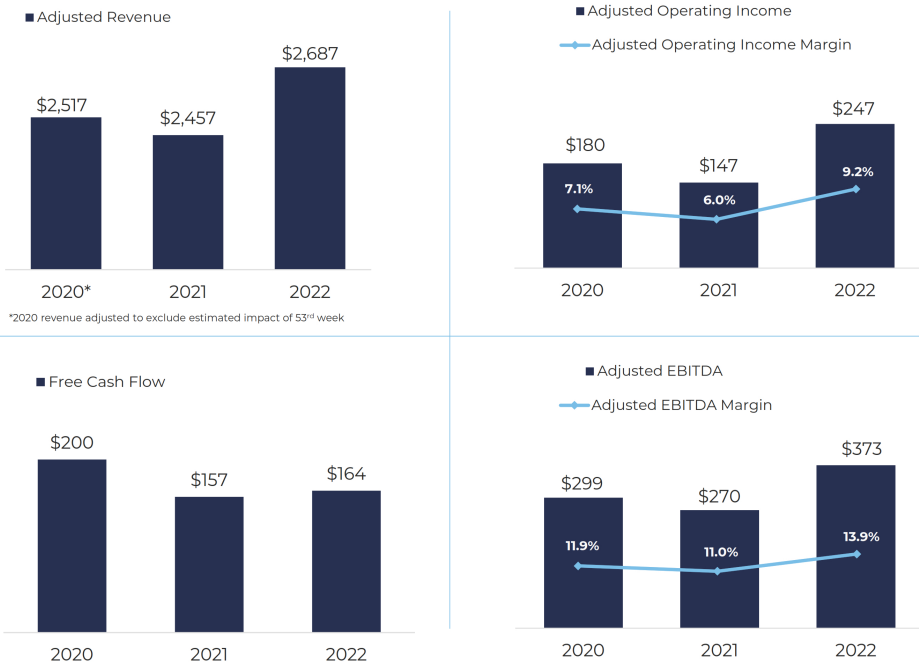
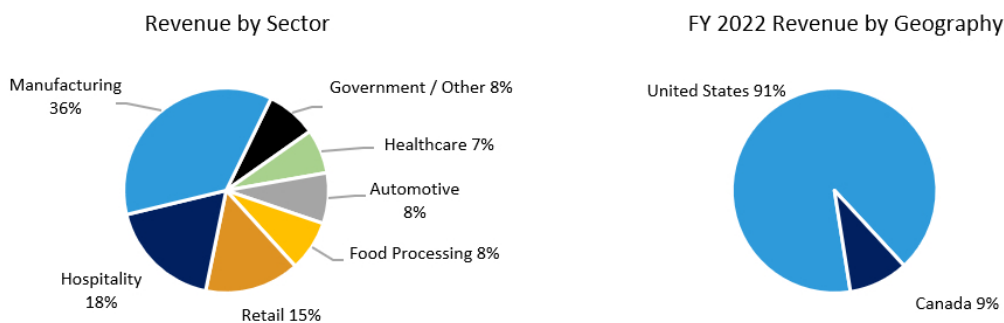


Figure B. Adjusted Revenue, Adjusted Operating Income, Free Cash Flow and Adjusted EBITDA

## Revenue by Sector and Geography



Note: Revenue by sector represents management estimates for the last twelve months ended December 31, 2022

Figure C: Revenue by Sector and Geography

### Industry Overview

We operate within the uniforms, mats, towels, linens, restroom supplies, first-aid supplies and safety products industry in the United States and Canada. This includes businesses that outsource these services through rental programs or direct purchases, as well as non-programmers (which are businesses that maintain these services in-house).

We believe we are well positioned to take advantage of the various key trends and drivers that are impacting our industry. Demand in this industry is influenced primarily by macroeconomic conditions, employment levels, increasing standards for workplace hygiene and safety and an ongoing trend of businesses outsourcing non-core, back-end operations. As noted above, the diversity of our customer base and the variety of industries in which our customers operate results in relatively low exposure to discrete industry trends.

### Competition

Our industry is local in nature, fragmented and highly competitive. We believe we are a leading provider within this industry and we compete with national, regional and local providers who vary in size, scale, capabilities and product and service offering. Primary methods of competition include product quality, service quality and price.

Cintas Corporation and UniFirst Corporation are notable competitors of size and we have numerous local and regional competitors. Additionally, many businesses perform certain aspects of our product and service offerings in-house rather than outsourcing them.

### Customers

Customers in our industry value the ability of providers to consistently deliver quality products on-time and with a high level of customer service. Additionally, they value trustworthy suppliers who partner with them to resolve workplace challenges that may arise with timely solutions that meet their needs.

We deliver to over 300,000 customer locations across the United States and Canada. We serve customers ranging from small, family-owned operations with a single location to large corporations and national franchises

with multiple locations. Our revenue is diversified across our many customers as demonstrated by the revenue generated from our 10 largest customers accounting for less than 10% of total revenue in fiscal year 2022.

Our customers represent a diverse array of industries including sectors such as manufacturing, hospitality, retail, food processing, pharmaceuticals, healthcare and automotive. The competitive landscape across these sectors for our products and services is highly fragmented and driven primarily by product quality, service quality and pricing of our competitors. We believe our competitive advantages identified below apply to each of the sectors. Across these sectors, we also serve customers who operate cleanrooms, or controlled environments where pollutants like dust, airborne microbes and aerosol particles are removed to aid in providing clean work environments. Cleanrooms are typically used in the manufacturing of electronics, pharmaceutical products and medical equipment.

The diversity of our customers and the wide variety of industries in which they participate results in the demand for our services and products not being specifically linked to the cyclical nature of any one sector.

The vast majority of our customers are served under multi-year contracts. While customers are not required to make an up-front investment for their rental uniforms or other rented merchandise, a rental customer typically agrees to pay specified exit costs if it terminates its agreement early without cause.

### **Our Services and Products**

We provide a full-service uniform solution on a contracted and recurring basis. Our full-service uniform offering includes the design, sourcing, manufacturing, customization, personalization, delivery, laundering, sanitization, repair and replacement of uniforms. Our uniform options include shirts, pants, outerwear, gowns, scrubs, high visibility garments, particulate-free garments and flame-resistant garments, along with shoes and accessories. In addition to uniforms, we also provide workplace supplies including managed restroom supply services, first-aid supplies and safety products, floor mats, towels and linens.

We believe our customers value our services and products for a variety of reasons:

- Our full-service programs typically offer a lower-cost solution for customers than if they were serviced in-house, as evidenced by our historical experience and customer feedback, as we leverage our scale and network to achieve procurement and operating efficiencies.
- We enable customers to focus on operating their core businesses as we take care of their needs for clean uniforms, fully stocked restrooms, complete first-aid kits and other workplace supplies.
- We help customers establish corporate identity, foster a sense of team and belonging among employees, project a professional image and enhance brand awareness.
- Our uniforms are reusable and can be assigned to another employee (rather than being discarded) when employees transition to new opportunities.
- We offer a variety of specialty garments that help customers:
  - adhere to applicable regulatory standards;
  - safeguard against contamination in the production or service of items such as food, pharmaceuticals and healthcare products;
  - operate in static-free or low-static environments;
  - enhance visibility and safety in work environments including construction, utility services, waste management and public safety; and
  - promote employee safety in workplace environments that involve heavy soils, heat, flame or chemicals in the production process.



We service our customers on a recurring basis, typically weekly, delivering clean uniforms and, in the same visit, picking up worn uniforms for inspection, cleaning and repair or replacement (illustrated in Figure D). In addition, we pick up used and soiled floor mats, towels and linens and replace them with clean products. We also restock restroom supplies, first-aid supplies and safety products as needed.



Figure D: Illustrative uniform services weekly process

For our cleanroom customers who operate highly regulated and/or contamination-free processes in the healthcare, pharmaceutical and technology industries, we provide advanced static dissipative garments, sterile garments, barrier apparel and cleanroom application accessories.

We market and sell our services and products through multiple channels including sales representatives, telemarketing sales channels, our delivery drivers (who we refer to as route service representatives), territory managers and digital platforms.

**Operations and Supply Chain**

We operate a network of over 350 facilities including laundry plants, satellite plants, distribution centers and manufacturing plants along with a fleet of service vehicles that support over 3,400 pick-up and delivery routes. Our services and products are delivered to customers by route service representatives via delivery routes that originate from one of our laundry plants or satellite sites. Approximately 50% of our uniforms and linens are manufactured in our two manufacturing plants in Mexico. Our Mexican operations include approximately 230,000 square feet of manufacturing capacity and a 76,000 square foot distribution facility.

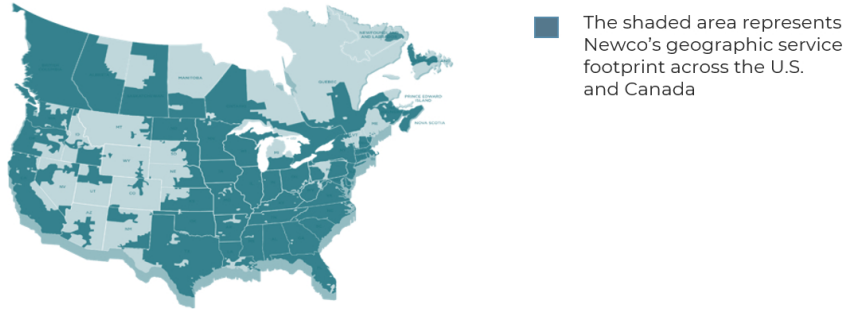


Figure E: U.S. and Canada geographic service footprint

We are committed to operating sustainably with a focus on working to minimize fuel usage on our routes and to minimize energy and water usage in our laundry plant facilities. Additionally, we repair and reuse garments whenever possible to maximize the life cycle of our uniforms and support the circular economy.

We source raw materials as well as finished goods from a variety of domestic and international suppliers. Certain of Vestis' raw materials and products (including Vestis' mats) are currently limited to a single supplier. We maintain a Corporate Social Compliance Policy and related Code of Conduct both of which require the international manufacturing of our private label garments to occur under safe, lawful and humane working conditions. To support our Corporate Social Compliance Policy, our international private label garment manufacturers confirm annually their commitment to comply with our Code of Conduct. Further, the factories used to produce these products are subject to annual third-party social compliance audits.

### **Our Competitive Advantages**

We believe we have significant competitive advantages including our full-service uniform solution offering, size and scale, extensive network footprint, long-tenured customer relationships and experienced leadership team. Given our robust capabilities, scale and talent, we are well positioned to partner with customers for their future needs across a range of services, use cases and business strategies. Some of our key competitive strengths include:

*Full-Service Uniforms and Workplace Supplies Offering:* We offer a full-service uniform solution including the ability to design, source, manufacture, customize, personalize, deliver, launder, sanitize, mend and replace uniforms on a regular and recurring basis. Our uniform offerings include shirts, pants, outerwear, gowns, scrubs, high visibility garments and flame-resistant garments, along with shoes and accessories. In addition to uniforms, we also provide workplace supplies including managed restroom supply services, first-aid supplies and safety products, floor mats, towels, linens and other workplace supplies.

*Critical Scale in Growing, Fragmented Industry:* We believe the market opportunity for our services is significant and growing. We estimate our total addressable market to be approximately \$48 billion as of March 31, 2023. Within the United States and Canada, we are the second largest provider in our industry, based on publicly reported information related to revenue, number of employees and facilities data for each of Cintas, Aramark and Unifirst. We believe our size and scale provide a competitive advantage in purchasing power, route density, operating efficiencies and ability to attract and retain talent as compared to smaller local and regional competitors.

*Extensive Network Footprint:* We serve over 95% of the largest metropolitan statistical areas in the United States and every province in Canada. Our footprint enables us to serve large, national customers across the United States and Canada.

*Long-Tenured Customer Relationships:* We deliver to over 300,000 customer locations and serve businesses which participate across numerous industries. We maintain long-term relationships with our customers due to the quality of our services and products, our ability to deliver on-time and our ability to provide workplace supplies and services that support our customers' individual strategies and needs.

We believe a key differentiator in our service model is the relationship between our route service representatives and customers. We work to build relationships and trust through weekly, face-to-face interactions with our customers. We believe our customer retention rate was in excess of 90% in the five years ended September 30, 2022, according to internal estimates. Retaining existing customers affords us more opportunities to cross-sell high value workplace supplies.

*Experienced Leadership Team:* Vestis is led by Kim Scott, President and Chief Executive Officer, Rick Dillon, Executive Vice President and Chief Financial Officer and its other executive officers. See "Management." These executives have deep experience in their respective areas. They were hired to lead Vestis as a standalone, independent company and are complemented by seasoned industry executives across the company's commercial and operational functions as well as newly appointed leaders who bring functional expertise, diversity and depth to the Vestis leadership team.

Ms. Scott has deep and relevant expertise with recurring revenue models having led and operated multiple businesses of this nature over the past 16 years. She also has extensive experience in logistics, route-based distribution and complex rental or subscription-based programs, including in her role as Chief Operating Officer of Terminix. Additionally, she has a broad operating background that includes plant management, logistics, procurement, engineering, acquisitions and large-scale integrations. She joined Aramark in October 2021 as President and CEO of Aramark Uniform Services to develop and launch an accelerated growth and value creation strategy for the company, while also preparing Vestis to be a standalone, independent public company.

Mr. Dillon is a seasoned public company executive with more than 20 years of experience in finance leadership roles. Prior to joining Aramark, Mr. Dillon served as the Chief Financial Officer and Executive Vice President of two publicly traded companies, Enerpac Tool Group and Century Aluminum. He joined Aramark in May 2022 to serve as Chief Financial Officer of Aramark Uniform Services and to prepare Vestis to be a standalone, independent public company.

Our executive leaders foster a culture of investing in our people, supporting their growth and development, instilling a sense of higher purpose, winning through teamwork with integrity and creating a safe environment for all. In addition, our commitment to diversity, equity and inclusion continues to shape our teammate engagement and recruiting efforts.

### **Value Creation Strategy**

As an independent company, we will focus on the development, growth and expansion of our business, with increased flexibility to pursue independent strategic and financial plans, adapt quickly to the changing needs of our customers and sector dynamics, effectively allocate capital to invest in growth areas and accelerate decision-making processes. We are focused on long-term opportunities to make deliveries in our service network more effective, which we expect will drive revenue growth and margin expansion. Our new independence will enable sharper focus on our customers, which we believe will also enhance our competitive positioning and performance.

Our strategy is focused on creating shareholder value through high-quality and profitable revenue growth that is underpinned by efficient operations and a performance-driven culture. We plan to pursue the following key strategies to drive value creation and grow our business:

#### ***High-Quality Revenue Growth***

Going forward, our strategy will continue to focus on retaining customers, with an increased emphasis on increasing revenue per stop through cross-selling, investing in attractive sectors, margin accretive products and service offerings and adding new customers on existing routes to increase our route density. We believe that, by focusing on these areas, we will achieve higher growth rates with more attractive margin profiles.

*Customer Retention:* We serve an attractive, large and long-tenured customer base with services and products that generate recurring revenue streams that typically allow more predictability of revenue than non-recurring revenue business models. We continue to remain focused on retaining these customers, including by ensuring we are delivering new value through new or updated services and products. We will continue to modernize the customer experience to make it easier for our customers to continue to do business with us. This includes investments in new technology, such as sophisticated, digital customer portals, as well as investments in our customer service process to enhance our route check-in process and predictive analytics that help us better anticipate customer service opportunities.

*Increasing Revenue Per Stop Through Cross-Selling to Leverage Fixed Costs:* On average, our current customers take advantage of approximately 30% to 40% of our full line of services and products. We believe there is a significant opportunity to increase our wallet share with our existing customers through cross-selling additional services and products, including compelling adjacent services such as first aid and managed restroom services. This is expected to result in high-margin growth with existing customers by increasing revenue per stop and leveraging our existing delivery costs. We have invested in tools to support our trusted and tenured route service representative teammates, and we are incentivizing them to pursue these opportunities with our existing customer base.

*Targeting Attractive Sectors, Services and Products:* We are implementing more targeted sales strategies to drive growth across high-value sectors, services and products. Using enhanced data analytics and insights will enable us to focus on customer wins that improve our revenue mix. An example is our cleanroom offering, where we have established distinct capabilities that allow us to provide this quality-sensitive service that also delivers higher margins.

*Increasing Route Density:* We are establishing route density metrics to target sales along existing customer routes. We will focus on implementing analytical and geographical prospecting tools that will aid and reward our sales representatives for delivering growth that increases route density and lowers our overall cost to serve per route.

### ***Efficient Operations***

Our operations currently include significant cost inputs in areas such as labor, in service inventory costs, plant operating costs and service-related costs. We are working to instill a continuous improvement mindset in our teammates by instituting disciplined, financial metrics and reporting, key performance indicator monitoring and strengthening our leadership in key functional areas such as supply chain, logistics and plant operations.

In our collaboration with new function leaders, we have identified key areas of opportunity to reduce our operating costs and expand margins across our business:

*Network Optimization:* A comprehensive analysis of our plant network and customer flows (route movements from plant to customer) has revealed a significant opportunity throughout our network to lower our cost to serve our customers. Further, we have identified a portfolio of initiatives related to routing and scheduling efficiencies and transport and logistics improvements. We believe we can deliver margin expansion through this flow optimization.

*Workforce Management:* We are working to reduce our labor costs by decreasing frontline turnover to improve plant productivity, reducing general and administrative costs and increasing plant automation.

*Merchandise Inventory Management:* We are focused on lowering in service inventory costs across our system in order to improve the profitability of new and existing business. Examples include delivering higher levels of garment and product reuse to reduce the issuance of new products and supply chain procurement strategies to reduce purchasing costs.

### ***Performance-Driven Culture***

Fostering a performance-driven culture is essential to the delivery of high-quality revenue growth and margin expansion. We are focused on further strengthening our capabilities and enhancing competencies in functional areas that are core to the delivery of our strategy such as sales and marketing, pricing, procurement, logistics, technology, talent acquisition and retention and plant operations. We have invested across these areas over the past year and will continue to strengthen these teams to support our strategy. We will make decisions that are informed by data and design performance measurements and incentives that are aligned to the achievement of our strategic objectives.

### **Human Capital Resources**

Our success begins with our people, and ensuring a safe workplace is our first priority. Investing in, developing and caring for our teammates is paramount to retaining our teammates. We believe serving our teammates in this manner significantly improves our ability to serve and retain customers, accelerate profitable growth and enhance productivity. This requires an unwavering commitment to safety, diversity and inclusion, professional growth opportunities and competitive total compensation and benefits that meet the needs of our teammates and their families.

As of June 30, 2023, we had approximately 20,000 teammates, primarily based in the United States, Canada and Mexico. As of June 30, 2023, approximately 10,500 of our teammates were represented by labor unions. We work to maintain productive working relationships with these unions.

*Diversity, Equity and Inclusion.* We believe that it is beneficial to align our diversity, equity and inclusion priorities with our business strategy.

At the time of the separation, we expect 75% of our Board of Directors to be from underrepresented groups, including females who are expected to represent 63% of our Board of Directors. Additionally, 60% of our named executive officers are from underrepresented groups including females, who represent 40% of our named executive officers; 67% of our executive officers are from underrepresented groups including females who represent 33% of our executive officers; and 41% of our senior leadership team are from underrepresented groups including females, who represent 28% of our senior leadership team. Continuing to increase diversity in executive and all levels of the leadership pipeline remains an organizational priority for the coming years. We have multiple employee resource groups; examples include those supporting women, racially and ethnically diverse employees and the LGBTQ+ community.

*Talent Acquisition, Development and Retention.* Hiring, developing and retaining teammates is critically important to our operations and we are focused on creating experiences and programs that foster growth, performance and retention. We sponsor training and education programs for our teammates, from hourly teammates to upper levels of management, designed to enhance leadership and managerial capability, help ensure quality execution of our programs, drive customer satisfaction and increase return on investment.

*Community Engagement.* Through Aramark's legacy, we have a strong culture of community engagement. As we move forward as an independent, standalone company, we will continue to embrace that legacy and build upon it by developing a community engagement program unique to our business that is aligned with our strategy, teammates, the customers we serve and the communities where we operate.

*Compensation, Benefits, Safety and Wellness.* In addition to offering market-competitive salaries and wages, we offer comprehensive health and retirement benefits to our teammates. Our core health and welfare benefits are supplemented with specific programs to manage or improve common health conditions and include a variety of voluntary benefits and paid time away from work programs. We also provide programs designed to promote physical, emotional and financial well-being.

### **Government Regulation**

Our business is subject to various federal, state, international, national, provincial and local laws and regulations, in areas such as environmental, labor, employment, immigration, privacy and data security, tax, transportation, health and safety, antitrust, anti-corruption, import/export, consumer protection, false claims and lobby and procurement laws. In addition, our facilities are subject to periodic inspection by federal, state, provincial, local and international authorities. We have various controls and procedures designed to maintain compliance with applicable laws and regulations. Our compliance requirements are subject to legislative changes, or changes in regulatory interpretation, implementation or enforcement. If we fail to comply with applicable laws, we may be subject to investigations, criminal sanctions or civil remedies, including fines, penalties, damages, reimbursement, injunctions, seizures, disgorgements or debarments from government contracts.

Our business is subject to various environmental protection laws and regulations, including the United States Federal Clean Water Act, Clean Air Act, Resource Conservation and Recovery Act, Comprehensive Environmental Response, Compensation, and Liability Act and similar local, provincial, state, federal and international laws and regulations governing the use, treatment, management, transportation and disposal of wastes and hazardous materials.

We use and manage chemicals and hazardous materials as part of our operations. We are mindful of the environmental concerns surrounding the use, treatment, management, transportation and disposal of these chemicals and hazardous materials, and have taken and continue to take measures to comply with environmental protection laws and regulations. In particular, industrial laundries generate wastewater, air emissions and related wastes as part of operations relating to the laundering of garments and other merchandise. Residues removed from soiled garments and other merchandise laundered at our facilities and from detergents and chemicals used in our wash process may be contained in discharges to air and water (through sanitary sewer systems and publicly owned treatment works) and in waste generated by our wastewater treatment systems. Similar to other companies in our industry, our industrial laundries are subject to certain air and water pollution discharge limits, monitoring, permitting and recordkeeping requirements. Wastewater at our laundry facilities is treated as necessary to comply with local

discharge requirements and permits prior to discharge to sanitary sewer systems or publicly owned treatment works. We also own or operate a limited number of aboveground and underground storage tank systems at some locations to store petroleum or propane for use in our operations. Certain of these storage tank systems are subject to performance standards, periodic monitoring and recordkeeping requirements.

Given the regulated nature of some of our operations, we could face penalties and fines for noncompliance. In the past, we have settled, or contributed to the settlement of, actions or claims relating to the management of underground storage tanks and the handling and disposal of chemicals or hazardous materials, either on- or off-site. We may, in the future, be required to expend material amounts to rectify the consequences of any such events. Under environmental laws, we may be liable for the costs of removal or remediation of certain hazardous materials located on or in or migrating from our owned or leased property or located at sites to which we have sent waste for off-site disposal, as well as related costs of investigation and property damage. Such laws may impose liability without regard to our fault, knowledge or responsibility for the presence of such hazardous materials. We may not know whether our acquired or leased properties have been operated in compliance with environmental laws and regulations or that our future uses or conditions will not result in the imposition of liability upon us under such laws or expose us to third-party actions such as tort suits. We routinely review and evaluate sites that may require remediation and monitoring. Based on these reviews and various estimates and assumptions, we determine our estimated costs. As of June 30, 2023, we do not anticipate any expenditures for environmental remediation that would have a material effect on our financial condition. While environmental compliance is not a material component of our costs, we invest in equipment, technology and operating expenses, primarily for water treatment and waste removal, on a regular basis in order to comply with environmental laws and regulations, to promote the safety of our teammates and customers and to enhance the sustainability of our operations.

#### ***Intellectual Property***

We have patents, trademarks, trade names and licenses that support the operation of our business. Historically, the Aramark brand, including its corporate starperson logo design, and the Aramark word mark have been used to market our business.

In connection with the separation and distribution, we will be repositioning our brand to better represent our customer value proposition and value creation strategy as an independent, standalone uniform rental and workplace supplies company. We anticipate the repositioning of our brand will occur in stages, over time, and we intend to use trade advertising and targeted digital marketing to promote recognition of our brand.

#### ***Environmental, Social and Governance (ESG)***

We have been engaged in actively supporting the environmental, social and governance (“ESG”) efforts of Aramark as a whole. Below are key areas of focus Vestis has undertaken with the leadership of Aramark and that we intend to continue to pursue as a standalone entity:

- We maintain a Corporate Social Compliance Policy and related Code of Conduct that address the international manufacturing of our private label garments under safe, lawful and humane working conditions. To support our Corporate Social Compliance Policy, our international private label garment manufacturers annually confirm their commitment to comply with our Code of Conduct, and the factories used to produce these products are subject to annual third-party social compliance audits.
- We have made enhancements to our wash chemistry that allow us to conserve electricity, natural gas and water. Our most recent chemical enhancement has provided utility resource reductions with shorter washing machine run times (electricity), reduced water temperatures (natural gas) and fewer rinse cycles (water).
- We focus on the efficient use of fossil fuels to reduce related emissions. We seek to increase route efficiency with technology and processes that reduce travel time, distance and fuel consumption. For example, our new telematics technology allows us to proactively reduce fuel usage by limiting idling through real-time in-cab driver alerts.

Vestis' Board of Directors and executive leadership are committed to leading a socially responsible organization that supports the health of our planet, cares for our employees, invests in the communities we work in and conducts business in an ethical manner with appropriate governance. Following the separation, Vestis' Board of Directors will oversee our ESG goals and objectives, and will support the implementation of our ESG priorities and commitments.

***Legal Proceedings***

On May 13, 2022, Cake Love Co. ("Cake Love") commenced a putative class action lawsuit against AmeriPride Services, LLC ("AmeriPride"), a subsidiary of AUS, in the United States District Court for the District of Minnesota. The lawsuit was subsequently updated to add an additional named plaintiff, Q-Mark Manufacturing, Inc. (together with Cake Love, the "Plaintiffs"). Plaintiffs allege that the defendants increased certain pricing charged to members of the purported class without the proper notice required by service agreements between AmeriPride and members of the purported class. Plaintiffs seek damages on behalf of the purported class representing the amount of the allegedly improperly noticed price increases along with attorneys' fees, interest and costs. The parties are currently engaging in written discovery, and the defendants intend to move for summary judgment. Vestis believes it has numerous defenses and intends to continue to vigorously defend the action. Vestis cannot predict the outcome of this legal matter, nor can it predict whether any outcome will have a material adverse effect on its condensed combined statements of income and/or condensed combined statements of cash flows. Accordingly, Vestis has made no provisions for this legal matter in its condensed combined financial statements.

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

*The following discussion and analysis should be read in conjunction with the other sections of this information statement, including "Risk Factors," "Cautionary Note Regarding Forward-Looking Statements," "Information Statement Summary—Summary Historical and Unaudited Pro Forma Condensed Combined Financial Information," "Unaudited Pro Forma Condensed Combined Financial Information" and Aramark Uniform Services' ("AUS") historical audited Combined Financial Statements and unaudited Condensed Combined Financial Statements included elsewhere in this information statement. This discussion contains forward-looking statements, such as Vestis' plans, objectives, opinions, expectations, anticipations, intentions, and beliefs, that are based upon Vestis' current expectations but that involve risks and uncertainties. Actual results and the timing of events could differ materially from those anticipated in those forward-looking statements as a result of a number of factors, including those set forth under "Risk Factors," "Cautionary Note Regarding Forward-Looking Statements" and "Business" sections and elsewhere in this information statement. In the following discussion and analysis of financial condition and results of operations, certain financial measures may be considered "non-GAAP financial measures" under SEC rules. These rules require supplemental explanation and reconciliation, which is provided elsewhere in this information statement.*

*References to "we," "us" and "our" refer to AUS as held by Vestis.*

*All amounts discussed are in millions of U.S. dollars, except where otherwise indicated.*

### Company Overview

Vestis is a leading provider of uniforms and workplace supplies across the United States and Canada, with over 75 years of experience in the workplace apparel and supplies industry. We provide a full range of uniform programs, managed restroom supply services, first aid supplies and safety products, as well as ancillary items such as floor mats, towels and linens, to more than 300,000 customer locations across the United States and Canada. We compete with national, regional and local providers who vary in size, scale, capabilities and product and service offering. Primary methods of competition include product quality, service quality and price. Notable competitors of size include Cintas Corporation and UniFirst Corporation, as well as numerous regional and local competitors. Additionally, many businesses perform certain aspects of our product and service offerings in-house rather than outsourcing them and leveraging the benefits of full-service programs.

With approximately 20,000 employees, we operate a network of over 350 facilities, including laundry plants, satellite plants, distribution centers and manufacturing plants along with a fleet of service vehicles that support over 3,400 pick-up and delivery routes. We have two manufacturing facilities in Mexico with approximately 230,000 square feet of manufacturing capacity between both plants that produce approximately 50% of our uniforms and linens products. We source raw materials, finished goods, equipment and other supplies from a variety of domestic and international suppliers. We leverage our broad footprint, supply chain, delivery fleet and route logistic capabilities to serve customers on a recurring basis, typically weekly, and primarily through multi-year contracts.

Our full-service uniform offering ("Uniforms") includes the design, sourcing, manufacturing, customization, personalization, delivery, laundering, sanitization, repair and replacement of uniforms. Our uniform options include shirts, pants, outerwear, gowns, scrubs, high visibility garments, particulate-free garments and flame-resistant garments, along with shoes and accessories. We service our customers on a recurring rental basis, typically weekly, delivering clean uniforms while, during the same visit, picking up worn uniforms for inspection, cleaning and repair or replacement. In addition to our weekly, recurring customer contracts, we offer customized uniforms through direct sales agreements, typically for large, regional or national companies.

In addition to Uniforms, we also provide workplace supplies ("Workplace Supplies") including managed restroom supply services, first aid supplies and safety products, floor mats, towels and linens. Similar to our uniform offering, on a recurring rental basis, generally weekly, we pick up used and soiled floor mats, towels and linens, replacing them with clean products. We also restock restroom supplies, first aid supplies and safety products as needed.



We manage and operate our business in two reportable segments, United States and Canada. Both segments provide Uniforms and Workplace Supplies, as described above, to customers within their specific geographic territories.

#### **Separation from Aramark**

On May 10, 2022, Aramark announced that its Board of Directors approved a plan to separate its Uniform and Career Apparel business. Under the plan, Aramark would execute a separation of Vestis by way of a pro rata distribution of common stock of Vestis to Aramark stockholders at the close of business on the record date of the separation. The proposed separation is intended to be a tax-free transaction to Aramark and its stockholders for United States federal income tax purposes.

#### **Relationship with Aramark**

Following the separation, certain functions that Aramark provided to Vestis prior to the separation will either continue to be provided to Vestis by Aramark under transition services agreements or will be performed using Vestis' own resources or third-party service providers. We expect to incur certain one-time charges in its establishment as a standalone public company, as well as ongoing additional costs associated with operating as an independent, publicly traded company.

#### **Basis of Presentation**

The Combined Financial Statements reflect the combined historical results of operations, comprehensive income and cash flows for the years ended September 30, 2022, October 1, 2021 and October 2, 2020, and the financial position as of September 30, 2022 and October 1, 2021 for AUS. The unaudited Condensed Combined Financial Statements reflect the combined historical results of operations, comprehensive income and cash flows for the nine months ended June 30, 2023 and July 1, 2022 and the financial position as of June 30, 2023. The Combined Financial Statements and the unaudited Condensed Combined Financial Statements (collectively referenced as "Combined Financial Statements" hereafter) have been derived from Aramark's historical accounting records and were prepared on a standalone basis in accordance with generally accepted accounting principles in the United States ("U.S. GAAP") and pursuant to the rules and regulations of the SEC. The assets, liabilities, revenue and expenses of AUS have been reflected in these Combined Financial Statements on a historical cost basis, as included in the Combined Financial Statements of Aramark, using the historical accounting policies applied by Aramark. Historically, separate financial statements have not been prepared for AUS, and it has not operated as a standalone business from Aramark. The historical results of operations, financial position and cash flows of AUS presented in these Combined Financial Statements may not be indicative of what they would have been had AUS been an independent standalone public company, nor are they necessarily indicative of AUS's future results of operations, financial position and cash flows.

AUS's business has historically functioned together with other Aramark businesses. Accordingly, AUS relied on certain of Aramark's corporate support functions to operate. The Combined Financial Statements include all revenues and costs directly attributable to AUS and an allocation of expenses related to certain Aramark corporate functions. These expenses have been allocated to AUS on the basis of direct usage where identifiable, with the remainder allocated on a pro rata basis of revenues, headcount or other drivers. AUS considers these allocations to be a reasonable reflection of the utilization of services or the benefit received. However, the allocations may not be indicative of the actual expense that would have been incurred had AUS operated as an independent, standalone public entity, nor are they indicative of Vestis' future expenses.

The Combined Financial Statements include assets and liabilities that have been determined to be specifically identifiable or otherwise attributable to AUS.

AUS's cash flows within the United States segment are transferred to Aramark regularly as part of Aramark's centralized cash management program. AUS's cash flows within the Canada segment are reinvested locally. The cash and cash equivalents held by Aramark at the corporate level are not specifically identifiable to AUS and therefore were not allocated to any of the periods presented. Only cash amounts specifically attributable to AUS are reflected in the Combined Balance Sheets. Transfers of cash, both to and from Aramark's central cash management

system, are reflected as a component of “Net parent investment” on the Combined Balance Sheets and in “Net cash used in financing activities” on the accompanying Combined Statements of Cash Flows.

Aramark’s long-term borrowings and related interest expense, exclusive of certain financing lease obligations, have not been attributed to AUS for any of the periods presented because the borrowings are neither directly attributable to AUS nor is AUS the primary legal obligor of such borrowings.

All intercompany transactions and balances within AUS have been eliminated. Transactions between AUS and Aramark have been included in these Combined Financial Statements and are considered related party transactions (see Note 4 to both the AUS audited Combined Financial Statements and AUS unaudited Condensed Combined Financial Statements).

The “Provision for Income Taxes” in the Combined Statements of Income has been calculated as if AUS filed a separate tax return and was operating as a standalone company. Therefore, income tax expense, cash tax payments and items of current and deferred income taxes may not be reflective of AUS’s actual tax balances prior to or subsequent to the distribution.

#### ***Sources of Revenue***

Vestis generates and recognizes over 93% of its total revenue from route servicing contracts on both Uniforms, which Vestis generally manufactures, and Workplace Supplies, such as mats, towels and linens that are procured from third-party suppliers. Revenue from these contracts represent a single-performance obligation and is recognized over time as services are performed based on the nature of services provided and contractual rates (output method). Vestis generates its remaining revenue primarily from the direct sale of uniforms to customers, with such revenue being recognized when Vestis’ performance obligation is satisfied, typically upon the transfer of control of the promised product to the customer. Revenue is recognized in an amount that reflects the consideration Vestis expects to be entitled to in exchange for the services or products described above and is presented net of sales and other taxes we collect on behalf of governmental authorities.

#### ***Costs and Expenses***

Our costs and expenses are comprised of cost of services provided (exclusive of depreciation and amortization) (hereafter referred to as “cost of services provided”), depreciation and amortization and selling, general and administrative expenses.

Cost of services provided includes the costs associated with the recurring pickup, processing and delivery of products to rental customers, the amortized cost of in service inventory for the rental business, and the cost of products sold to customers through our direct sales offerings.

Depreciation and amortization expense reflects the cost of investments in our manufacturing plants, processing facilities, distribution centers and technology capabilities, and the amortization of intangible assets related to acquisitions. More specifically, depreciation expense is related to processing operation assets such as washers, dryers, steam tunnels and related equipment, distribution centers and related product handling and storage equipment, company-owned and financed delivery vehicles, information technologies and other assets for which we expect to receive an economic benefit for greater than one year. The cost of these investments is depreciated on a straight-line basis over three to 40 years based upon the estimated useful life of the asset.

Selling, general and administrative expenses include costs attributable to our sales team and the administrative functions required to support our customers and our team members.

Interest Expense and Other, net, is primarily comprised of interest expense recognized on financing leases and AUS’s share of the financial results for equity method investments.

### ***Provision for Income Taxes***

The Provision for Income Taxes represents federal, foreign, state and local income taxes. Our effective tax rate differs from the statutory United States income tax rate due to the effect of state and local income taxes, the tax rate in Canada where we have operations, tax credits and certain nondeductible expenses.

### ***Foreign Currency Fluctuations***

The impact from foreign currency translation assumes constant foreign currency exchange rates based on the rates in effect for the prior fiscal year period being used in translation for the comparable current year period. We believe that providing the impact of fluctuations in foreign currency rates on certain financial results can facilitate analysis of period-to-period comparisons of business performance.

### ***Fiscal Year***

Our fiscal year is the 52- or 53-week period which ends on the Friday nearest to September 30th. The fiscal years ended September 30, 2022 and October 1, 2021 were each 52-week periods and the fiscal year ended October 2, 2020 was a 53-week period. The nine months ended June 30, 2023 and July 1, 2022 were each 39-week periods.

### **Key Trends Affecting Our Results of Operations**

We serve the uniforms, mats, towels, linens, restroom supplies, first-aid supplies and safety products industry within the United States and Canada. This includes businesses that outsource these services through rental programs or direct purchases, as well as non-programmers, or businesses that maintain these services in-house. We believe that demand in this industry is largely influenced by macro-economic conditions, employment levels, increasing standards for workplace hygiene and safety and an ongoing trend of businesses outsourcing non-core, back-end operations. As a result of the diversity of our customers and the wide variety of industries in which they participate, demand for our products and services is not specifically linked to the cyclical nature of any one sector.

Recent global events, including the COVID-19 pandemic, have adversely affected global economies, disrupted global supply chains and labor force participation, and created significant volatility and disruption of financial markets. COVID-19 related disruptions negatively impacted our financial and operating results beginning in the second quarter of fiscal 2020 through the first half of fiscal 2021. Our financial results started to improve during the second half of fiscal 2021 and continued to improve throughout fiscal 2022 as COVID-19 restrictions were lifted, and operations reopened.

In addition, the ongoing conflict between Russia and Ukraine, countries in which we do not have direct operations, further disrupted global supply chains and heightened volatility and disruption of global financial markets. The ongoing volatility and disruption of financial markets caused by these global events, as well as other current global economic factors, triggered inflation in labor and energy costs and has driven significant changes in foreign currencies. The impact on our longer-term operational and financial performance will depend on future developments, including our response and governmental response to inflation, the duration and severity of the ongoing volatility and disruption of global financial markets and our ability to effectively hire and retain personnel. Some of these future developments are outside of our control and are highly uncertain.

We continue to remain principally focused on the safety and well-being of our employees, customers and everyone we serve, while simultaneously taking timely, proactive measures to adapt to the current environment. Throughout fiscal 2022, we saw continued improved profitability from customers reopening as COVID-19 restrictions eased as well as from effective management of operating costs and pricing pass-throughs to mitigate the effects of elevated inflation. We continue to evaluate and react to the effects of a prolonged global disruption, including items such as inflationary pressures on product and energy costs and greater labor challenges. These challenges have continued to impact our business during the nine months ended June 30, 2023. Our actions to mitigate the effects of inflation in fiscal 2022 and the nine months ended June 30, 2023 included operating cost reductions, reductions in discretionary spending and reductions in our non-operational footprint, along with the implementation of targeted and strategic price increases under the terms of our customer contracts. We do not know

whether we will be able to mitigate any future impacts of inflation with further increases in pricing for our goods and services. We continue to evaluate and react in order to take appropriate actions to mitigate the risk in these areas. See “Risk Factors—Operational Risks—Unfavorable economic conditions have in the past adversely affected, are currently affecting and in the future could adversely affect Vestis’ business, financial condition or results of operations.”

## Results of Operations Consolidated

### *Nine Months Ended June 30, 2023 Compared to Nine Months Ended July 1, 2022*

The following tables present an overview of our results on a combined basis with the amount of and percentage change between periods for each of the nine months presented (dollars in thousands):

	For the Nine Months Ended		Change	Change
	June 30, 2023	July 1, 2022	\$	%
Revenue	\$ 2,109,385	\$ 2,003,832	\$ 105,553	5.3 %
Operating Expenses:				
Cost of services provided <sup>(1)</sup>	1,480,143	1,398,212	81,931	5.9 %
Depreciation and amortization	101,712	100,603	1,109	1.1 %
Selling, general and administrative expenses	367,396	343,352	24,044	7.0 %
Total Operating Expenses	1,949,251	1,842,167	107,084	5.8 %
Operating income	160,134	161,665	(1,531)	(0.9)%
Interest Expense and Other, net	(268)	2,808	(3,076)	(109.5)%
Income Before Income Taxes	160,402	158,857	1,545	1.0 %
Provision for Income Taxes	41,216	40,391	825	2.0 %
Net income	\$ 119,186	\$ 118,466	\$ 720	0.6 %

(1) Exclusive of depreciation and amortization.

Consolidated revenue of \$2,109.4 million for the nine months ended June 30, 2023 increased 5.3% compared to revenue for the nine months ended July 1, 2022. This increase was driven by growing base customer sales by roughly \$70 million with the remaining growth largely coming from pricing actions implemented to offset the impact of inflationary pressures.

Cost of services provided increased 5.9% for the nine months ended June 30, 2023, relative to the comparable period in the prior fiscal year due primarily to roughly \$52 million higher energy and labor costs from the continuation of inflationary pressures and approximately \$27 million of incremental amortization of rental merchandise in service assets.

Selling, general and administrative expenses increased 7.0% in the nine months ended June 30, 2023, relative to the comparable period in the prior fiscal year. The increase was primarily attributable to non-cash charges for the impairment of operating lease right-of-use assets and other costs (\$7.7 million), incremental personnel and other expenses related to Aramark’s intention to spin off its Uniforms segment (\$11.0 million), net severance charges (\$4.7 million), incremental charges for bad debt (\$3.7 million) and incremental personnel costs related to merit and inflation (\$2.2 million), partially offset by a gain on the sale of land (\$6.8 million) recorded in the nine months ended June 30, 2023 and savings from severance actions taken in the second quarter of fiscal 2023 (\$3.3 million).

Operating income of \$160.1 million decreased 0.9% in the nine months ended June 30, 2023 compared to the nine months ended July 1, 2022.

Operating income as a percentage of revenue (“operating income margin”) decreased from 8.1% in the nine months ended July 1, 2022, to 7.6% in the nine months ended June 30, 2023.

Interest Expense and Other, net, decreased \$3.1 million in the nine months ended June 30, 2023, relative to the comparable nine months ended July 1, 2022.

The provision for income taxes for the nine months ended June 30, 2023 was recorded at an effective rate of 25.7% or approximately 30 basis points higher than the effective rate of 25.4% for the nine months ended July 1, 2022.

Net income of \$119.2 million in the nine months ended June 30, 2023, represented an increase of \$0.7 million, or 0.6% relative to the comparable nine months ended July 1, 2022.

#### ***Fiscal 2022 Compared to Fiscal 2021***

The following table presents an overview of our results on a combined basis with the amount of and percentage change between periods for the fiscal years 2022 and 2021 (dollars in thousands).

	Fiscal Year Ended		Change	Change
	September 30, 2022	October 1, 2021	\$	%
Revenue	\$ 2,687,005	\$ 2,456,577	\$ 230,428	9.4 %
Operating Expenses:				
Cost of services provided <sup>(1)</sup>	1,909,676	1,765,635	144,041	8.2 %
Depreciation and amortization	134,352	133,306	1,046	0.8 %
Selling, general and administrative expenses	450,734	461,397	(10,663)	(2.3)%
Total Operating Expenses	2,494,762	2,360,338	134,424	5.7 %
Operating income	192,243	96,239	96,004	99.8 %
Interest Expense and Other, net	2,284	(1,120)	3,404	303.9 %
Income Before Income Taxes	189,959	97,359	92,600	95.1 %
Provision for Income Taxes	48,280	23,089	25,191	109.1 %
Net income	\$ 141,679	\$ 74,270	\$ 67,409	90.8 %

(1) Exclusive of depreciation and amortization.

Consolidated revenue of \$2,687 million increased 9.4% in fiscal 2022 compared to the prior fiscal year. This increase was driven by approximately \$144 million of growth within our existing rental customer base associated with customers reopening after COVID-19 restrictions were lifted and pricing actions implemented to offset the impact of inflationary pressures and an approximate \$75 million increase in net new business driven by investments in our sales force.

Cost of services provided increased 8.2% in fiscal 2022 compared to the prior fiscal year. This increase is due primarily to higher year-over-year sales volumes resulting in roughly \$90 million of incremental costs and inflationary pressures driving higher energy and labor costs of approximately \$65 million. Additionally, two items associated with the COVID-19 pandemic impacted the cost of services provided from fiscal 2021 to fiscal 2022. First, as part of the Canadian government's response to the COVID-19 pandemic and its impact on businesses, our Canadian segment received labor related tax credit subsidies resulting in income totaling \$17.9 million in fiscal 2021, which impacted both cost of services provided and selling, general and administrative expenses. These subsidies had the impact of reducing our cost of services by \$13.7 million in fiscal 2021. In fiscal 2022, these subsidies totaled only \$0.4 million as the government initiative concluded in early fiscal 2022. The subsidies effectively resulted in an approximate \$13 million increase in cost of services provided from fiscal 2021 to fiscal 2022. Second, in response to the COVID-19 pandemic, the business invested in inventories of personal protective equipment ("PPE") in fiscal 2020. During fiscal 2021, management determined that a portion of PPE exceeded the expected future consumption from customers at that time, and a charge of approximately \$34 million was recorded to reduce the value of this inventory. In fiscal 2022, an additional and final PPE write-off of approximately \$26 million was recorded.

Selling, general and administrative expenses decreased 2.3% in fiscal 2022 compared to the prior fiscal year. The decrease resulted from the non-recurrence of approximately \$17 million of implementation charges associated with a new laundry ERP system in fiscal 2021 combined with \$6.5 million of severance recorded in fiscal 2021 partially offset by the fiscal 2022 investment in additional sales resources to support growth and incremental personnel costs to support the anticipated separation of Vestis of \$4 million.

Operating income of \$192.2 million increased 99.8% in fiscal 2022 compared to the prior fiscal year.

Operating income margin increased from 3.9% in fiscal 2021 to 7.2% in fiscal 2022, an improvement of approximately 330 basis points.

Interest Expense and Other, net, increased \$3.4 million in fiscal 2022 to \$2.3 million.

The provision for income taxes for fiscal 2022 was recorded at an effective rate of 25.4% compared to an effective rate of 23.7% in fiscal 2021. The higher effective tax rate was due to the fiscal 2021 release of a valuation allowance related to our Canadian operations of \$2.3 million.

Net income of \$141.7 million in fiscal 2022 represented an increase of \$67.4 million, or 90.8% compared to the prior fiscal year.

#### ***Fiscal 2021 Compared to Fiscal 2020***

The following table presents an overview of our results on a combined basis with the amount of and percentage change between periods for the fiscal years 2021 and 2020 (dollars in thousands).

	Fiscal Year Ended		Change	
	October 1, 2021	October 2, 2020	\$	%
Revenue	\$ 2,456,577	\$ 2,561,996	\$ (105,419)	(4.1)%
Operating Expenses:				
Cost of services provided <sup>(1)</sup>	1,765,635	1,813,985	(48,350)	(2.7)%
Depreciation and amortization	133,306	137,158	(3,852)	(2.8)%
Selling, general and administrative expenses	461,397	461,133	264	0.1%
Total Operating Expenses	2,360,338	2,412,276	(51,938)	(2.2)%
Operating income	96,239	149,720	(53,481)	(35.7)%
Interest Expense and Other, net	(1,120)	206	(1,326)	(643.7)%
Income Before Income Taxes	97,359	149,514	(52,155)	(34.9)%
Provision for Income Taxes	23,089	37,867	(14,778)	(39.0)%
Net income	\$ 74,270	\$ 111,647	\$ (37,377)	(33.5)%

(1) Exclusive of depreciation and amortization.

Consolidated revenue of \$2,457 million decreased 4.1% in fiscal 2021 compared to the prior fiscal year. The year-over-year change in revenue was favorably impacted 0.5% by currency exchange rate movements and adversely impacted 1.7% by the 53rd week in fiscal 2020 as compared to 52 weeks of results in fiscal 2021. The remaining decrease was primarily attributable to the negative impact of COVID-19 on the full year in fiscal 2021 compared to only the second half of fiscal 2020.

Cost of services provided of \$1,766 million decreased 2.7% in fiscal 2021 compared to the prior fiscal year primarily due to lower in service inventory amortization cost of approximately \$51 million coupled with lower variable expense due to 4.1% decline in revenue compared to fiscal 2020. The decrease in amortization cost was due to lower issuances of in service inventory during fiscal 2021 and the second half of fiscal 2020 due to lower revenues from COVID-19. There were also several significant items impacting cost of services provided. First, as part of the Canadian government's response to the COVID-19 pandemic and its impact on businesses, our Canadian

segment received labor-related tax credit subsidies totaling approximately \$23 million of income in fiscal 2020, which impacted both cost of services provided and selling, general and administrative expenses. These subsidies had the impact of reducing our cost of services by approximately \$17.0 million in fiscal 2020. In fiscal 2021, these subsidies totaled \$17.9 million of income of which \$13.7 million had the impact of reducing our fiscal 2021 cost of services provided. Second, in response to the COVID-19 pandemic, the business invested in inventories of PPE in fiscal 2020. During fiscal 2021, management determined that a portion of these inventories exceeded the expected future consumption from customers, and charges of approximately \$34 million were recorded to reduce the value of this inventory at that time. These charges increased cost of services provided in fiscal 2021 as compared to fiscal 2020. Third, in fiscal 2020, we recorded a gain of approximately \$16 million associated with the receipt of insurance proceeds resulting from the property damage and business interruption from a tornado at our Nashville, Tennessee location. Lastly, we recorded a \$7 million favorable non-cash settlement of a multiemployer pension plan obligation in fiscal 2020.

Depreciation and amortization expense decreased 2.8% in fiscal 2021 compared to the prior fiscal year.

Selling, general and administrative expenses were essentially flat in fiscal 2021 compared to the prior fiscal year. Fiscal 2021 expense was impacted by higher personnel costs from incentive expenses related to our annual bonus and employer retirement matching contributions, equity compensation, sales growth initiatives of approximately \$17 million, higher year-over-year severance costs of \$3.0 million, and fiscal 2021 implementation costs of roughly \$17 million associated with our new laundry ERP system. These items were offset by the favorable impact of headcount reductions taken during the second half of the prior fiscal year and approximately \$24 million of AmeriPride acquisition integration charges recorded in fiscal 2020.

Operating income of \$96.2 million decreased 35.7% in fiscal 2021 compared to the prior fiscal year.

Operating income margin of 3.9% in fiscal 2021 represented a decrease of approximately 195 basis points compared to the prior fiscal year.

Interest expense and Other, net was \$0.2 million of expense in fiscal 2020 reversing to \$1.1 million of income in fiscal 2021.

The provision for income taxes for fiscal 2021 was recorded at an effective rate of 23.7% compared to an effective rate of 25.3% in fiscal 2020. The lower effective tax rate was due to the fiscal 2021 release of a valuation allowance related to our Canadian operations of \$2.3 million.

Net income of \$74.3 million in fiscal 2021 represented a decrease of \$37.4 million, or 33.5% compared to the prior fiscal year.

## Results of Operations—United States Results

### *Nine Months Ended June 30, 2023 Compared to Nine Months Ended July 1, 2022*

The following table presents an overview of our United States reportable segment results with the amount of and percentage change between periods for each of the nine months presented (dollars in millions):

	Nine Months Ended		Change	Change
	June 30, 2023	July 1, 2022	\$	%
Revenue	\$ 1,921.1	\$ 1,823.8	\$ 97.3	5.3 %
Segment Operating Income	216.1	197.2	18.9	9.6 %
Segment Operating Income %	11.2 %	10.8 %		

United States revenue increased 5.3% in the nine months ended June 30, 2023, compared to the nine months ended July 1, 2022. This increase was primarily driven by growing base customer sales by roughly \$70 million with the remaining growth largely coming from pricing actions implemented to offset the continued impact of inflationary pressures. Uniforms revenue for the nine months ended June 30, 2023 of approximately \$804 million

increased approximately \$1 million relative to the nine months ended July 1, 2022. Workplace Supplies revenue for the nine months ended June 30, 2023 of approximately \$1,117 million increased roughly \$96 million, or 9.4%, relative to the nine months ended July 1, 2022.

Segment operating income of \$216.1 million in the nine months ended June 30, 2023 increased 9.6% relative to the nine months ended July 1, 2022, primarily driven by:

- an approximate \$80 million increase in operating income from the higher year-over-year revenue during the nine months ended June 30, 2023 relative to the comparable prior year period;
- an approximate \$10 million in savings from permanent cost reduction actions taken earlier in fiscal year 2023; and
- a \$6.8 million gain on the sale of real estate property during the nine months ended June 30, 2023; partially offset by:
  - incremental labor and energy costs of approximately \$55 million linked to a significant inflationary environment;
  - an approximate \$20 million increase in rental merchandise amortization associated with incremental investments made in rental merchandise to support sales growth as we exited the COVID-19 pandemic; and
  - net severance costs of \$4.7 million during the nine months ended June 30, 2023.

Segment operating income margin increased approximately 40 basis points from 10.8% in the nine months ended July 1, 2022 to approximately 11.2% in the nine months ended June 30, 2023.

#### ***Fiscal 2022 Compared to Fiscal 2021***

The following table presents an overview of our United States reportable segment results with the amount of and percentage change between periods for the fiscal years 2022 and 2021 (dollars in millions).

	Fiscal Year Ended		Change	Change
	September 30, 2022	October 1, 2021	\$	%
Revenue	\$ 2,447.0	\$ 2,250.8	\$ 196.2	8.7 %
Segment Operating Income	243.0	136.3	106.7	78.3 %
Segment Operating Income %	9.9 %	6.1 %		

United States revenue increased 8.7% in fiscal 2022 compared to the prior fiscal year. This increase was primarily driven by base growth of roughly \$115 million associated with customers reopening after COVID-19 restrictions were lifted and pricing actions implemented to offset the impact of inflationary pressures and an approximate \$70 million increase in net new business driven by investments in our sales force. Fiscal 2022 Uniforms revenue of approximately \$1,068 million was essentially flat compared to the prior fiscal year. Fiscal 2022 Workplace Supplies revenue of approximately \$1,379 million increased roughly \$205 million, or 17.4%, compared to the prior fiscal year, driven by the continued recovery of business activity from COVID-19.

Segment operating income of \$243.0 million in fiscal 2022 increased 78.3% compared to the prior fiscal year, primarily driven by:

- the growth in revenue, including the favorable impact of higher rental revenues across our manufacturing plants, processing facilities and distribution network;
- an approximate \$17 million reduction in costs associated with the implementation of a new laundry ERP system in fiscal 2021;



- approximately \$8 million of lower year-over-year non-cash charges to write down PPE purchased in fiscal 2020 during the height of the COVID-19 pandemic; and
- prior year severance charges of \$5.3 million.

Segment operating income margin improved approximately 385 basis points from 6.1% in fiscal 2021 to approximately 9.9% in fiscal 2022.

#### ***Fiscal 2021 Compared to Fiscal 2020***

The following table presents an overview of our United States reportable segment results with the amount of and percentage change between periods for the fiscal years 2021 and 2020 (dollars in millions).

	Fiscal Year Ended		Change	Change
	October 1, 2021	October 2, 2020	\$	%
Revenue	\$ 2,250.8	\$ 2,357.9	\$ (107.1)	(4.5)%
Segment Operating Income	136.3	177.0	(40.7)	(23.0)%
Segment Operating Income %	6.1 %	7.5 %		

United States revenue decreased 4.5% in fiscal 2021 compared to the prior fiscal year. The year-over-year change in revenue was adversely impacted 1.8% by the 53rd week in fiscal 2020. The remaining decrease was primarily attributable to the greater negative impact of COVID-19 in fiscal 2021 compared to fiscal 2020. Fiscal 2021 Uniforms revenue of approximately \$1,076 million decreased approximately \$82 million, or 7.1% compared to the prior fiscal year, driven by the impact of lower business activity due to COVID-19. Fiscal 2021 Workplace Supplies revenue of approximately \$1,174 million decreased approximately \$25 million, or 2.1% compared to the prior fiscal year, also driven by the impact of lower business activity due to COVID-19.

Segment operating income of \$136.3 million in fiscal 2021 decreased 23.0% compared to the prior fiscal year primarily due to:

- lower business activity from the COVID-19 pandemic;
- an approximate \$34 million charge from the write-off of PPE inventory in fiscal 2021;
- fiscal 2021 implementation costs of roughly \$17 million associated with our new laundry ERP system;
- higher personnel costs in fiscal 2021 from incentive expenses related to our annual bonus and employer retirement matching contributions, equity compensation and sales growth initiatives of approximately \$16 million;
- an approximate \$16 million gain recorded in fiscal 2020 from the receipt of insurance proceeds resulting from the property damage and business interruption from a tornado at our Nashville, Tennessee location;
- an approximate \$7 million favorable non-cash settlement of a multiemployer pension plan obligation in fiscal 2020; and
- an approximate \$3 million increase in severance charges from fiscal 2020 to fiscal 2021.

The decrease in segment operating income in fiscal 2021 was partially offset by approximately \$47 million reduction of in service inventory amortization and approximately \$24 million of AmeriPride acquisition integration charges recorded in fiscal 2020.

Segment operating income margin of 6.1% in fiscal 2021 represented a decrease of approximately 145 basis points compared to the prior fiscal year.

## Results of Operations—Canada Results

### *Nine Months Ended June 30, 2023 Compared to Nine Months Ended July 1, 2022*

The following table presents an overview of our Canada reportable segment results with the amount of and percentage change between periods for each of the nine months presented (dollars in millions):

	Nine Months Ended		Change	Change
	June 30, 2023	July 1, 2022	\$	%
Revenue	\$ 188.3	\$ 180.0	\$ 8.3	4.6 %
Segment Operating Income	10.2	15.2	(5.0)	(32.9)%
Segment Operating Income %	5.4 %	8.4 %		

Canada revenue increased 4.6% in the nine months ended June 30, 2023 compared to the nine months ended July 1, 2022. This increase was primarily driven by pricing actions implemented to offset the continued impact of inflationary pressures. Uniforms revenue for the nine months ended June 30, 2023 of approximately \$76 million was essentially flat relative to the nine months ended July 1, 2022. Workplace Supplies revenue for the nine months ended June 30, 2023 of approximately \$112 million increased roughly \$8 million, or 7.9%, relative to the nine months ended July 1, 2022.

Segment operating income of \$10.2 million in the nine months ended June 30, 2023, decreased 32.9% relative to the nine months ended July 1, 2022, primarily driven by:

- an approximate \$5 million increase in rental merchandise amortization associated with incremental investments made in rental merchandise to support sales growth as we exited the COVID-19 pandemic;
- incremental labor and energy costs of approximately \$2 million linked to a significant inflationary environment; and
- a \$1.3 million gain on the sale of real estate property during the nine months ended July 1, 2022; partially offset by
- an approximate \$6 million increase in operating income from the higher year-over-year revenue during the nine months ended June 30, 2023 relative to the comparable prior year period.

Segment operating income margin declined approximately 300 basis points from 8.4% in the nine months ended July 1, 2022, to approximately 5.4% in the nine months ended June 30, 2023.

### *Fiscal 2022 Compared to Fiscal 2021*

The following table presents an overview of our Canada reportable segment results with the amount of and percentage change between periods for the fiscal years 2022 and 2021 (dollars in millions).

	Fiscal Year Ended		Change	Change
	September 30, 2022	October 1, 2021	\$	%
Revenue	\$ 240.0	\$ 205.8	\$ 34.2	16.6 %
Segment Operating Income	18.0	22.7	(4.7)	(20.7)%
Segment Operating Income %	7.5 %	11.0 %		

Canada revenue increased 16.6% in fiscal 2022 compared to the prior fiscal year driven by growth within our rental business of roughly \$29 million from customers reopening after COVID-19 restrictions were lifted and pricing actions implemented to offset the impact of inflationary pressures, and an approximate \$5 million increase in net new business driven by investments in our sales force, with currency exchange rate movements having a 1.4%

adverse impact on revenue. Fiscal 2022 Uniforms revenue of approximately \$101 million remained relatively flat with the prior fiscal year. Fiscal 2022 Workplace Supplies revenue of approximately \$139 million increased approximately \$34 million, or 32.2% compared to the prior fiscal year, driven by the impact of lower business activity during fiscal 2021 from the COVID-19 pandemic.

Segment operating income of \$18.0 million decreased 20.7% in fiscal 2022 compared to the prior fiscal year from the reduction in labor-related tax credit subsidies from the Canadian government of approximately \$17 million, which was partially offset by the growth in revenue and the associated favorable impact to our manufacturing plants, processing facilities and distribution network.

Segment operating income margin decreased approximately 350 basis points from 11.0% in fiscal 2021 to 7.5% in fiscal 2022.

#### ***Fiscal 2021 Compared to Fiscal 2020***

The following table presents an overview of Canada reportable segment results with the amount of and percentage change between periods for the fiscal years 2021 and 2020 (dollars in millions).

	Fiscal Year Ended		Change	
	October 1, 2021	October 2, 2020	\$	%
Revenue	\$ 205.8	\$ 204.1	\$ 1.7	0.8 %
Segment Operating Income	22.7	21.3	1.4	6.6 %
Segment Operating Income %	11.0 %	10.4 %		

Canada revenue increased 0.8% in fiscal 2021 compared to the prior fiscal year. The year-over-year change in revenue was favorably impacted 6.0% from currency exchange rate movements and adversely impacted 1.9% by the 53rd week in fiscal 2020 as compared to only 52 weeks in fiscal 2021. The remaining decrease was primarily attributable to the greater negative impact of COVID-19 in fiscal 2021 compared to fiscal 2020. Fiscal 2021 Uniforms revenue and Workplace Supplies revenue of approximately \$101 million and \$105 million, respectively, remained essentially flat compared to the prior fiscal year.

Segment operating income of \$22.7 million increased \$1.4 million, or 6.6% in fiscal 2021, compared to the prior fiscal year. Segment operating income margin of 11.0% in fiscal 2021 represented an increase of approximately 60 basis points compared to the prior fiscal year.

#### **Liquidity and Capital Resources**

##### ***Historical Liquidity***

Historically, AUS generates positive cash flows from operations. AUS cash flows within its United States operations are transferred to Aramark regularly as part of Aramark's centralized cash management program. This arrangement is used to manage liquidity of Aramark and fund the operations of our business as needed. This arrangement is not indicative of how AUS would have funded its operations had AUS been a standalone company separate from Aramark during the periods presented. Cash transferred to and from Aramark's cash management accounts are reflected within net parent investment as a component of Aramark's equity.

The cash and cash equivalents held by Aramark at the corporate level are not specifically identifiable to AUS and therefore were not allocated to any of the periods presented. The majority of AUS cash and cash equivalents balance is from its Canadian operations. Third-party debt and the related interest expense of Aramark has not been allocated to AUS for any of the periods presented because Aramark's borrowings were not directly attributable to this standalone business.

### **Cash Flows for the Nine Months Ended June 30, 2023 and July 1, 2022**

The table below summarizes our cash activity for the nine months ended June 30, 2023 and July 1, 2022 (dollars in millions):

	For the nine months ended	
	June 30, 2023	July 1, 2022
Net cash provided by operating activities	\$ 143.9	\$ 165.0
Net cash used in investing activities	\$ (41.6)	\$ (57.2)
Net cash used in financing activities	\$ (112.5)	\$ (123.0)

Reference to the unaudited Condensed Combined Statements of Cash Flows will facilitate understanding of the discussion that follows.

### **Nine Months Ended June 30, 2023 Compared to Nine Months Ended July 1, 2022**

#### *Cash Flows Provided by Operating Activities*

Net cash provided by operating activities of \$143.9 million during the nine months ended June 30, 2023 was \$21.1 million lower than the nine months ended July 1, 2022 amount of \$165.0 million. The lower cash flow provided by operating activities was primarily a result of an incremental \$4.1 million investment in net operating assets and liabilities in support of higher sales and lower net income inclusive of the non-cash adjustments to net income relative to the nine months ended July 1, 2022.

#### *Cash Flows Used in Investing Activities*

The net cash flows used in investing activities were lower during the nine months ended June 30, 2023 relative to the comparable period in the prior fiscal year primarily due to the prior year use of \$17.2 million of cash to fund the acquisition of certain businesses.

#### *Cash Flows Used in Financing Activities*

During the nine months ended June 30, 2023, cash used in financing activities was impacted by the following:

- cash transferred to Aramark (\$91.7 million); and
- payments related to finance leases (\$20.8 million).

During the nine months ended July 1, 2022, cash used in financing activities was impacted by the following:

- cash transferred to Aramark (\$101.6 million); and
- payments related to finance leases (\$21.4 million).

### **Cash Flows for Fiscal 2022, Fiscal 2021 and Fiscal 2020**

The table below summarizes our cash activity (in millions):

	Fiscal Year Ended		
	September 30, 2022	October 1, 2021	October 2, 2020
Net cash provided by operating activities	\$ 232.8	\$ 244.3	\$ 231.3
Net cash used in investing activities	\$ (86.1)	\$ (103.2)	\$ (43.4)
Net cash used in financing activities	\$ (162.5)	\$ (125.5)	\$ (175.1)

Reference to the audited Combined Statements of Cash Flows will facilitate understanding of the discussion that follows.

### ***Fiscal 2022 Compared to Fiscal 2021***

#### *Cash Flows Provided by Operating Activities*

Net cash provided by operating activities of \$232.8 million during fiscal 2022 was slightly below the fiscal 2021 amount of \$244.3 million. The recovery of our businesses after the easing of COVID-19 restrictions resulted in an approximate \$90 million greater year-over-year use of cash to fund changes in operating assets and liabilities, which was partially offset by higher net income, as discussed in “Results of Operations” above, and favorable non-cash adjustments between fiscal years of \$15.9 million. The greater use of cash to fund changes in operating assets and liabilities resulted from the fiscal 2022 payment of deferred social security taxes as permitted under the Coronavirus Aid, Relief, and Economic Security Act (see Note 1 to the Aramark Uniform Services audited Combined Financial Statements); higher fiscal 2022 employer retirement contributions and bonus payments; increased investment of in service merchandise in fiscal 2022 to support the sales recovery from exiting the COVID-19 pandemic; \$9 million lower receipts of COVID-19 labor-related tax credit relief from the Canadian government; and carrying higher accounts receivable from the significant increase in year-over-year revenue offset partially by a \$21 million increase in cash provided by accounts payable from increased purchasing activity as operations returned to normal levels during fiscal 2022 due to the lifting of COVID-19 restrictions.

#### *Cash Flows Used in Investing Activities*

The net cash flows used in investing activities were lower during fiscal 2022 compared to fiscal 2021 due to lower capital expenditures. The “Disposals of property and equipment” caption for fiscal 2022 includes \$6.4 million of insurance proceeds related to the property damage from a tornado during fiscal 2020 at our Nashville location.

#### *Cash Flows Used in Financing Activities*

During fiscal 2022, cash used in financing activities was impacted by the following:

- cash transferred to Aramark (\$134.5 million); and
- payments related to finance leases (\$28.0 million).

During fiscal 2021, cash used in financing activities was impacted by the following:

- cash transferred to Aramark (\$95.6 million); and
- payments related to finance leases (\$29.9 million).

### ***Fiscal 2021 Compared to Fiscal 2020***

#### *Cash Flows Provided by Operating Activities*

Net cash provided by operating activities of \$244.3 million during fiscal 2021 increased by \$13.0 million compared to fiscal 2020, primarily driven by a lower year-over-year use of cash to fund changes in operating assets and liabilities and favorable year-over-year non-cash gains and losses offset partially by lower net income in fiscal 2021 as compared to fiscal 2020, as discussed in “Results of Operations” above. The lower use of cash to fund changes in operating assets and liabilities resulted from reduced investments in inventory (during fiscal 2020, we purchased significant PPE in response to the COVID-19 pandemic); lower bonus and benefit payments in fiscal 2021 as compared to fiscal 2020; and the fiscal 2021 deferral of social security tax payments permitted under the CARES Act offset by a greater investment in rental merchandise in service inventory and receivables as we started to see business recover in the second half of fiscal 2021 from the easing of COVID-19 pandemic restrictions as compared to the second half of fiscal 2020, which was heavily impacted by COVID-19.

#### *Cash Flows Used in Investing Activities*

Net cash used in investing activities was higher during fiscal 2021 compared to fiscal 2020 due to higher capital expenditures. The “Disposals of property and equipment” caption for fiscal 2020 includes approximately \$21.5 million of insurance proceeds related to property damage from a tornado during fiscal 2020 at our Nashville, Tennessee location.

#### *Cash Flows Used in Financing Activities*

During fiscal 2021, net cash used in financing activities was impacted by the following:

- cash transferred to Aramark (\$95.6 million); and
- payments related to finance leases (\$29.9 million).

During fiscal 2020, cash used in financing activities was impacted by the following:

- cash transferred to Aramark (\$143.0 million); and
- payments related to finance leases (\$32.1 million).

#### ***Future Liquidity and Contractual Obligations***

We have historically relied on available cash, recurring cash flow provided by operations and Aramark’s centralized cash management program to fund operations. Going forward, we plan to primarily rely on cash and recurring cash flow provided by operations to fund our operations. We expect to have access to credit facilities and capital markets for additional funding. The cost and availability of debt financing will be influenced by market conditions and our future credit ratings.

As a part of the separation, we expect to incur indebtedness in an aggregate principal amount of approximately \$1,500 million. We expect to make a cash distribution of approximately \$1,472 million to Aramark concurrently with the consummation of the separation. On the distribution date, Vestis expects to enter into senior secured financing with a syndicate of banks, financial institutions and/or other institutional lenders, with JPMorgan Chase Bank, N.A. acting as the administrative agent and the collateral agent, in an expected aggregate amount of \$1,800 million, consisting of the Term Loan Facilities and the Revolving Credit Facility. The Term Loan Facilities are expected to mature no more than five years from the date thereof. Interest on the loans under the Credit Facilities is expected to be calculated by reference to SOFR or an alternative base rate, plus an applicable margin, which in the case of any SOFR loan will include a customary spread adjustment. The terms of such indebtedness are subject to change and will be finalized prior to the closing of the separation. We expect to begin operations as an independent company with approximately \$30 million of cash and cash equivalents as set forth under “Capitalization.” We believe that we will meet known and likely future cash requirements through the combination of cash flows from operating activities, available cash balances, available borrowings under our financing arrangements and access to capital markets.

Following the separation, our recurring cash needs will primarily be directed toward working capital requirements to support ongoing business activities, investments in growth initiatives, capital expenditures, acquisitions, interest payments and repayment of borrowings. Our ability to fund these needs will depend, in part, on our ability to generate or raise cash in the future, which is subject to general economic, financial, competitive, regulatory and other factors that are beyond our control.

The following table summarizes our future obligations for finance leases, future minimum lease payments under non-cancelable operating leases and purchase obligations as of September 30, 2022 (dollars in thousands):

Contractual Obligations as of September 30, 2022	Payments Due by Period				
	Total	Less than 1 year	1-3 years	3-5 years	More than 5 years
Finance lease obligations	117,821	23,720	41,973	29,384	22,744
Operating leases	83,084	23,245	32,852	14,483	12,504
Purchase obligations <sup>(1)</sup>	11,454	8,854	2,600	—	—
Other liabilities <sup>(2)</sup>	20,000	20,000	—	—	—
	<u>\$ 232,359</u>	<u>\$ 75,819</u>	<u>\$ 77,425</u>	<u>\$ 43,867</u>	<u>\$ 35,248</u>

(1) Represents purchase commitments for inventory.

(2) Includes deferred social security taxes and severance.

### Critical Accounting Policies and Estimates

Our significant accounting policies are described in the notes to the Aramark Uniform Services audited Combined Financial Statements included elsewhere in this information statement. We have chosen accounting policies that management believes are appropriate to accurately and fairly report our operating results and financial position in conformity with U.S. GAAP. We apply these accounting policies in a consistent manner.

In preparing our Combined Financial Statements, management is required to make estimates and assumptions that, among other things, affect the reported amounts of assets, liabilities, revenue and expenses. These estimates and assumptions are most significant where they involve levels of subjectivity and judgment necessary to account for highly uncertain matters or matters susceptible to change, and where they can have a material impact on our financial condition and operating performance. If actual results were to differ materially from the estimates made, the reported results could be materially affected.

Critical accounting estimates and the related assumptions are evaluated periodically as conditions warrant, and changes to such estimates are recorded as new information or changed conditions require.

#### Revenue Recognition

Vestis generates and recognizes over 93% of its total revenue from route servicing contracts on both Uniforms, which Vestis generally manufactures, and Workplace Supplies, such as mats, towels and linens that are procured from third-party suppliers. Revenue from these contracts represent a single-performance obligation and is recognized over time as services are performed based on the nature of services provided and contractual rates (output method). Vestis generates its remaining revenue primarily from the direct sale of uniforms to customers, with such revenue being recognized when Vestis' performance obligation is satisfied, typically upon the transfer of control of the promised product to the customer.

#### Goodwill

Annually, in our fiscal fourth quarter, we perform an impairment assessment of goodwill at the reporting unit level. This assessment may first consider qualitative factors to determine whether it is more likely than not that the fair value of a reporting unit is less than its carrying amount. Examples of qualitative factors include macroeconomic conditions, industry and market considerations, cost factors, overall financial performance, entity-specific events, events affecting reporting units and sustained changes in our stock price. If results of the qualitative assessment indicate a more likely than not determination or if a qualitative assessment is not performed, a quantitative test is performed by comparing the estimated fair value using discounted cash flow calculations of each reporting unit with its estimated net book value. Historically, AUS has represented one reporting unit under Aramark's structure. During the fourth quarter of fiscal 2022, we performed the annual impairment test for goodwill using a quantitative testing approach. Based on our evaluation performed, we determined that the fair value of the reporting unit significantly exceeded its respective carrying amount, and therefore, we determined that goodwill was not impaired.

The determination of fair value for the AUS reporting unit includes assumptions, which are considered Level 3 inputs, that are subject to risk and uncertainty. The discounted cash flow calculations are dependent on several subjective factors, including the timing of future cash flows, the underlying margin projection assumptions, future growth rates and the discount rate. If our assumptions or estimates in our fair value calculations change or if future cash flows, margin projections or future growth rates vary from what was expected, this may impact our impairment analysis and could reduce the underlying cash flows used to estimate fair values and result in a decline in fair value that may trigger future impairment charges.

We believe that an accounting estimate relating to goodwill impairment is a critical accounting estimate because the assumptions underlying future cash flow estimates are subject to change from time to time and the recognition of an impairment could have a significant impact on our Combined Statements of Income.

#### ***Litigation and Claims***

From time to time, we and our subsidiaries are party to various legal actions, proceedings and investigations involving claims incidental to the conduct of our businesses, including actions by customers, employees, government entities and third parties, including under federal, state, international, national, provincial and local employment laws, wage and hour laws, discrimination laws, immigration laws, human health and safety laws, import and export controls and customs laws, environmental laws, false claims or whistleblower statutes, tax codes, antitrust and competition laws, customer protection statutes, procurement regulations, intellectual property laws, supply chain laws, the Foreign Corrupt Practices Act and other anti-corruption laws, lobbying laws, motor carrier safety laws, data privacy and security laws, or claims alleging negligence and/or breach of contractual and other obligations. We consider the measurement of litigation reserves as a critical accounting estimate because of the significant uncertainty in some cases relating to the outcome of potential claims or litigation and the difficulty of predicting the likelihood and range of potential liability involved, coupled with the material impact on our results of operations that could result from litigation or other claims. In determining legal reserves, we consider, among other issues:

- interpretation of contractual rights and obligations;
- the status of government regulatory initiatives, interpretations and investigations;
- the status of settlement negotiations;
- prior experience with similar types of claims;
- whether there is available insurance; and
- advice of counsel.

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

We encounter credit loss risks associated with the collection of receivables. We analyze historical experience, current general and specific industry economic conditions, industry concentrations, such as exposure to small and medium-sized businesses, the nonprofit healthcare sector, federal and local governments, and reasonable and supportable forecasts that affect the collectability of the reported amount in estimating credit losses. The accounting estimate related to the allowance for credit losses is a critical accounting estimate because the underlying assumptions used for the allowance can change from time to time and credit losses could potentially have a material impact on our results of operations. We adopted a new accounting standard related to the measurement of expected credit losses as of October 3, 2020 (the first day of fiscal 2021) (see Note 1 to the Aramark Uniform Services audited Combined Financial Statements).

#### ***Inventories and Rental Merchandise In Service***

We record an inventory obsolescence reserve for obsolete, excess and slow-moving inventory. In calculating our inventory obsolescence reserve, we analyze historical and projected data regarding customer demand within specific product categories and make assumptions regarding economic conditions within customer specific



industries, as well as style and product changes. Our accounting estimate related to inventory obsolescence is a critical accounting estimate because customer demand in certain industries can be variable and changes in our reserve for inventory obsolescence could materially affect our results of operations.

Rental merchandise in service is valued at cost less amortization, calculated using the straight-line method. Rental merchandise in service is amortized over its useful life, which ranges from one to four years. The amortization rates are based on industry experience, intended use of the merchandise, our specific experience and wear tests performed by Vestis. These factors are critical to determining the amount of rental merchandise in service and related cost of services provided that are presented in the Combined Financial Statements. Material differences may result in the amount and timing of operating income if management makes significant changes to these estimates.

***Costs to Obtain a Contract***

We defer employee sales commissions earned by our sales force that are considered to be incremental and recoverable costs of obtaining a contract. The deferred costs are amortized using the portfolio approach on a straight-line basis over the average period of benefit, approximately nine years, and are assessed for impairment on a periodic basis.

**New Accounting Standards Updates**

See Note 1 to the AUS audited Combined Financial Statements and Note 1 to the AUS unaudited Condensed Combined Financial Statements for a full description of recent accounting standards updates, including the expected dates of adoption.

**Quantitative and Qualitative Disclosure About Market Risk**

We are exposed to market risk primarily from changes in foreign currency exchange rates. This exposure results from revenues and profits denominated in foreign currencies being translated into U.S. dollars and from our legal entities entering into transactions denominated in a foreign currency other than their functional currency. Approximately 10% of our consolidated revenue and profit are generated from foreign denominated revenue and profit.

## MANAGEMENT

### Executive Officers Following the Distribution

The following table sets forth information regarding the individuals who are currently expected to serve as executive officers of Vestis following the distribution. Some of Vestis' executive officers are currently employees of Aramark, but will cease to hold such positions upon the consummation of the separation. One of Vestis' executive officers (Kim Scott) will also hold a position as a member of Vestis' Board of Directors. See "Directors."

Name	Age	Position
Kim Scott	51	President and Chief Executive Officer
Rick Dillon	52	Executive Vice President and Chief Financial Officer
Timothy Donovan	67	Executive Vice President, Chief Legal Officer and General Counsel
Angela Kervin	48	Executive Vice President and Chief Human Resources Officer
Grant Shih	46	Executive Vice President and Chief Technology Officer
Chris Synek	56	Executive Vice President and Chief Operating Officer

Set forth below is biographical and background information relating to each executive officer's business experience and qualifications.

**Kim Scott**, 51, will serve as the President and Chief Executive Officer of Vestis. She joined Aramark in October 2021 to serve as President and Chief Executive Officer of Aramark Uniform Services and to prepare Vestis to be a standalone, independent public company. Previously, Ms. Scott served as Chief Operating Officer of Terminix Global Holdings, Inc. (NYSE: TMX) from January 2021 to September 2021, overseeing operations for both the residential and commercial businesses, after having served as President of Terminix Residential from December 2019 to January 2021. Prior to Terminix, she served as President of Rubicon Global from July 2018 to September 2019, a role that followed an 11-year career at Brambles Limited, which culminated in Ms. Scott serving as President, CHEP North America for four years. Early in her career, Ms. Scott gained industrial manufacturing experience at the General Electric Company (NYSE: GE) and U.S. Steel (NYSE: X). She serves as a member of the board of directors for Greif, Inc. (NYSE: GEF).

**Rick Dillon**, 52, will serve as an Executive Vice President and the Chief Financial Officer of Vestis. Mr. Dillon joined Aramark in May 2022 to serve as Chief Financial Officer of Aramark Uniform Services and to prepare Vestis to be a standalone, independent public company. Prior to joining Aramark, Mr. Dillon served as Executive Vice President and Chief Financial Officer of Enerpac Tool Group (NYSE: EPAC) from December 2016 to April 2022. In addition to his experience at Enerpac, Mr. Dillon served as Executive Vice President and Chief Financial Officer at Century Aluminum (NASDAQ: CENX) for approximately three years. Prior to that, he held progressive leadership roles at publicly traded companies in finance and accounting, including Joy Global, Newell Brands, and Briggs and Stratton, and in public accounting. He also serves as a member of the board of directors of Adient plc (NYSE: ADNT).

**Timothy Donovan**, 67, will serve as an Executive Vice President, Chief Legal Officer and General Counsel of Vestis. Mr. Donovan joined Aramark Uniform Services as General Counsel and Senior Vice President in January 2022. Mr. Donovan has over 40 years of experience in legal and operational leadership roles, including 20 years as a public company general counsel. From April 2009 to June 2019, Mr. Donovan served as General Counsel and in a variety of compliance and risk management roles for Caesars Entertainment Corporation (NASDAQ: CZR), the world's largest casino and integrated resorts operator, serving as Executive Vice President, General Counsel, Chief Regulatory & Compliance Officer, and Chief Legal, Risk & Security Officer at the time he retired from Caesars. Prior to Caesars, Mr. Donovan was Executive Vice President, General Counsel and Corporate Secretary at Allied Waste Industries, Inc. (NYSE: AW) and thereafter at Republic Services, Inc. (NYSE: RSG) following its 2008 merger with Allied Waste. Mr. Donovan earlier served as Executive Vice President and General Counsel at Tenneco Inc. Mr. Donovan served 21 years as an independent director of publicly traded John B. Sanfilippo & Son, Inc.

(NASDAQ: JBSS), a leading nut and snack food processor. Mr. Donovan also serves on the Board of Directors of CNE Gaming Holdings, LLC, an owner of a Cherokee Nation integrated resort and casino.

**Angela Kervin**, 48, will serve as Executive Vice President and Chief Human Resources Officer of Vestis. Ms. Kervin is currently Senior Vice President and Chief Human Resources Officer of Aramark Uniform Services. Prior to her appointment as the Chief Human Resources Officer in January 2023, Ms. Kervin has held a series of progressive Human Resources (“HR”) positions at Aramark Uniform Services since joining Aramark in 2010, including Vice President, Human Resources and Diversity from August 2021 to January 2023, Vice President, Human Resources from September 2020 to August 2021, and Associate Vice President, Human Resources, from June 2014 to September 2020. Prior to joining Aramark, Ms. Kervin also spent more than 15 years leading HR programs across large, distributed workforces in the multi-unit retail sector, including progressive leadership roles at Kohls (NYSE: KSS), Sports Authority, Party City and Footaction USA.

**Grant Shih**, 46, will serve as Executive Vice President and Chief Technology Officer of Vestis. Mr. Shih joined Aramark Uniform Services in January 2023 as Senior Vice President and Chief Technology Officer. Mr. Shih has more than 24 years of technology and value-creation experience in various leadership roles. Prior to joining Aramark, Mr. Shih served as Chief Information Officer for National DCP from March 2020 to January 2023, where he managed all technology related areas, as Chief Information Officer of Encompass Digital Media, Inc. from January 2019 to March 2020, and as Vice President, Technology Services for Carter’s/OshKosh B’gosh from June 2013 to January 2019.

**Chris Synek**, 56, will serve as Executive Vice President and Chief Operating Officer of Vestis. He joined Aramark in September 2023 to serve as Chief Operating Officer of Aramark Uniform Services. Previously, Mr. Synek served as Chief Executive Officer of Neovia Logistics from April 2021 to February 2023. He was the President, Transportation North America for XPO Logistics, Inc. (NYSE: XPO) from July 2017 to March 2021. Mr. Synek spent the first 16 years of his career developing uniform, laundry and workplace services experience at Cintas Corporation (NASDAQ: CTAS), eventually moving on to increasing roles of responsibility at Allied Waste Industries and Republic Services (NYSE: RSG) (2005-2013) and Tervita Corporation (2014-2017).

## DIRECTORS

### Board of Directors Following the Distribution

The following table sets forth those persons who are expected to serve on Vestis' Board of Directors following completion of the distribution and until their respective successors are duly elected and qualified.

Name	Age	Position
Phillip Holloman	68	Director, Chairman
Doug Pertz	68	Director, Vice Chairman
Richard Burke	58	Director
Tracy Jokinen	54	Director
Lynn McKee	68	Director
Kim Scott	50	Director, President and Chief Executive Officer
Mary Anne Whitney	60	Director
Ena Williams	54	Director

### Director Biographies

**Kim Scott's** biography is set forth above under the section titled "Management—Executive Officers Following the Distribution." Ms. Scott has developed valuable business, management and leadership experience, and will be the President and Chief Executive Officer of Vestis. Ms. Scott will be able to use her experience and knowledge to contribute key insights into strategic, management and operational matters to Vestis' Board of Directors.

**Phillip Holloman**, 68, retired from Cintas as president and chief operating officer in 2018. Other roles during his 22-year career with Cintas included rental division president and chief operating officer, senior vice president of global supply chain management, executive champion of Six Sigma Initiatives, vice president of distribution/production planning and vice president of engineering and construction. Mr. Holloman is a founding member of Cintas' diversity committee and received the Excalibur Award, the company's highest distinction reserved for business executives who demonstrate excellence during their tenure. He serves as a member of the board of directors for Pulte Group (NYSE: PHM) and the BlackRock Fixed Income Board and was previously a member of the board of directors for Rockwell Automation (NYSE: ROK). In addition, Mr. Holloman serves as a member of the board of directors for the Urban League of Greater Southwestern Ohio and on the board of trustees for the University of Cincinnati. Mr. Holloman is well qualified to serve on Vestis' Board of Directors because of his extensive industry and senior management experience and deep knowledge of corporate strategy and operations.

**Doug Pertz**, 68, previously served as the executive chairman of the board of The Brink's Company (NYSE: BCO), a global leader in total cash management and secure logistics, until his retirement in May 2023. Mr. Pertz also served as the president, chief executive officer and a member of the board of The Brink's Company from June 2016 to May 2022. Prior to Brink's, he served as president and chief executive officer of Recall Holdings, having led Recall from its initial public offering in 2013 to the strategic sale of the business in 2016. He previously also served as chief executive officer of several other public companies, including IMC Global (predecessor to Mosaic Co. (NYSE: MOS)) and Culligan Water Technologies. Mr. Pertz currently serves on the board of directors for Advance Auto Parts (NYSE: AAP) and Vital Records Control. Mr. Pertz is well qualified to serve on Vestis' Board of Directors because of his operational expertise in branch and route-based logistics, business-to-business services, channel and brand marketing and growth through acquisition.

**Richard Burke**, 58, previously served as chairman of the board and chief executive officer of Advanced Disposal Services, Inc. (NYSE: ADSW), an integrated environmental services company, from 2012 to 2020. Prior to that role, he served as president and chief executive officer of Veolia Environmental Services North America Corp., a solid waste and hazardous waste management company, from 2009 to 2012, and as president of Veolia ES Solid Waste, from 2007 to 2009. Mr. Burke currently serves on the board of U.S. Infrastructure Company, an underground utility locating business owned by Partners Group. Mr. Burke is well qualified to serve on Vestis' Board of Directors.

because of his extensive industry and senior management experience and deep knowledge of corporate strategy, operations and finance.

**Tracy Jokinen**, 54, has over 30 years of finance and accounting experience across various global industries, where she focused on accelerating profitable growth and business transformation in her role as chief financial officer for both public and private companies. Most recently, Ms. Jokinen was executive vice president and chief financial officer of Vyair Medical, a medical device company, from March 2020 to January 2022. She previously held the role of executive vice president and chief financial officer at Acelity, from June 2017 until it was acquired by 3M (NYSE: MMM) in October 2019. She also served as chief financial officer of G&K Services, a publicly traded uniform services company, from 2014 until it was acquired by Cintas (NDAQ: CINTAS) in 2017. Ms. Jokinen currently sits on the board of directors at Alamo Group (NYSE: ALG), Array Technologies (NDAQ: ARRY), and Candela Corporation. Ms. Jokinen is well qualified to serve on Vestis' Board of Directors because of her experience in the uniform service industry and her financial and board-level experience with publicly traded companies.

**Lynn McKee**, 68, most recently served as executive vice president and chief human resources officer for Aramark from 2004 to 2022, where she led the initial human resources strategy related to the spinoff of AUS as a member of the executive leadership team. Prior to this role, Ms. McKee held several key positions for Aramark from 1980 to 2004, including director of employee relations, vice president for corporate human resources, where she was responsible for executive development and compensation, and senior vice president for human resources of Aramark Global Food, Hospitality and Facility Services. In addition, Ms. McKee led Aramark's corporate communications, diversity, equity and inclusion, sustainability, community relations, corporate real estate and air and meeting services. Ms. McKee is currently a member of the board of directors of WSFS Financial Corporation (NASDAQ: WSFS). Ms. McKee is well qualified to serve on Vestis' Board of Directors because of her extensive corporate experience in employment, compensation and benefits matters at the regional, national and international levels. In addition to her expertise in human resources, Ms. McKee brings crisis management, corporate governance, executive leadership and public company oversight skills.

**Mary Anne Whitney**, 60, has served as executive vice president and chief financial officer of Waste Connections (NYSE: WCN) since February 2021 and has more than 25 years of deep financial expertise. During her 17-year tenure at Waste Connections, Ms. Whitney has held executive-level finance roles, each with increased responsibilities, including senior vice president and chief financial officer from July 2018 to February 2021, senior vice president of finance, vice president of finance and director of finance. Previously, Ms. Whitney held various finance positions at Wheelabrator Technologies. Ms. Whitney is well qualified to serve on Vestis' Board of Directors because of her financial experience with publicly traded companies.

**Ena Williams**, 54, has served as chief operating officer of Casey's General Stores (NASDAQ: CASY), one of the leading convenience store chains in the United States, since June 2020. She is responsible for store operations, supply chain, fuel operations, real estate, and construction and maintenance. Prior to this role, Ms. Williams served as the chief executive officer and member of the board of directors of National HME, a technology enabled medical equipment provider, from January 2019 to March 2020. Ms. Williams also served as senior vice president and head of international operations for 7-Eleven, where she led the global growth strategy and had profit and loss responsibilities. Ms. Williams also held several positions in operations, retail, finance and planning for Mobil Oil Corporation and ExxonMobil Corporation (NYSE: XOM). Ms. Williams currently serves on the board of advisors for the Robert B. Rowling Center for Business Law and Leadership, at the SMU Dedman School of Law. She also serves on the board of directors for Children International and on the Dallas leadership committee for St. Jude. Ms. Williams is well qualified to serve on Vestis' Board of Directors because of her operational expertise and extensive industry and senior management experience.

Upon the completion of the distribution, Vestis' amended and restated certificate of incorporation will provide that, until the third annual stockholder meeting following the distribution, Vestis' Board of Directors will be divided into three classes, designated Class I, Class II and Class III, as nearly equal in number as reasonably possible. The directors designated as Class I directors will have terms expiring at the first annual meeting of stockholders following the distribution, and will be up for re-election at that meeting for a two-year term to expire at the third annual meeting of stockholders following the distribution. The directors designated as Class II directors will have terms expiring at the second annual meeting of stockholders following the distribution and will be up for re-election

at that meeting for a one-year term to expire at the third annual meeting of stockholders following the distribution. The directors designated as Class III directors will have terms expiring at the third annual meeting of stockholders following the distribution. Commencing with the third annual meeting of stockholders following the distribution, directors will be elected annually and for a term of office to expire at the next annual meeting of stockholders, and Vestis' Board of Directors will thereafter no longer be divided into classes. Before Vestis' Board of Directors is declassified, it would take at least two annual meeting of stockholders to be held for any individual or group to gain control of Vestis' Board of Directors.

### **Director Independence**

Providing objective, independent judgment will be at the core of Vestis' Board of Directors' oversight function. Vestis' Corporate Governance Guidelines (the "Corporate Governance Guidelines") will set forth certain criteria to assess the independence of directors of Vestis. Under the Corporate Governance Guidelines, which will conform to the corporate governance listing standards of the NYSE, a director will not be considered "independent" unless Vestis' Board of Directors affirmatively determines that the director has no direct or indirect material relationship with Vestis or any of its subsidiaries. The Corporate Governance Guidelines will contain a list of all categories of material relationships affecting the determination of a director's independence. Any relationship that falls below a threshold set forth in the Corporate Governance Guidelines, or is not otherwise listed in the Corporate Governance Guidelines, and is not required to be disclosed under Item 404(a) of SEC Regulation S-K, will be deemed to be an immaterial relationship.

Vestis' Board of Directors is expected to affirmatively determine that a majority of the directors of Vestis will be independent under the Corporate Governance Guidelines.

### **Committees of the Board of Directors**

Effective upon the completion of the distribution, Vestis' Board of Directors will have the following committees, each of which will operate under a written charter that will be posted to Vestis' website concurrently with, or immediately after, the distribution: the Audit Committee, the Compensation and Human Resources Committee and the Nominating, Governance and Corporate Responsibility Committee.

#### ***Audit Committee***

The Audit Committee will be established in accordance with Rule 10A-3 under the Exchange Act and the listing rules of the NYSE. The responsibilities of the Audit Committee will be more fully described in the Audit Committee charter. Vestis anticipates that these responsibilities will include:

- preparing the audit committee report required by the SEC to be included in Vestis' proxy statement;
- assisting Vestis' Board of Directors in overseeing and monitoring the quality and integrity of Vestis' financial statements;
- overseeing Vestis' management of enterprise risk and monitoring Vestis' compliance with legal and regulatory requirements; and
- overseeing the work of Vestis' internal auditors and the qualifications, independence and performance of Vestis' independent registered public accounting firm.

Tracy Jokinen, Richard Burke, Doug Pertz and Mary Anne Whitney are expected to be the members of the Audit Committee. Ms. Jokinen is expected to be the Audit Committee Chair. Vestis' Board of Directors is expected to determine that at least one member of the Audit Committee is an "audit committee financial expert" for purposes of the rules of the SEC. In addition, Vestis expects that its Board of Directors will determine that each of the members of the Audit Committee will be independent, as defined by the rules of the NYSE, Section 10A(m)(3) of the Exchange Act, and in accordance with the Corporate Governance Guidelines.

### ***Compensation and Human Resources Committee***

The Compensation and Human Resources Committee will have the responsibilities set forth in the Compensation and Human Resources Committee charter. Vestis anticipates that these responsibilities will include:

- setting Vestis' compensation program and compensation of Vestis' executive officers and recommending the compensation program for Vestis' directors;
- monitoring Vestis' incentive and equity-based compensation plans and reviewing Vestis' contribution policy and practices for Vestis' retirement benefit plans;
- preparing the compensation committee report required to be included in Vestis' proxy statement and annual report under the rules and regulations of the SEC; and
- overseeing Human Capital Management.

Doug Pertz, Tracy Jokinen and Ena Williams are expected to be the members of the Compensation and Human Resources Committee. Mr. Pertz is expected to be the Chair of the Compensation and Human Resources Committee. Vestis' Board of Directors is expected to determine that each member of the Compensation and Human Resources Committee will be independent, as defined by the rules of the NYSE and in accordance with the Corporate Governance Guidelines. In addition, Vestis expects that the members of the Compensation and Human Resources Committee will qualify as "non-employee directors" for purposes of Rule 16b-3 under the Exchange Act.

### ***Nominating, Governance and Corporate Responsibility Committee***

The Nominating, Governance and Corporate Responsibility Committee will have the responsibilities set forth in the Nominating, Governance and Corporate Responsibility Committee charter. Vestis anticipates that these responsibilities will include:

- identifying individuals qualified to become new members of Vestis' Board of Directors, consistent with criteria approved by Vestis' Board of Directors;
- reviewing the qualifications of incumbent directors to determine whether to recommend them for reelection and selecting, or recommending that Vestis' Board of Directors select, the director nominees for the next annual meeting of stockholders;
- identifying members of Vestis' Board of Directors qualified to fill vacancies on any committee of Vestis' Board of Directors and recommending that Vestis' Board of Directors appoint the identified member or members to the applicable committee;
- reviewing and recommending to Vestis' Board of Directors applicable corporate governance guidelines;
- overseeing the evaluation of Vestis' Board of Directors and handling such other matters that are specifically delegated to the Nominating, Governance and Corporate Responsibility Committee by Vestis' Board of Directors from time to time; and
- overseeing Vestis' Environmental, Social and Governance activities.

Richard Burke, Phillip Holloman and Ena Williams are expected to be the members of the Nominating, Governance and Corporate Responsibility Committee. Mr. Burke is expected to be the Chair of the Nominating, Governance and Corporate Responsibility Committee. Vestis' Board of Directors is expected to determine that each member of the Nominating, Governance and Corporate Responsibility Committee will be independent, as defined by the rules of the NYSE and in accordance with the Corporate Governance Guidelines.

### **Compensation Committee Interlocks and Insider Participation**

During the fiscal year ended September 30, 2022, Vestis was not an independent company and did not have a compensation committee or any other committee serving a similar function. Decisions as to the compensation of

those who currently serve as Vestis' executive officers were made by Aramark, as described in the section of this information statement entitled "Compensation Discussion and Analysis."

## **Corporate Governance**

### ***Corporate Governance Guidelines***

Vestis' commitment to good corporate governance is embodied in the Corporate Governance Guidelines. The Corporate Governance Guidelines set forth Vestis' Board of Directors' views and practices regarding a number of governance topics, and the Nominating, Governance and Corporate Responsibility Committee assesses the Corporate Governance Guidelines on an ongoing basis in light of current practices. The Corporate Governance Guidelines will be available on Vestis' website at [www.vestis.com](http://www.vestis.com). Printed copies of the Corporate Governance Guidelines, once available, may be obtained, without charge, by contacting the Corporate Secretary, Vestis Corporation, 500 Colonial Center Parkway, Suite 140, Roswell, GA 30076; telephone: (470) 226-3655.

The Vestis website and the information contained therein or connected thereto are not incorporated into this information statement or the registration statement of which this information statement forms a part, or in any other filings with, or any information furnished or submitted to, the SEC.

### ***Board of Directors Structure and Leadership***

Vestis' Board of Directors will manage or direct the business and affairs of Vestis, as provided by Delaware law, and will conduct its business through meetings of the Vestis Board of Directors and three standing committees: the Audit Committee, the Compensation and Human Resources Committee and the Nominating, Governance and Corporate Responsibility Committee.

Vestis' Board of Directors' goal is to achieve the best board leadership structure for effective oversight and management of Vestis' affairs. Vestis' Board of Directors believes there is no single, generally accepted approach to providing effective board leadership, and that each leadership structure must be considered in the context of the individuals involved and the specific circumstances facing a company. Accordingly, what Vestis' Board of Directors believes is the right board leadership structure for Vestis may vary as circumstances warrant.

Following the distribution, Vestis' Board of Directors will be led by its Chairman, Phillip Holloman, and its Vice Chairman, Doug Pertz. Vestis expects that stockholders' interests will be protected by effective and independent oversight of management. Vestis' Board of Directors has determined that, at this time, having separate officers serve as Chairman and Chief Executive Officer is the best board organization for Vestis. Additionally, six out of eight directors of Vestis are expected to be independent as defined by the listing standards of the NYSE and the Corporate Governance Guidelines. Each of Vestis' Board of Directors' three statutory standing committees—the Audit Committee, the Compensation and Human Resources Committee and the Nominating, Governance and Corporate Responsibility Committee—are expected to be comprised solely of independent directors.

### ***Board of Directors Assessment***

Vestis' Board of Directors is focused on enhancing its performance through a rigorous assessment process of the effectiveness of itself and its committees in order to increase stockholder value. Vestis' Board of Directors will conduct a self-evaluation of its performance that will solicit input and perspective from all of Vestis' directors on various matters, including:

- the effectiveness of the Board of Directors and its operations;
- the Board of Directors' leadership structure;
- the Board of Directors' composition, including the directors' capabilities, experiences and knowledge;
- the quality of Board of Directors' interactions; and
- the effectiveness of the committees of the Board of Directors.



As set forth in its charter, the Nominating, Governance and Corporate Responsibility Committee will oversee Vestis' Board of Directors and committee evaluation process. Annually, the Nominating, Governance and Corporate Responsibility Committee will determine the appropriate form of evaluation and consider the design of the process to ensure it is both meaningful and effective. Vestis' Board of Directors' evaluation process will include engagement of an external, independent third-party advisor to conduct periodic evaluations. The results of Vestis' Board of Directors' self-evaluation will be presented by the Chair of the Nominating, Governance and Corporate Responsibility Committee to the full Board of Directors. As part of the evaluation, Vestis' Board of Directors will assess the progress in the areas targeted for improvement in the previous year's self-evaluation, and development actions to be taken to enhance the Board of Directors' effectiveness over the next year. Each committee will conduct an annual self-evaluation of its performance through a similar process.

#### ***Director Nomination Process***

##### *Stockholder Recommendations for Director Nominees*

To recommend a candidate for consideration by the Nominating, Governance and Corporate Responsibility Committee, a stockholder should submit a written statement of the qualifications of the proposed nominee, including full name and address, to: Vestis Corporation, Nominating, Governance and Corporate Responsibility Committee, c/o Corporate Secretary, 500 Colonial Center Parkway, Suite 140, Roswell, GA 30076. The written submission should comply with all requirements set forth in Vestis' amended and restated certificate of incorporation and amended and restated bylaws. The committee will consider all candidates recommended by stockholders in compliance with the foregoing procedures and who satisfy the minimum qualifications for director nominees and Board of Directors member attributes.

##### *Stockholder Nominations*

Vestis' amended and restated certificate of incorporation and amended and restated bylaws will provide that any stockholder entitled to vote at an annual meeting of stockholders may nominate one or more director candidates for election at that annual meeting by following certain prescribed procedures. The stockholder must provide to Vestis' Corporate Secretary timely written notice of the stockholder's intent to make such a nomination or nominations. In order to be timely, the stockholder must provide such written notice not earlier than the 120th day and not later than the 90th day prior to the first anniversary of the preceding year's annual meeting; provided, however, that in the event that the date of the annual meeting is more than 30 days before or more than 60 days after such anniversary date, notice by the stockholder must be so delivered not earlier than the close of business on the 120th day prior to the date of such annual meeting and not later than the close of business on the later of the 90th day prior to the date of such annual meeting or, if the first public announcement of the date of such annual meeting is less than 100 days prior to the date of such annual meeting, the tenth day following the day on which public announcement of the date of such meeting is first made. The notice must contain all of the information required in Vestis' amended and restated certificate of incorporation and amended and restated bylaws. Any such notice must be sent to Vestis' principal executive offices: Vestis Corporation, c/o Corporate Secretary, 500 Colonial Center Parkway, Suite 140, Roswell, GA 30076.

##### *Role of the Nominating, Governance and Corporate Responsibility Committee*

The Nominating, Governance and Corporate Responsibility Committee will not set specific, minimum qualifications that directors must meet in order for the Nominating, Governance and Corporate Responsibility Committee to recommend them to Vestis' Board of Directors. Rather, it believes that directors and director candidates should be evaluated based on their individual merits, taking into account Vestis' needs and the composition of Vestis' Board of Directors. In nominating a slate of directors, the Nominating, Governance and Corporate Responsibility Committee's objective will be to select individuals with skills and experience that can be of assistance in operating Vestis' business and providing effective oversight of Vestis' strategy and management. The Nominating, Governance and Corporate Responsibility Committee will consider candidates recommended by stockholders and all candidates will be evaluated in the same manner regardless of who recommended such

candidate for nomination. When reviewing the qualifications of potential director candidates, the Nominating, Governance and Corporate Responsibility Committee will consider:

- whether individual directors possess the following personal characteristics: integrity, education, accountability, business judgment, business experience, reputation and high performance standards; and
- all other factors it considers appropriate, which may include accounting and financial expertise; industry knowledge; experience in compensation, human resources and culture; strategy development experience; CEO and senior management leadership experience; prior public company board service; international operations experience; corporate finance and capital markets experience; mergers and acquisitions and business development experience; supply chain experience; IT and cybersecurity experience; experience in R&D and innovation; both traditional and digital marketing and sales experience; experience with disruptive risk and innovation; age, gender and ethnic and racial background; civic and community relationships; existing commitments to other businesses; potential conflicts of interest with other pursuits; legal considerations, such as antitrust issues; and the size, composition and combined expertise of Vestis' existing Board of Directors.

Vestis' Board of Directors believes that, as a whole, it should strive to possess the following core competencies: accounting and finance, management, crisis response, industry knowledge, international leadership and strategy/vision, among others. While Vestis' Board of Directors will not have a formal policy with regard to diversity, the Nominating, Governance and Corporate Responsibility Committee and the Board of Directors will strive to ensure that Vestis' Board of Directors is composed of individuals who together possess a breadth and depth of experience relevant to Vestis' Board of Directors' oversight of Vestis' business and strategy and a diversity of backgrounds and perspective in order to effectively understand the needs of Vestis' employees, clients and customers. The Corporate Governance Guidelines provide that, except as may be approved by the Nominating, Governance and Corporate Responsibility Committee, no person may serve as a non-employee director if he or she would be 75 years or older at the commencement of such term as a director.

#### ***Oversight of Risk Management***

**Role of the Board of Directors and Committees.** Vestis' management will be responsible for day-to-day risk management activities. Vestis' Board of Directors, acting directly and through its committees, will be responsible for the oversight of Vestis' risk management.

The Audit Committee will periodically review Vestis' accounting, reporting and financial practices, including the integrity of Vestis' financial statements, the surveillance of administrative and financial controls and Vestis' compliance with legal and regulatory requirements. In addition, the Audit Committee will review risks related to compliance with ethical standards, including Vestis' Business Conduct Policy (discussed below), Vestis' approach to enterprise risk management and operational risks, including those related to information security and system disruption. With respect to cybersecurity, the Audit Committee will monitor Vestis' cybersecurity risk profile, receive periodic updates from management on all matters related to cybersecurity and report out to the full Board of Directors of Vestis. Through regular meetings with management, including the accounting, finance, legal, information technology and internal audit functions, the Audit Committee will review and discuss the risks related to its areas of oversight and report to Vestis' Board of Directors with regard to its review. The Compensation and Human Resources Committee will oversee compensation-related risk management. The Nominating, Governance and Corporate Responsibility Committee will oversee risks associated with the structure of Vestis' Board of Directors and other corporate governance policies and practices. The Compensation and Human Resources and Nominating, Governance and Corporate Responsibility Committees will also regularly report their findings to Vestis' Board of Directors.

Vestis' Chief Executive Officer and other executive officers will regularly report to the non-executive directors and the Audit, the Compensation and Human Resources and the Nominating, Governance and Corporate Responsibility Committees to ensure effective and efficient oversight of Vestis' activities and to assist in proper risk management and the ongoing evaluation of management controls. In addition, Vestis' Board of Directors will receive periodic detailed operating performance reviews from management. Vestis' Vice President of Internal Audit

will report functionally and administratively to Vestis' Chief Financial Officer and directly to the Audit Committee. Vestis believes that the leadership structure of Vestis' Board of Directors provides appropriate risk oversight of Vestis' activities.

**Risk assessment of compensation programs.** With respect to Vestis' compensation policies and practices, Vestis' management will review its policies and practices to determine whether they create risks that are reasonably likely to have a material adverse effect on Vestis. In connection with this risk assessment, management will review the design of Vestis' compensation and benefits programs (in particular, Vestis' performance-based compensation programs) and related policies, potential risks that could be created by the programs, and features of Vestis' programs that help mitigate risk. Among the factors that will be considered will be an effective balance between the cash and equity mix and short- and long-term focus; the use of multiple performance metrics; substantial stock ownership guidelines; a clawback policy; an anti-hedging policy; and independent committee oversight of the compensation programs.

#### ***Business Conduct Policy***

Vestis will maintain a Business Conduct Policy that is applicable to all directors, officers and associates of Vestis, including Vestis' Chief Executive Officer, Chief Financial Officer, Principal Accounting Officer and other senior financial officers. It will set forth Vestis' policies and expectations on a number of topics, including conflicts of interest, confidentiality, compliance with laws (including insider trading laws), preservation and use of Vestis' assets, and business ethics. The Business Conduct Policy will set forth procedures for addressing any potential conflict of interest (or the appearance of a conflict of interest) involving directors or executive officers, and for the confidential communication and handling of issues regarding accounting, internal control and auditing matters. Every Vestis associate will be required to complete annual training on the Business Conduct Policy. The Business Conduct Policy will contain a "code of ethics," as defined in Item 406(b) of Regulation S-K.

Vestis will also maintain an Ethics Hot Line telephone number (the "Hot Line") for Vestis associates as a means of raising concerns or seeking advice. The Hot Line will be available to all associates worldwide. Associates using the Hot Line may choose to remain anonymous, and all inquiries will be kept confidential to the extent practicable in connection with the investigation of an inquiry. All Hot Line inquiries will be forwarded to Vestis' ethics and compliance department for investigation. The Audit Committee will be informed of any reported matters, whether through the Hot Line or otherwise, that could potentially be significant to Vestis, including accounting, internal control or auditing matters, or any fraud involving management or persons who have a significant role in Vestis' internal controls.

Any waivers from any provisions of the Business Conduct Policy for executive officers and directors will be promptly disclosed to stockholders. In addition, certain amendments to the Business Conduct Policy, as well as any waivers from certain provisions of the Corporate Governance Guidelines given to Vestis' Chief Executive Officer, Chief Financial Officer or Principal Accounting Officer, will be posted at the website address set forth below.

The Business Conduct Policy will be available on Vestis' website at [www.vestis.com](http://www.vestis.com).

Printed copies of the Business Conduct Policy, once available, may be obtained, without charge, by contacting the Corporate Secretary, Vestis Corporation, 500 Colonial Center Parkway, Suite 140, Roswell, GA 30076; telephone: (470) 226-3655.

#### ***Communications with Directors***

Vestis' Board of Directors will be committed to meaningful engagement with Vestis stockholders and will welcome input and suggestions. Stockholders and other interested parties wishing to contact the Chairman or the non-management directors as a group will be able to do so by sending a written communication to the attention of the Chairman, c/o Vestis Corporation, Corporate Secretary's Office, 500 Colonial Center Parkway, Suite 140, Roswell, GA 30076.

Communications addressed to Vestis' Board of Directors or to a member of Vestis' Board of Directors will be distributed to the Board of Directors or to any individual director or directors as appropriate, depending upon the facts and circumstances outlined in the communication.

Vestis' Board of Directors is expected to ask the Corporate Secretary's office to submit to the Board of Directors all communications received, including, but not limited to: product complaints and product inquiries, new product suggestions, job inquiries and resumes, advertisements or solicitations and surveys, but in all cases excluding those items that are not related to Board of Directors duties and responsibilities, such as junk mail and mass mailings.

#### **Procedures for Approval of Related Persons Transactions**

Vestis will have a written Related Person Transaction Approval Policy regarding the review, approval and ratification of transactions between Vestis and related persons of Vestis. This policy applies to any transaction or series of transactions in which Vestis or a subsidiary is a participant, the amount involved exceeds \$120,000 and a "Related Person" (as defined in Item 404(a) of SEC Regulation S-K) has a direct or indirect material interest; provided, however, that Vestis' Board of Directors is expected to determine that certain transactions not required to be reported pursuant to Item 404(a) of SEC Regulation S-K are not considered to be transactions covered by the policy. Under the policy, a related person transaction must be reported to Vestis' General Counsel and be reviewed and approved or ratified by the Audit Committee (or disinterested members of Vestis' Board of Directors) in accordance with the terms of the policy, prior to the effectiveness or consummation of the transaction, whenever practicable. The Audit Committee will review all relevant information available to it about the potential related person transaction. The Audit Committee, in its sole discretion, may impose such conditions as it deems appropriate on the company or the Related Person in connection with the approval of the Related Person transaction.

## COMPENSATION DISCUSSION AND ANALYSIS

As discussed elsewhere in this information statement, Aramark is separating into two publicly traded companies, Aramark and Vestis. Vestis is currently a subsidiary of Aramark and is not yet an independent company, and its compensation committee has not yet been formed. Following the separation and distribution, Vestis will have its own executive officers and its own compensation committee of Vestis' Board of Directors (the "Vestis Compensation Committee"). As of the date of this information statement, the following individuals are expected to serve as executive officers of Vestis in the positions set forth below effective as of the separation and distribution and be considered Vestis' named executive officers for Vestis' 2024 fiscal year:

- Kim Scott, *President and Chief Executive Officer*
- Rick Dillon, *Executive Vice President and Chief Financial Officer*
- Chris Synek, *Executive Vice President and Chief Operating Officer\**
- Timothy Donovan, *Executive Vice President, Chief Legal Officer and General Counsel*
- Angela Kervin, *Executive Vice President and Chief Human Resources Officer*

\* It is anticipated that Mr. Synek's initial date of employment will be September 11, 2023.

If prior to the effectiveness of the registration statement of which this information statement forms a part, any additional executive officer of Vestis is identified who would be expected to be considered a named executive officer of Vestis for the 2024 fiscal year, then the information in this section will be updated to reflect the additional executive officer.

The following sections of this Compensation Discussion and Analysis describe Aramark's executive compensation philosophy, the 2022 executive compensation program elements applicable to the Aramark named executive officers, and certain Aramark executive compensation plans, policies and practices, as well as certain aspects of Vestis' anticipated executive compensation arrangements following the separation. Policies, practices and arrangements that are disclosed as those intended to apply to Vestis following the separation generally remain subject to the review of, and may generally be modified by, the Vestis Compensation Committee after the separation.

For purposes of this section, as a general matter, references to "named executive officers" or "NEOs" are to Aramark's named executive officers, and references to "our executive officers" or "Vestis executive officers" refer to the executive officers of Vestis identified above. Since the Vestis executive officers are not Aramark named executive officers, some of the information described herein is not directly applicable to the determinations of their historic compensation, and we have sought to note that where relevant.

### **Aramark's Executive Compensation Design**

Aramark's executive compensation program is designed to retain and motivate executives and reward achievement of Aramark's performance goals aligned with value created for its shareholders. This is important because its performance is very much dependent on the talents, skills and engagement of its leadership team. Aramark generally measures its performance by growth in sales, earnings and free cash flow, and these metrics are reflected in its incentive plans. By focusing on these performance metrics, Aramark believes its incentive plans will drive broader shareholder value creation. Aramark ties its executives' long-term interests with those of its shareholders through equity compensation awards in respect of Aramark common stock. The equity is typically delivered in the form of performance stock units ("PSUs"), stock options and restricted stock units ("RSUs"). PSUs typically make up 50% of the grant to ensure value is delivered only to the extent long-term performance objectives are achieved. Aramark's executives are also measured by their individual contributions to Aramark's success, and this is a consideration in base salary adjustment decisions. Vestis expects to follow the design of Aramark's executive compensation program as of immediately following the separation although the make-up of the mix of long-term incentive equity awards is expected to differ.

## Aramark's Executive Compensation Principles and Operating Framework

Aramark's executive compensation program is overseen by its Compensation and Human Resources Committee, a committee of the Board of Directors of Aramark (the "Aramark Compensation Committee") to support Aramark's business strategy. The following are the compensation principles and operating framework of its executive compensation program, which we expect to be the principles and operating framework of our compensation policy for our executive officers as of immediately following the separation:

### Executive Compensation Guiding Principles

#### Pay for Performance

The vast majority of executive pay is at-risk and performance-based with metrics aligned to Aramark's strategy and long-term shareholder value creation. Aramark's approach strikes a balance between achieving both short- and long-term performance objectives.

#### Shareholder Alignment

Programs align executives' interests with those of its shareholders. The majority of executive pay is provided through equity and linked to stock price. Aramark also maintains stock ownership guidelines for all executives reinforced with conditional holding requirements for executives who have not met their guideline.

#### Attract and Retain Key Talent

Aramark provides competitive pay and benefits to attract and retain talented, high-performing executives with specific skill sets and relevant experience to drive Aramark's business, create shareholder value and develop future leaders.

### General Executive Compensation Operating Framework

#### Risk Management

Aramark manages risk in incentive programs, while ensuring alignment between pay and performance, and with shareholder interests.

#### Governance Considerations

Aramark considers applicable requirements, as well as its corporate values and behavioral expectations in designing its incentive structures and making compensation decisions.

#### Affordability/Shareholder Dilution

Aramark conducts recurring reviews that balance goals and objectives of the program with fiscal soundness and shareholder dilution.

## Executive Compensation Program and Practices Overview

Aramark’s executive compensation program adheres to the following high governance standards, which Vestis currently expects to adhere to following the separation.

What We Do	What We Don’t Do
<ul style="list-style-type: none"> <li>✓ <b>Risk Mitigation</b> – Multiple metrics and measurement periods in incentives mitigate risk that executives will be motivated to pursue results related to one metric</li> <li>✓ <b>Compensation Recoupment Policy</b> – Robust “clawback” policy for pay in certain circumstances</li> <li>✓ <b>Stock Ownership Guidelines</b> – Aramark’s NEOs and directors are subject to ownership guidelines with conditional holding requirements</li> <li>✓ <b>Double-Trigger Change-in-Control Provisions</b> – Both a change-in-control and termination are required for equity vesting acceleration and other benefits to apply</li> <li>✓ <b>Annual Say-on-Pay Vote</b> – Aramark seeks annual shareholder feedback on our executive pay program and directly engages with its shareholders on executive pay matters</li> <li>✓ <b>Annual Evaluation</b> – Aramark annually reviews its executive pay program to ensure it continues to align with market</li> <li>✓ <b>Independent Advisor</b> – Independent consultant provides advice directly to the Aramark Compensation Committee</li> <li>✓ <b>Multiple LTI Vehicles</b> – Use of PSUs, stock options, and RSUs provides a balanced approach that focuses executives on key financial achievements (PSUs), direct shareholder alignment (stock options), and retention and alignment with shareholders (RSUs)</li> </ul>	<ul style="list-style-type: none"> <li>× <b>No Guaranteed Bonuses</b> – Aramark’s annual bonus plans are performance-based and do not include any minimum payment levels or guarantees</li> <li>× <b>No Executive Pensions or Supplemental Executive Retirement Plan</b></li> <li>× <b>No Hedging and Restriction on Pledging</b> – Aramark prohibits directors and employees from engaging in hedging and prohibits directors and named executive officers from pledging Aramark shares without specific pre-approval<sup>1</sup></li> <li>× <b>No Dividends on Unvested Equity Awards</b> – Aramark does not pay dividends or dividend equivalents on equity awards prior to vesting</li> <li>× <b>No Repricing or Exchange of Underwater Stock Option</b></li> <li>× <b>No Tax Gross-Ups</b> – Aramark does not provide gross-ups on benefits or perquisites in any employment agreements</li> <li>× <b>No Recycling of Shares</b> withheld for taxes</li> </ul>

(1) There are certain limited exceptions to the prohibition on hedging and requirements with respect to pledging.

## Detailed Compensation Program Discussion

### Compensation Program Design

#### Overview of Compensation Components

As illustrated below, the principal components of Aramark’s executive compensation program are base salary, an annual cash incentive and long-term equity incentives, which we expect will be the principle components of Vestis’ executive compensation program as of immediately following the separation although the make-up of the mix of long-term incentive equity awards is expected to differ.

Element	Vehicle/Description	Link to Strategy
<b>Base Salary</b>	<ul style="list-style-type: none"> <li>• Cash</li> <li>• Base salaries are determined based on scope of responsibility, experience and performance</li> </ul>	<ul style="list-style-type: none"> <li>• To attract and compensate high-performing and experienced leaders at a competitive level based on market (both internal and external)</li> </ul>
<b>Annual Incentives</b>	<ul style="list-style-type: none"> <li>• Cash</li> <li>• 100% evaluated on a formulaic basis relative to pre-established financial performance goals</li> </ul>	<ul style="list-style-type: none"> <li>• To motivate and reward executives for achieving annual corporate, business, and function goals in key areas of financial performance</li> </ul>

**Fiscal 2022 Long-Term Incentives (“LTI”) granted in 2021**

- Performance Stock Units: 50%
  - Stock Options: 30%
  - Restricted Stock Units: 20%
- Focuses executives on the achievement of specific long-term performance goals directly aligned with Aramark’s strategic operating plans
  - **60% of PSUs** are earned based on three-year adjusted revenue growth and three-year adjusted operating income growth, the results of which are then modified +/-25% based on three-year TSR performance relative to the performance peer group
  - **40% of PSUs** are earned based on three-year return on invested capital performance
  - Directly aligns the interests of executives with shareholders. Stock options only have value for executives if performance results in stock price appreciation after the grant date
  - Strengthens key executive retention to promote executive team consistency and successful execution of long-term strategies

*Base Salary*

Base salary reflects the value of the executive position and attributes the executive brings to the position, including tenure, experience, skill level and performance. We expect that the Vestis Compensation Committee will review annual base salaries for Vestis’ executive officers each year in order to ensure alignment with current market levels. The Vestis Compensation Committee may take into account numerous factors when making its determination, including the executive officer’s experience relative to industry peers, competitive market data, time in his or her position, individual performance, future potential and leadership qualities. The 2022 and 2023 annual base salary of each identified Vestis executive officer is set forth in the table below.

Vestis Executive Officer	Job Title	2022 Salary	2023 Salary
Kim Scott	President, CEO	\$ 775,000	\$ 775,000
Rick Dillon*	EVP, CFO	\$ 600,000	\$ 618,000
Chris Synek**	EVP, COO		\$ 600,000
Timothy Donovan***	EVP, CLO, General Counsel	\$ 500,000	\$ 525,000
Angela Kervin	EVP, CHRO	\$ 274,275	\$ 450,000

\* Mr. Dillon commenced employment with Vestis on May 9, 2022.

\*\* It is anticipated that Mr. Synek’s initial date of employment will be September 11, 2023.

\*\*\* Mr. Donovan commenced employment with Vestis on January 18, 2022.

We expect that Ms. Scott’s annual base salary will be increased to \$850,000 upon the separation subject to approval of Vestis’ Board of Directors, as set forth in Ms. Scott’s offer letter, dated September 20, 2021 (the “Scott Offer Letter”).



### Target Annual Incentives

Aramark's annual cash incentive is designed to drive and reward performance and is based on financial objectives established by the Aramark Compensation Committee at the beginning of each fiscal year. The incentive targets for each of Aramark's named executive officers are established based on market competitive data (see "—Market Benchmarking") related to each executive's role. Annual incentive targets as a percentage of base salary are provided in the table below. Actual earned payouts can vary from 0% to 200% of target.

Similar to Aramark, Vestis expects to administer an annual incentive plan designed to reward the achievement of specific financial objectives results measured over one fiscal year (or, as applicable, a portion of a fiscal year). Each Vestis executive officer will be assigned an annual incentive target expressed as a percentage of base salary which is expected to be established based on market competitive data. The specific target bonus for each of our executive officers for fiscal years 2022 and 2023, as applicable, under the Aramark annual incentive plan is listed in the table below.

Vestis Executive Officer	Job Title	Fiscal 2022	Fiscal 2023
		Target	Target
Kim Scott	President, CEO	100 %	100 %
Rick Dillon*	EVP, CFO	75 %	75 %
Timothy Donovan**	EVP, CLO and General Counsel	60 %	60 %
Angela Kervin	EVP, CHRO	35 %	60 %

\* The amount of any award is subject to pro ration based on the effective date of Mr. Dillon's employment of May 9, 2022.




\*\* The amount of any award is subject to pro ration based on the effective date of Mr. Donovan's employment of January 18, 2022.

We expect that Ms. Scott's target annual bonus will be increased to 125% of base salary upon the separation subject to approval of Vestis' Board of Directors, as set forth in the Scott Offer Letter.

### Fiscal 2022 Aramark Annual Incentive Performance Metrics

The Annual Incentive Plan for Aramark named executive officers included three financial objectives – Net New Sales, Adjusted Operating Income Margin and Free Cash Flow. Aramark must attain a threshold performance on

each measure for the participant to be entitled to receive any payout for such metric. If maximum performance was achieved across all metrics, maximum payout for fiscal 2022 would be 200% (of target).

	Metric	Description	Rationale
Top-Line Growth	<b>Net New Sales</b> 	<ul style="list-style-type: none"> <li>Annualized new business less annualized lost business</li> </ul>	<ul style="list-style-type: none"> <li>Incentivize management to focus on a metric that the Aramark Compensation Committee believes executives can more directly impact and will contribute more immediately to Aramark's success by driving sales growth through and after the pandemic</li> </ul>
Operating Efficiency	<b>Adjusted Operating Income Margin</b> 	<ul style="list-style-type: none"> <li>Adjusted operating income divided by adjusted sales</li> </ul>	<ul style="list-style-type: none"> <li>Focuses management on driving profitable growth while managing expenses</li> <li>Focuses management on overall profitability of Aramark</li> </ul>
Cash Consideration	<b>Free Cash Flow</b> 	<ul style="list-style-type: none"> <li>Cash flows provided from operating activities less net purchases of property and equipment and other</li> </ul>	<ul style="list-style-type: none"> <li>Focuses management on achievement of positive free cash flow through increased earnings and disciplined management of working capital levels and capital expenditures</li> </ul>

*Reconciliation of Free Cash Flow to measures calculated in accordance with generally accepted accounting principles ("GAAP") is provided in Annex A to the Definitive Proxy Statement on Schedule 14A filed by Aramark with the SEC on December 23, 2022 (the "Aramark Proxy Statement"). Net New Sales is an internal statistical measure used by Aramark to evaluate Aramark's new sales and retention performance.*

Since our executive officers are not Aramark NEOs, their annual incentive performance objectives are different and are designed to relate to the AUS business. Ms. Scott's annual incentive performance objectives are based 100% on the financial performance of the AUS business. The annual incentives of our other executive officers are based 20% on the level of consolidated performance of the three metrics identified above and 80% on the financial performance of the AUS business.

#### *Fiscal 2022 Annual Incentive Outcomes*

Based on the performance metrics established by the Aramark Compensation Committee and Aramark's 2022 performance, the Aramark Compensation Committee determined Aramark achieved 109.3% of the target payout for certain of its named executive officers assessed exclusively on consolidated performance. For our executive officers, the target payout differed due to the weighting of the consolidated performance and the AUS financial performance, as described above.

Fiscal 2022 Annual Incentives Earned by the Vestis Executive Officers

Performance Metric (Weighted %)		Threshold	Target	Maximum	Actual Result	Actual Result	% Earned	
Consolidated Results	Net New Sales 40%	\$354M	\$567M	\$851M	\$783M Actual	175.9%	70.4%	
	AOI Margin 40%	4.50%	5.40%	6.70%	4.88% Actual	57.5%	23.0%	
	Free Cash Flow 20%	\$275M	\$350M	\$450M	\$329.7M Actual	79.7%	15.9%	
	<b>Total Payout – Consolidated 109.3%</b>							
	Uniform Services	Net New Sales 40%	\$48M	\$77M	\$116M	\$80.2M Actual	108.4%	43.4%
		AOI Margin 40%	10.10%	11.00%	12.20%	10.5% Actual	58.3%	23.3%
Free Cash Flow 20%		\$184M	\$227M	\$283M	\$211.4M Actual	72.6%	14.5%	
<b>Total Payout – Uniform Services 81.2%</b>								

- (1) The Net New Sales calculation represents the annualized value of gross new business less the annualized value of lost business. Net New Sales is an internal statistical metric used to evaluate Aramark's net new sales and retention performance and with respect to the AUS business, AUS's new net sales and retention performance.
- (2) The AOI margin calculation represents the revenue and operating income for the businesses adjusted to exclude the revenue and operating income of the Next Level and Union Supply acquisitions. Operating income is also adjusted to exclude the amortization expense of acquisition-related intangible assets. For the AUS business measures, the Next Level and Union Supply acquisitions are not part of the business and therefore not factored in.
- (3) Reconciliation of Free Cash Flow to measures calculated in accordance with GAAP is provided in Annex A to the Aramark Proxy Statement. The Free Cash Flow for purposes of the AUS business performance represents net cash provided by operating activities less net purchases of property and equipment and other for the AUS business.

Based on the results of the performance metrics approved by the Aramark Compensation Committee, the Vestis executive officers' earned annual incentive award for fiscal 2022 is set forth in the table below.

Vestis Executive Officer	Job Title	Base Salary	x	Target Award %	x	Actual Earned %	=	Actual Payout
Kim Scott	President, CEO	\$ 775,000		100 %		81.2 %		\$ 629,245
Rick Dillon*	EVP, CFO	\$ 600,000		75 %		64.9 %		\$ 163,249
Timothy Donovan**	EVP, CLO and General Counsel	\$ 500,000		60 %		56.7 %		\$ 188,107
Angela Kervin	EVP, CHRO	\$ 274,275		35 %		30.3 %		\$ 83,080

\* The amount of the award was prorated at 41.9% based on the effective date of Mr. Dillon's employment of May 9, 2022.

\*\* The amount of the award was prorated at 66.3% based on the effective date of Mr. Donovan's employment of January 18, 2022.

*Fiscal 2023 Annual Incentive Performance Metrics and Weightings*

The Aramark annual incentive plan for fiscal 2023 for AUS uses the same performance metrics that were used in 2022 for our executive officers but only based on the financial performance of AUS.

***Long Term Incentives (LTI)***

*Long Term Incentive Grant Targets*

Aramark's long-term equity incentive plan is designed to focus executives on the achievement of specific long-term performance goals directly aligned with Aramark's strategic operating plans. We intend that our long-term equity plan will also be designed to align the interests of our executives with the achievement of long-term growth and performance following the separation.

For fiscal years 2022 and 2023, the Aramark Compensation Committee approved LTI awards composed of a mix of PSUs, RSUs and options to provide a long-term incentive component to the pay mix of its NEOs. The total annual grants by Aramark to the Vestis executive officers during each of the fiscal years ending 2022 and 2023 are as follows:

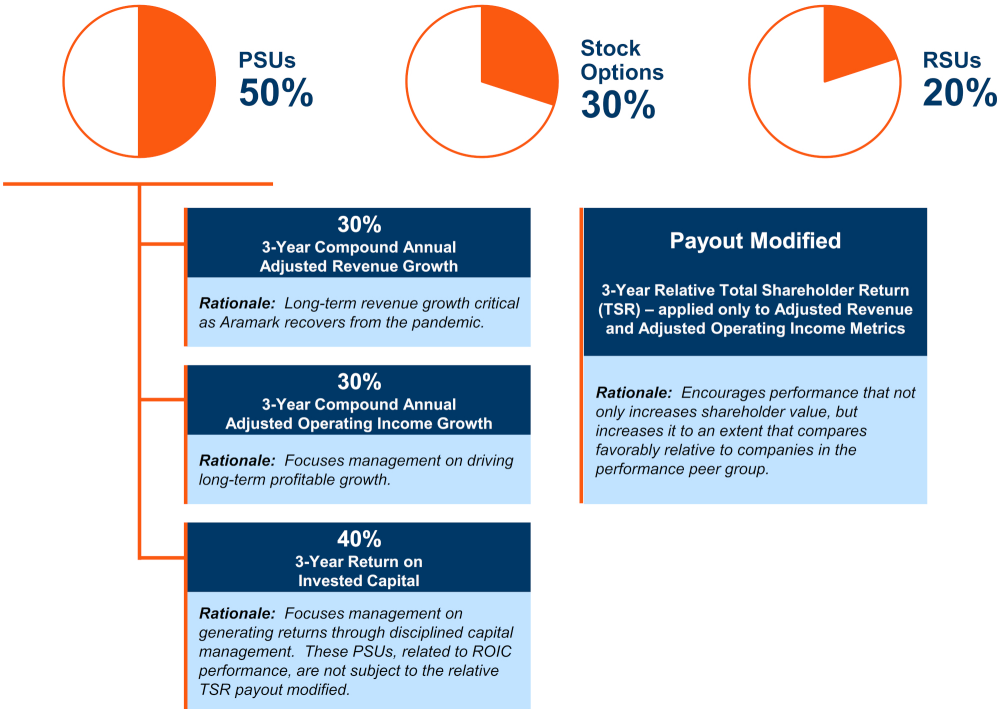
Vestis Executive Officer	Job Title	Fiscal 2022 Grant	Fiscal 2023 Grant
		(November 18, 2021)	(November 17, 2022)
		LTI Target	LTI Target
Kim Scott	President, CEO	\$ 1,750,000	\$ 1,750,000
Rick Dillon	EVP, CFO	\$ n/a	\$ 850,000
Timothy Donovan	EVP, CLO and General Counsel	\$ n/a	\$ 600,000
Angela Kervin	EVP, CHRO	\$ 150,000	\$ 135,000

We expect that Ms. Scott's annual long-term incentive equity awards will be increased after the separation, subject to approval by Vestis' Board of Directors, as set forth in the Scott Offer Letter, to a target value of at least \$3,600,000. It is also expected, subject to the approval by Vestis' Board of Directors, as set forth in the Scott Offer Letter, that upon the separation (or as soon as practical thereafter), Ms. Scott will receive an incentive grant with respect to shares of Vestis with a target value of \$3,600,000 reduced by the target value of any annual equity grants made by Aramark to Ms. Scott within 12 months of the separation.

*Fiscal 2022 Long Term Incentive Grant Allocations (granted in November 2021)*

As reflected in the table below, half of the fiscal 2022 LTI target grant value for Ms. Scott is comprised of PSUs, of which 60% of the resulting payout (if any) can be modified +/- 25% based on Aramark's TSR relative to the fiscal 2022 performance peer group. For our other executive officers, the LTI target grant value is comprised of 30% PSUs, 30% stock options and 40% RSUs. We intend to provide for LTI awards although the make-up of the

mix of long-term incentive equity awards is expected to differ following the separation from those applicable prior to the separation.



*Fiscal 2023 Long Term Incentive Grants (granted in November 2022)*

Aramark’s long term incentive plan for fiscal 2023 utilizes the same mix of PSUs, stock options and RSUs as fiscal 2022. The PSU performance targets will be based on three-year Sales Growth, Earnings Per Share, and Return on Invested Capital, each weighted 20% plus a standalone relative TSR metric weighted 40% based on the total return to Aramark’s shareholders relative to the performance of the fiscal 2023 performance peer group.

### *Hire, Promotion and Retention Equity Awards*

Upon their hire or promotion or to ensure their retention, our executive officers received equity awards in fiscal year 2022 and during fiscal year 2023 prior to the date of this information statement as follows:

<b>Vestis Executive Officers</b>	<b>Job Title</b>	<b>Reason for Grant</b>	<b>Grant Date Value</b>	<b>Award Type</b>	<b>Grant Date</b>
Kim Scott	President, CEO	Make Whole	\$ 1,400,000	RSUs	10/18/2021
Rick Dillon	EVP, CFO	New Hire	\$ 435,000	Stock options, RSUs, PSUs	6/1/2022
Timothy Donovan	EVP, CLO and General Counsel	New Hire	\$ 600,000	Stock options, RSUs, PSUs	2/10/2022
Angela Kervin	EVP, CHRO	Retention	\$ 300,000	RSUs	7/15/2022
Angela Kervin	EVP, CHRO	Promotion	\$ 365,000	Stock options, RSUs, PSUs	3/1/2023

It is expected, subject to Mr. Synek's commencement of employment and the approval by Vestis' Board of Directors, as set forth in Chris Synek's offer letter, dated July 19, 2023 (the "Synek Offer Letter"), that as soon as practical after the separation, Mr. Synek will receive a sign-on equity grant with respect to shares of Vestis with a grant date value of \$1,250,000.

### *Treatment of Long Term Incentive Grants upon the Separation*

The treatment of Aramark PSUs, stock options and RSUs in connection with the separation is summarized in this information statement under the heading "The Separation and Distribution—Treatment of Equity-Based Compensation."

### *Other Compensation Components*

The Aramark Compensation Committee provides additional benefits to the Aramark named executive officers that are customary for executives of similar rank to enable its executives to focus on its business and enhance their commitment to Aramark. It is currently expected that Vestis will do the same as to the following benefits:

*Severance Arrangements and Payments upon a Change of Control:* Similar to the Aramark NEOs, our executive officers have employment agreements with Aramark for indefinite periods terminable by either party, and in most cases our executives are entitled to certain payments and benefits in connection with certain terminations of employment. These provisions are intended to align executive and shareholder interests by enabling executives to consider corporate transactions that are in the best interests of the shareholders and our other constituents without concern over whether the transactions may jeopardize the executive's own employment. These employment agreements will be assumed by us at the separation and are described below under "Employment Agreements—Potential Post-Employment Benefits and Restrictive Covenants."

Equity awards agreements with Aramark's named executive officers that provide for other payments in connection with a change of control contain a "double trigger" in order for the executive to receive compensation, meaning that awards will be accelerated only if the executive's employment is terminated within a certain period following the change of control. Equity award agreements with our executive officers are subject to these same terms.

*Perquisites:* Aramark provides its named executive officers with other benefits that the Aramark Compensation Committee believes are reasonable and encourage retention and include those listed below. The costs of these benefits constitute a small percentage of a named executive officer's total compensation. We expect to offer many of these same benefits to the Vestis executive officers:

- premiums paid on life insurance;

- disability insurance;
- receipt of a taxable car allowance and to the extent applicable, no cost parking at a garage near Aramark offices; and
- financial planning services.

### Market Benchmarking

The Aramark compensation program is structured to enable Aramark to maintain its competitive position for key executive talent. To establish market competitive compensation practices for all named executive officers, the Aramark Compensation Committee refers, in part, to peer group data and survey data. The Aramark Compensation Committee worked with its independent consultant, Meridian Compensation Partners LLC (“Meridian”) to develop its Compensation Peer Group as well as a Performance Peer Group which is used in determining relative total shareholder return performance for the PSUs subjective to relative TSR performance. We intend to use benchmarking data and survey data with the guidance of independent consultants.

#### Aramark’s Fiscal 2022 Compensation Peer Group

Companies included as Aramark’s peers focus on providing business services, have both a logistics-centered business model and a repeatable business model and are consumer-facing with large workforces.

The following table lists relevant comparative information for Aramark’s 2022 Compensation Peer Group.

Company Name	Sales (\$M)	Mkt Cap (\$M)	Ent. Value (\$M)	Assets (\$M)	# of Employees
<b>Aramark</b>	<b>\$ 16,327</b>	<b>\$ 8,835</b>	<b>\$ 16,746</b>	<b>\$ 15,082</b>	<b>273,875</b>
<b>Executive Compensation Peer Group (n = 18)</b>					
ABM Industries Incorporated	\$ 7,491	\$ 3,003	\$ 4,205	\$ 4,608	124,000
Carnival Corporation & plc	\$ 9,617	\$ 14,046	\$ 43,282	\$ 51,917	40,000
C.H. Robinson Worldwide, Inc.	\$ 26,132	\$ 13,314	\$ 15,568	\$ 6,796	17,652
Cintas Corporation	\$ 8,124	\$ 40,693	\$ 43,662	\$ 8,261	43,000
Darden Restaurants, Inc.	\$ 9,770	\$ 15,496	\$ 20,909	\$ 10,015	178,956
Dollar General Corporation	\$ 35,346	\$ 54,571	\$ 69,115	\$ 28,239	163,000
Dollar Tree, Inc.	\$ 27,169	\$ 35,268	\$ 44,175	\$ 22,676	136,226
Expeditors Int’l of Washington, Inc.	\$ 19,026	\$ 16,835	\$ 15,307	\$ 6,608	19,070
Kohl’s Corporation	\$ 18,901	\$ 4,949	\$ 11,350	\$ 15,623	99,000
Macy’s, Inc.	\$ 25,926	\$ 5,540	\$ 10,899	\$ 16,342	88,857
ManpowerGroup Inc.	\$ 20,401	\$ 4,276	\$ 5,003	\$ 8,557	30,000
MGM Resorts International	\$ 12,551	\$ 14,249	\$ 41,285	\$ 47,330	60,500
Performance Food Group Company	\$ 47,194	\$ 7,415	\$ 12,295	\$ 12,378	34,825
Republic Services, Inc.	\$ 12,934	\$ 42,824	\$ 53,449	\$ 28,401	35,000
Royal Caribbean Cruises Ltd.	\$ 7,219	\$ 13,054	\$ 34,029	\$ 33,464	84,950
US Foods Holding Corp.	\$ 32,154	\$ 7,255	\$ 12,877	\$ 13,033	28,000
XPO Logistics, Inc.	\$ 13,108	\$ 6,091	\$ 9,614	\$ 8,503	44,000
Yum! Brands, Inc.	\$ 6,713	\$ 33,176	\$ 44,993	\$ 5,779	36,000

Source: S&P CapitalIQ (as of September 30, 2022).

All financial data as of September 30, 2022. Revenue represents trailing 12 months; Market Cap and Enterprise Value reflect a 6-month average, and Assets reflect most recent reported quarter.

Aramark’s Revenue and Assets reflect actual results as of year-end September 30, 2022.

## Aramark Relative to Peer Group

<b>Aramark Percentile Rank</b>	<b>50 %</b>	<b>37 %</b>	<b>48 %</b>	<b>58 %</b>	<b>Highest</b>
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### Survey Data Used by Aramark

In evaluating the compensation of certain of its named executive officers, the Aramark Compensation Committee also references survey data. In fiscal 2022, the Aramark Compensation Committee referred to peer group data and a subset of the Willis Towers Watson 2021 CDB General Industry Executive Compensation Survey that is size-adjusted through regression analysis based on its revenue, to perform a market check of the individual components of compensation and total compensation. Aramark does not consider any specific company included in the survey to be a material factor in the review of the compensation of its named executive officers. When making pay decisions, the Aramark Compensation Committee generally targets a reasonable range around the market median of survey data but retains flexibility to position employees above or below median based on employee experience, skill-set and performance.

### Performance Peer Group for Total Shareholder Return for Aramark

In 2019, the Aramark Compensation Committee worked with Meridian to create a Performance Peer Group to be used in determining relative total shareholder return performance for the PSUs subjective to relative TSR performance. For the fiscal 2022 and fiscal 2023 PSUs, the Performance Peer Group has remained relatively unchanged from fiscal 2020 and consists of companies in the Compensation Peer Group as well as a broader list of organizations that compete with us for investor capital and face similar business dynamics and challenges. The fiscal 2022 Performance Peer Group consists of the following companies:

**2022 and 2023 Performance Peer Group for Aramark  
(Relative TSR Peer Group for Fiscal 2022 – 2024 and Fiscal 2023 – 2025 PSUs)**

1. ABM Industries Inc.	14. Expeditors International	27. Mondelez International	40. SSP Group
2. Autogrill S.p.A.	15. FedEx Corporation	28. Norwegian Cruise Line	41. Starbucks Corporation
3. C.H. Robinson Worldwide	16. Healthcare Service Group	29. Old Dominion Freight Line	42. Sysco Corporation
4. Carnival Corporation & plc	17. Hilton Worldwide Holdings	30. PepsiCo, Inc.	43. Madison Square Garden
5. CBRE Group, Inc.	18. Hyatt Hotels Corporation	31. Premier, Inc.	44. The Wendy's Company
6. Cinemark Holdings, Inc.	19. ISS A/S	32. Rentokil Initial plc	45. UniFirst Corporation
7. Cintas Corporation	20. J.B. Hunt Transport Svcs.	33. Republic Services, Inc.	46. United Parcel Service, Inc.
8. Compass Group PLC	21. Jones Lang LaSalle	34. Restaurant Brand Int'l	47. Waste Connection, Inc.
9. Darden Restaurants	22. Landstar System, Inc.	35. Robert Half International	48. Waste Management, Inc.
10. Domino's Pizza	23. Manpower Group Inc.	36. Royal Caribbean Cruises	49. Wyndham Destinations
11. Elior Group S.A.	24. Marriott International	37. Ryder System, Inc.	50. YUM! Brands, Inc.
12. Elis SA	25. Marriott Vacations	38. Service Corporation	
13. EMCOR	26. McDonald's Corporation	39. Sodexo S.A.	

### Vestis Peer Group

We expect that the initial Vestis peer group to be used for purposes of benchmarking compensation of our executive officers will consist of the 17 companies set forth below, subject to review and approval of the Vestis Compensation Committee after the separation. This peer group was used in establishing the compensation of Ms. Scott and more generally with respect to setting the compensation of our other executive officers. Companies included as Vestis' peers consist of 17 public companies in similar industries (uniforms, apparel, textile, restaurant and other diversified support services).

1. Caesars Entertainment, Inc.	7. Cracker Barrel Old Country Store, Inc.	13. Texas Roadhouse, Inc.
2. American Eagle Outfitters, Inc.	8. Callaway Golf Company	14. Acushnet Holdings Corp.
3. Travel + Leisure Co.	9. The Cheesecake Factory Incorporated	15. Herc Holdings Inc.
4. Wyndham Hotels & Resorts, Inc.	10. ABM Industries Incorporated	16. Healthcare Services Group, Inc.



5. Cintas Corporation  
6. The Wendy's Company

11. Bloomin' Brands, Inc.  
12. Brinker International, Inc.

17. UniFirst Corporation

### **Compensation Governance Policies**

#### *Independence of the Compensation Consultant*

The Aramark Compensation Committee's independent compensation consultant is selected and retained by the committee to advise on executive and director compensation and it is not intended that the consultant will do any other work for Aramark. The independent compensation consultant is Meridian. We expect that the Vestis Compensation Committee will also use the services of Meridian as its independent compensation consultant.

#### *Role of Independent Compensation Consultant*

The Aramark Compensation Committee's independent compensation consultant provides the Aramark Compensation Committee with general services related to executive and director compensation, and associated governance each year. These services include market intelligence, compensation trends, suggestions about compensation program design, general views on specific requests to the committee from management regarding compensation program design or decisions, the review of the peer group, benchmarking executive pay relative to the peer group and the broader market for executive talent, and an analysis of the risk profile of the compensation system. We expect to use an independent compensation consultant for similar services.

### **Risk Mitigation Policies**

#### *Stock Ownership Guidelines*

To align the interest of each executive officer with those of the shareholders, Aramark has implemented stock ownership guidelines for the Aramark executive officers as follows:

<b>Aramark Named Executive Officer</b>	<b>Stock Ownership Guideline<sup>(1)</sup></b>
CEO	6x annual base salary
Other Vestis Executive Officers	3x annual base salary

(1) Prior to attainment, absolute value is determined annually based on the then-current salary and the prior fiscal year's average of month-end stock closing prices.

For purposes of determining compliance with the Aramark guidelines, shares included are limited to those that are (i) directly or indirectly beneficially owned (held indirectly, such as through family trusts or by immediate family members) or (ii) unvested restricted stock units. Therefore, unexercised vested and unvested stock options and unearned or unvested PSUs are not considered when determining compliance with the guidelines.

Aramark's guidelines require that the specified amount be attained by the fifth anniversary of the date the named executive officer became subject to their current ownership guideline. If an Aramark named executive officer has not attained the guideline amount by such date, one half of all shares delivered upon vesting of awards held by such named executive officer (net of withholding for tax obligations) must be retained until the guideline amount has been attained.

Under the Aramark guidelines, Ms. Scott is currently subject to a level of 3x annual base salary due to her status as a direct report to the Aramark chief executive officer and our other executive officers are subject to a level of 2x annual base salary due to their status as senior leaders. Following the distribution, we expect that Vestis will implement stock ownership guidelines for its executive officers based on customary practice at peer companies.

#### *Prohibitions on Hedging and Restrictions on Pledging*

Aramark's Securities Trading Policy restricts pledging and prohibits its directors, officers and employees from engaging in hedging, speculative or other transactions that hedge or offset any decrease in the market value of Aramark stock (including swaps, forwards, options, futures, collars, exchange funds and other derivative

transactions or arrangements). This policy applies to all Aramark executive officers and directors subject to certain limited exceptions. We expect that Vestis will have a similar policy as of immediately following the separation.

#### *Clawback Policy*

The Aramark Compensation Committee and the Aramark Board of Directors approved a robust incentive compensation recoupment, or “clawback” policy for executive officers and the direct reports of the Aramark chief executive officer in fiscal 2015. This policy provides that if an individual was overpaid incentive compensation (annual incentive and performance-based long-term incentives) as a result of reported financial or operating results that were misstated and that such person engaged in misconduct that contributed to a misstatement, Aramark may seek to recover the amount of any overpayment or cancel such excess incentive compensation. In November 2018, the Aramark Compensation Committee expanded the scope of the policy to cover approximately 165 executives and to provide that Aramark can recover incentive compensation if an executive commits a material violation of law that results in significant economic or reputational damage to Aramark. Aramark and the Aramark Board of Directors intend to revisit the clawback policy prior to the date the New York Stock Exchange rulemaking regarding recoupment policies becomes effective. We expect that Vestis will adopt the same policy that is in place for Aramark at the time of the separation with respect to its executive officers and such other officers as the Vestis Compensation Committee designates.

#### *Compensation Risk Disclosure*

As part of its responsibility to set appropriate executive compensation, the Aramark Compensation Committee annually considers balance in the compensation program and its impact on Aramark’s risk management profile. We expect that the Vestis Compensation Committee will follow the same process following the separation.

Specifically, in fiscal 2022, the Aramark Compensation Committee considered whether the mix of performance-based pay, the performance metrics and the degree of difficulty of the performance goals was sufficient to encourage management to strive for strong performance without encouraging risk taking beyond established risk parameters. The Aramark Compensation Committee also considered the input of its independent compensation consultant, Meridian, regarding the risk profile of the compensation program as well as various factors that would mitigate risks associated with Aramark’s compensation program. These factors include: an effective balance between the cash and equity mix and short- and long-term focus; the use of multiple performance metrics; substantial stock ownership guidelines; a clawback policy; an anti-hedging policy; and independent committee oversight of the compensation programs.

After discussing these matters, the Aramark Compensation Committee determined that in relation to fiscal 2022, Aramark’s compensation program was appropriately structured and did not motivate individuals or groups to take risks that are reasonably likely to have a material adverse effect on Aramark. Following the separation, the Vestis Compensation Committee will be responsible for making such determination with respect to the Vestis compensation program.

#### *Offer Letters*

Aramark has entered into offer letters with the Vestis executive officers with respect to their positions with Vestis, which will continue in effect following the separation.

#### *Kim Scott Offer Letter*

Ms. Scott is party to the Scott Offer Letter with respect to her employment as President and Chief Executive Officer, AUS, commencing October 10, 2021. Effective upon the separation, the Scott Offer Letter further provides that Ms. Scott will be appointed as a member of Vestis’ Board of Directors. Under the terms of the Scott Offer Letter, Ms. Scott is entitled to an annual base salary of \$775,000 and a target bonus of 100% of base salary. Upon the separation, and subject to approval by Vestis’ Board of Directors, Ms. Scott’s annual base salary will be increased to \$850,000 and her target bonus will be increased to 125% of base salary.

The Scott Offer Letter contemplates annual equity grants with a target value of at least \$1,750,000 that are typically made in November. Upon the separation (or as soon as practical thereafter) and subject to approval by Vestis' Board of Directors, the Scott Offer Letter further contemplates that Ms. Scott will receive an incentive grant with respect to shares of Vestis with a target value of \$3,600,000 reduced by the target value of any annual equity grants made by Aramark to Ms. Scott within 12 months of the separation. Subject to the approval of Vestis' Board of Directors, future annual equity incentive awards will be granted with a target grant date value of at least \$3,600,000.

The Scott Offer Letter also provides Ms. Scott with "make-whole awards" in the form of (i) a cash payment equal to the portion of the target annual bonus she forfeited upon her departure from her prior employer, prorated to reflect the time worked with her prior employer and (ii) a grant of make-whole restricted stock units having a grant date value of \$1,400,000 in respect of the equity incentives forfeited upon her departure from her prior employer, which make-whole restricted stock units vest 50% on each of the first two anniversaries of the grant date subject to continued employment through each vesting date or vest 100% upon a severance qualifying termination. On October 18, 2022, 50% of Ms. Scott's make-whole award vested.

In addition, the Scott Offer Letter provides that Ms. Scott will be entitled to enter into an employment agreement that provides for specified levels of severance on certain termination events, the material terms of which are described below under the heading "—Employment Agreements—Kim Scott Employment Agreement."

#### *Rick Dillon Offer Letter*

Mr. Dillon is party to an offer letter, dated February 22, 2022, with an effective date of May 9, 2022, with respect to his employment as Senior Vice President, Chief Financial Officer, AUS (the "Dillon Offer Letter"). The Dillon Offer Letter provides for an annual base salary of \$600,000 and a target bonus of 75% of annual base salary (prorated for fiscal year 2022 based on the effective date of Mr. Dillon's employment).

The Dillon Offer Letter contemplates equity awards with a grant date value of \$425,000 in connection with Mr. Dillon's hiring by Vestis and annual equity awards with a grant date value of \$850,000.

In addition, the Dillon Offer Letter provides that Mr. Dillon will be entitled to enter into an employment agreement, the material terms of which are described below under the heading "—Employment Agreements—Rick Dillon Employment Agreement."

#### *Chris Synek Offer Letter*

Mr. Synek is party to the Synek Offer Letter with respect to his employment as Chief Operating Officer, AUS. It is anticipated that Mr. Synek's initial date of employment will be September 22, 2023. The Synek Offer Letter provides for an annual base salary of \$600,000 and a target bonus of 75% of annual base salary commencing with the 2024 fiscal year.

The Synek Offer Letter contemplates the grant of a sign-on equity award with a grant date value of \$1,250,000, to be made as soon as practical following the separation, and annual equity awards with a grant date value of \$1,250,000 starting in the 2024 fiscal year.

In addition, the Synek Offer Letter provides that Mr. Synek will be entitled to enter into an employment agreement, the material terms of which are described below under the heading "—Employment Agreements—Chris Synek Employment Agreement."

#### *Timothy Donovan Offer Letter*

Mr. Donovan is party to an offer letter, dated November 11, 2021 (as revised on December 30, 2021), with an effective date of January 18, 2022, with respect to his employment as Senior Vice President, General Counsel, AUS (the "Donovan Offer Letter"). The Donovan Offer Letter provides for an annual base salary of \$500,000 and a target bonus of 60% of annual base salary (prorated for the fiscal year 2022 based on the effective date of Mr. Donovan's employment).

The Donovan Offer Letter contemplates equity awards with a grant date value of \$600,000 in connection with Mr. Donovan's hiring by Vestis and annual equity awards with a grant date value of \$600,000.

The Donovan Offer Letter also contemplates that Mr. Donovan's new hire and subsequent equity awards will contain retirement features that will provide that, if he retires with six months' notice on a date that is at least one year after the separation or at least three years after the effective date of his employment (whichever is sooner), he will be entitled to continued vesting under the normal schedule for his equity awards and the right to exercise his vested stock options for one year following the applicable vesting date. In addition, pursuant to the Donovan Offer Letter, Mr. Donovan's new hire and subsequent equity awards will contain similar continued vesting and exercise terms as would apply upon retirement, if Mr. Donovan's employment is terminated due to certain qualifying events including by us other than for "cause," or by him for "good reason."

In addition, the Donovan Offer Letter provides that Mr. Donovan will be entitled to enter into an employment agreement, the material terms of which are described below under the heading "—Employment Agreements—Tim Donovan Employment Agreement."

#### *Angela Kervin Offer Letter*

Ms. Kervin is party to an offer letter, dated December 22, 2022, with an effective date of January 1, 2023, with respect to her promotion to the position of Senior Vice President and Chief Human Resources Officer, AUS (the "Kervin Offer Letter"). The Kervin Offer Letter provides for an annual base salary of \$450,000 and a target bonus of 60% of annual base salary.

The Kervin Offer Letter contemplates equity awards with a grant date value of \$365,000 in connection with Ms. Kervin's promotion. After the separation and subject to the approval of Vestis' Board of Directors or an appropriate committee thereof, the Kervin Offer Letter contemplates annual equity awards for fiscal year 2024 with a grant date value of \$500,000.

#### *Other Terms of the Offer Letters*

The offer letters with the Vestis executive officers (other than the Scott Offer Letter and Synek Offer Letter) provide that the equity awards will consist of 30% time-based non-qualified stock options, 30% performance stock units and 40% time-based restricted stock units consistent with the Aramark current practice which is subject to change. Following the separation and subject to the approval of the Aramark Compensation Committee, the offer letters (other than the Synek Offer Letter) provide the equity awards will be converted into awards with respect to Vestis common stock in accordance with the terms of the Aramark equity plan and applicable tax rules. See "The Separation and Distribution—Treatment of Equity-Based Compensation."

The offer letters also provide for a car allowance of \$1,100 per month, reimbursement of \$7,500 for financial planning services, matching charitable contributions of up to \$10,000 per fiscal year (other than for Mr. Synek), four weeks of vacation, and with respect to Ms. Kervin and Mr. Dillon, coverage under the Aramark executive leadership relocation policy, which includes a tax gross-up for certain expenses.

#### ***Employment Agreements***

##### *Potential Post-Employment Benefits and Restrictive Covenants*

Each of our executive officers has entered into an agreement with Aramark relating to employment and post-employment competition, which we refer to as "employment agreements." The employment agreements entitle our executive officers to benefits upon certain terminations of employment and subject our executive officers to restrictive covenants pertaining to confidentiality, competitive activities, non-solicitation and assignment of certain works of authorship, inventions and intellectual property. All of the employment agreements (other than Mr. Synek's employment agreement) contain a provision entitling the executive officers to certain benefits if the spin-off (accompanied by serving in an executive position) does not occur. The employment agreements will be assigned by Aramark to Vestis effective as of the separation.

*Kim Scott Employment Agreement*

Under Ms. Scott's employment agreement, dated September 20, 2021, if after the distribution Ms. Scott's employment is terminated (i) by us for any reason other than "cause," (ii) by Ms. Scott for "good reason," or (iii) by Ms. Scott due to a "company breach termination" (as such terms are defined in her employment agreement), then subject to the execution and nonrevocation of a release of claims, Ms. Scott will receive:

- severance payments equal to her monthly base salary for 18 months made in the course of our normal payroll cycle (the applicable payment period, the "severance pay period");
- pro rata bonus provided for the year of termination at the time of the regular payment based on actual performance outcomes;
- target bonus multiplied by 1.5 payable in substantially equal installments in accordance with the normal payroll cycle over the severance pay period;
- participation in our basic medical and life insurance programs during the period over which she receives severance payments, with her share of premiums deducted from the severance payments;
- continuation of her monthly car allowance payments if provided at the time of termination, during the severance period;
- reimbursement for professional outplacement services incurred during the applicable severance pay period, in an amount not to exceed 10% of her base salary at the time of the termination; and
- vesting of outstanding equity awards as specified under the applicable plans and agreements, which would include the full vesting of her make-whole equity awards as set forth in the Scott Offer Letter.

Ms. Scott's employment agreement also contains a "double trigger" change of control termination provision. If, during the two-year period following a "change of control" (as defined in her employment agreement), her employment is terminated by us without cause (or her employment is terminated prior to such change of control either at the request of a party to the change of control transaction or otherwise in connection with or in anticipation of such change of control which subsequently occurs) or she resigns with good reason (as defined in her employment agreement), she will receive:

- cash severance benefits based on a multiple of two times her base salary and two times her target bonus payable over a two-year period according to our normal payroll cycle;
- a lump sum payment equal to the portion of her target bonus attributable to the portion of the fiscal year served prior to termination, plus any earned but unpaid amounts;
- continued medical, life and disability insurance at our expense (for a two-year period following termination);
- outplacement counseling in an amount not to exceed 10% of her base salary;
- continued payment of her monthly car allowance payments, if provided at the time of termination, for a period of 24 months; and
- vesting of outstanding equity awards (or retirement plan benefits) as specified under the applicable plans and agreements, which would include the full vesting of her make-whole equity awards as set forth in the Scott Offer Letter.

If any payments in connection with a change of control would constitute excess parachute payments that are subject to excise taxes under Section 4999 of the Internal Revenue Code, such payments will be subject to a reduction to avoid any such excise taxes that may be due, if such reduction results in Ms. Scott retaining a greater after-tax amount than if Ms. Scott received the full unreduced amount and paid all taxes (including the excise taxes) due.

*Rick Dillon Employment Agreement*

Under Mr. Dillon's employment agreement, dated February 25, 2022, if after the distribution Mr. Dillon's employment is terminated by us for any reason other than "cause," then subject to the execution and nonrevocation of a release of claims, Mr. Dillon will receive:

- severance payments equal to his monthly base salary for 12 months made in the course of our normal payroll cycle;
- pro rata bonus provided for the year of termination at the time of the regular payment based on actual performance outcomes;
- target bonus payable in substantially equal installments in accordance with the normal payroll cycle over the severance pay period;
- participation in our basic medical and life insurance programs during the period over which he receives severance payments, with his share of premiums deducted from the severance payments; and
- continuation of his monthly car allowance payments if provided at the time of termination, during the severance period.

In addition, any outstanding equity awards will be treated as specified in the applicable plans and agreements.

*Chris Synek Employment Agreement*

Under Mr. Synek's employment agreement, dated August 30, 2023, which provides for an employment commencement date of September 11, 2023, after Mr. Synek commences employment, if his employment is terminated by us for any reason other than "cause," then subject to the execution and nonrevocation of a release of claims, Mr. Synek will receive:

- severance payments equal to his monthly base salary for 12 months made in the course of our normal payroll cycle;
- pro rata bonus provided for the year of termination at the time of the regular payment with performance outcomes determined in accordance with the applicable bonus plan;
- target bonus payable in substantially equal installments in accordance with the normal payroll cycle over the severance pay period;
- participation in our basic medical and life insurance programs during the period over which he receives severance payments, with his share of premiums deducted from the severance payments; and
- continuation of his vehicle leasing arrangement if provided at the time of termination, during the severance period.

In addition, any outstanding equity awards will be treated as specified in the applicable plans and agreements.

*Timothy Donovan Employment Agreement*

Under Mr. Donovan's employment agreement, dated December 31, 2021, if after the distribution Mr. Donovan's employment is terminated (i) by us for any reason other than "cause," or (ii) by Mr. Donovan for "good reason," then subject to the execution and nonrevocation of a release of claims, Mr. Donovan will receive:

- severance payments equal to his monthly base salary for 12 months made in the course of our normal payroll cycle;
- pro rata bonus provided for the year of termination at the time of the regular payment based on actual performance outcomes;

- target bonus payable in substantially equal installments in accordance with the normal payroll cycle over the severance pay period;
- participation in our basic medical and life insurance programs during the period over which he receives severance payments, with his share of premiums deducted from the severance payments; and
- continuation of his monthly car allowance payments if provided at the time of termination, during the severance period.

In addition, any outstanding equity awards will be treated as specified in the applicable plans and agreements, which would include the right to continued vesting of his awards and option exercise terms as set forth in the Donovan Offer Letter.

*Angela Kervin Employment Agreement*

Under Ms. Kervin’s employment agreement, dated December 22, 2022, as amended effective January 31, 2023, if after the distribution Ms. Kervin’s employment is terminated by us for any reason other than “cause,” then subject to the execution and nonrevocation of a release of claims, Ms. Kervin will receive:

- severance payments equal to her monthly base salary for 12 months made in the course of our normal payroll cycle;
- pro rata bonus provided for the year of termination at the time of the regular payment based on actual performance outcomes;
- target bonus payable in substantially equal installments in accordance with the normal payroll cycle over the severance pay period;
- participation in our basic medical and life insurance programs during the period over which she receives severance payments, with her share of premiums deducted from the severance payments;
- continuation of her monthly car allowance payments if provided at the time of termination, during the severance period; and
- relocation benefits to facilitate relocation to Argyle, Texas in the event of a “spin trigger termination.”

In addition, any outstanding equity awards will be treated as specified in the applicable plans and agreements.

*Restrictive Covenants*

Under their employment agreements, our executive officers are each subject to (i) non-disclosure and non-disparagement obligations, (ii) a two-year non-solicitation covenant and (iii) a two-year non-competition covenant (one-year for Mr. Synek); provided that after the distribution such period of restriction is reduced to:

- 18 months in the case of Ms. Scott if her employment is terminated (i) by us for any reason other than “cause,” (ii) by Ms. Scott for “good reason,” (iii) by Ms. Scott due to a “company breach termination,” or (iv) within two years following a “change in control”;
- one year in the case of Mr. Dillon if his employment is terminated by us for any reason other than “cause”;
- one year in the case of Mr. Donovan if his employment is terminated (i) by us for any reason other than “cause,” or (ii) by Mr. Donovan for “good reason”; and
- one year in the case of Ms. Kervin if her employment is terminated by us for any reason other than “cause.”

*Executive Compensation Tables*

As none of our executive officers were previously serving as an executive officer of Aramark, there are no executive compensation tables provided.

## DIRECTOR COMPENSATION

During 2022, Vestis was not an independent public company and did not pay any compensation to non-employee directors. It is expected that the initial Vestis non-employee director compensation program in effect as of immediately following the distribution will be as set forth below. The Vestis non-employee director compensation program will be subject to review and modification by Vestis' Board of Directors or a committee thereof following the distribution.

### Annual Retainer

Vestis' non-employee director compensation program is expected to provide the following: (1) an annual cash retainer equal to \$100,000 paid in four equal installments quarterly, in arrears; and (2) an annual grant of Vestis equity with a grant date value equal to \$140,000, which will be granted (a) on or following the distribution date on a pro-rated basis (assuming a 12-month award cycle) for each director's service on Vestis' Board of Directors during the period commencing on the distribution date and ending on January 30, 2024 (the approximate date prior to the date on which Vestis' annual meeting of stockholders would have been scheduled, if one were required) and (b) annually thereafter, on the date of Vestis' annual meeting of stockholders for so long as the director remains a member of Vestis' Board of Directors. Annual grants will vest subject to the director's continued service on Vestis' Board of Directors on the date of the subsequent annual meeting of stockholders (with the initial annual grant to vest on January 30, 2024), and the shares in respect thereof are generally deliverable on the first day of the seventh month following the date the non-employee director ceases to serve on Vestis' Board of Directors.

### Special Grant

In consideration for the independent advisory services provided by certain directors through the distribution date, upon the distribution such directors will receive a special grant of deferred stock units with a grant date value equal to an amount determined by multiplying (1) the number of full and partial months from and including January 2023 to and including the month in which the distribution date occurs by (2) \$20,000, which deferred stock units will be fully vested on the date of grant and otherwise have the terms established for Aramark non-employee director deferred stock unit awards, subject to the approval of Vestis' Board of Directors.



## VESTIS 2023 STOCK INCENTIVE PLAN

The material terms of the Vestis 2023 Stock Incentive Plan (the “Plan”) are summarized below. This summary does not contain all the information about the Plan. This summary is qualified in its entirety by reference to, and should be read together with the full text of, the Plan.

### Purpose and Eligibility

The purpose of the Plan is to provide a means through which Vestis and its affiliates may attract and retain key personnel and to provide a means whereby Vestis’ directors, officers, employees, consultants and advisors can acquire and maintain an equity interest in Vestis, or be paid incentive compensation, which may (but need not) be measured by reference to the value of Vestis’ common stock, thereby strengthening their commitment to Vestis’ welfare and aligning their interests with those of Vestis’ stockholders. Employees and directors of Vestis or any of its affiliates as well as certain consultants or advisors to Vestis or any of its affiliates are eligible to participate in the Plan (collectively, “Eligible Persons”). Pursuant to the terms of the employee matters agreement, certain employees of Vestis and its respective subsidiaries will receive equity-based compensation awards under the Plan issued in connection with the adjustment of outstanding Aramark equity-based compensation awards upon the distribution (“Assumed Aramark Awards”).

### Types of Awards

The types of awards that may be granted under the Plan are incentive stock options (“ISOs”), nonqualified stock options (“NQOs,” which together with ISOs are referred to collectively as “Options”), stock appreciation rights (“SARs”), and full value awards (including restricted stock, restricted stock units, performance shares and performance units) (“Full Value Awards”), each as described in more detail below.

### Administration

The Plan will be administered by a committee selected by Vestis’ Board of Directors (the “Board”), which will consist solely of two or more non-employee members of the Board (the “Vestis Committee”). As of the effective date, the Vestis Committee will be the Vestis Compensation Committee. If the Vestis Committee does not exist or for any other reason determined by the Board, the Board may take any action under the Plan that would otherwise be responsibility of the Vestis Committee. The Vestis Committee has the sole and plenary authority to designate Eligible Persons to become participants in the Plan; determine the type or types of awards to be granted to a participant; determine the number of shares of Vestis common Stock to be covered by, or with respect to which payments, rights, or other matters are to be calculated in connection with awards; establish the terms and conditions of any award and any amendments thereto consistent with the provisions of the Plan; determine whether, to what extent, and under what circumstances awards may be settled or exercised in cash, shares of Vestis common stock, other securities, other awards or other property, or canceled, forfeited, or suspended and the method or methods by which awards may be settled, exercised, canceled, forfeited, or suspended; or determine whether, to what extent, and under what circumstances the delivery of cash, Vestis common stock, other securities, other awards or other property and other amounts payable with respect to an award shall be deferred either automatically or at the election of the participant or of the Vestis Committee. The Vestis Committee is authorized to conclusively interpret, administer, reconcile any inconsistency in, correct any defect in and/or supply any omission in the Plan and any instrument or agreement relating to, or any award granted under, the Plan and establish, amend, suspend, or waive any rules and regulations for administration of the Plan that the Vestis Committee deems appropriate for the proper administration of the Plan. Except to the extent prohibited by applicable law or the applicable rules of a securities exchange, the Vestis Committee may allocate all or any portion of its responsibilities and powers to any one or more of its members and may delegate all or any part of its responsibilities and powers to any person or persons selected by it. Any such allocation or delegation may be revoked by the Committee at any time.

### Shares Subject to the Plan

The Plan provides that the total number of shares of Vestis common stock that may be issued under the Plan is the sum of (a) the number of shares of Vestis common stock subject to awards that have been converted from Aramark awards, including, in the case of performance-based awards, the number of shares that may be delivered if

the maximum performance metrics are satisfied, and (b) 15 million, in each case, subject to adjustment pursuant to the terms of the Plan. The limitation set forth in clause (b) above shall apply with respect to the number of shares of Vestis common stock that may be issued upon the exercise of ISOs. To the extent an award under the Plan is forfeited, canceled, terminated, expires, or otherwise terminates without the issuance of shares of Vestis common stock or is settled in cash, the number of shares of Vestis common stock subject to such award will become available again for grant under the Plan. Notwithstanding the above, shares of Vestis common stock that are not delivered due to a net exercise of an outstanding Option or SAR, that are used to pay the exercise price of an award or to satisfy tax withholding obligations, including shares redeemed as part of a "net exercise" settlement, shares repurchased in the open market and shares subject to substitute awards (described below) will no longer be available for future grant under the Plan.

The Vestis Plan also provides that the sum of any cash compensation or other compensation and the value of any awards granted to an outside director as compensation for services as a director during the period beginning on the date of one regular annual meeting of Vestis' shareholders until the date of the next regular annual meeting of Vestis' stockholders may not exceed \$1 million. The Vestis Committee may make exceptions to this limit for individual directors in exceptional circumstances, as the Vestis Committee may determine in its sole discretion, provided that the director receiving such additional compensation may not participate in the decision to award such compensation. If the delivery of Vestis common stock or cash is deferred until after the Vestis common stock has been earned, any adjustment in the amount delivered to reflect actual or deemed earnings or other investment experience during the deferral period shall be disregarded in applying the foregoing limitations.

Awards may, in the sole discretion of the Vestis Committee, be granted in assumption of, or in substitution for, outstanding awards previously granted by an entity acquired by Vestis or with which Vestis combines (referred to as "substitute awards"). The number of shares of Vestis common stock underlying any substitute awards will not be counted against the total number of shares of Vestis common stock available for awards under the Plan.

#### **Minimum Vesting Term on Awards**

Subject to the other terms and conditions of the Plan, and except for awards granted under the Plan with respect to shares of Vestis which do not exceed, in the aggregate, five percent (5%) of the total number of shares of Vestis common stock reserved for issuance under the Plan, the required period of service for any award in which shares of Vestis common stock may be issued upon settlement shall be at least one year subject to acceleration of vesting in the event of a participant's death, disability, or retirement (to the extent provided in the applicable award agreement or as provided by the Committee) or as otherwise provided under the Plan or in any award agreement.

#### **Options**

The Vestis Committee may grant Options under the Plan. All Options granted under the Plan are required to have a per share exercise price that is not less than 100% of the fair market value of Vestis common stock underlying such Option on the date the Option is granted. The maximum term for Options granted under the Plan will be ten years from the initial date of grant, or five years with respect to an ISO granted to a participant who owns stock representing more than 10% of the voting power of all classes of stock of Vestis or any of its affiliates.

The purchase price for the shares as to which a Option is exercised may be paid in full to Vestis, to the extent permitted by law and subject to the limitations set forth in the Plan: (1) in cash or its equivalent; (2) by tendering (either by actual delivery or attestation) previously acquired shares of Vestis common stock having an aggregate fair market value at the time of exercise equal to the total exercise price; (3) pursuant to a net exercise; (4) by a combination of the foregoing clauses (1), (2) and/or (3); or (5) by any other method approved by the Committee in its sole discretion at the time of grant and as set forth in the award agreement; provided, however, that shares of Vestis common stock may not be used to pay any portion of the exercise price unless the holder thereof has good title, free and clear of all liens and encumbrances. In addition, payment to Vestis may be made pursuant an arrangement not disapproved by the Vestis Committee pursuant to a third-party exercise arrangement. No fractional shares will be issued or delivered pursuant to the Plan or any award, and the Vestis Committee will determine whether cash, other securities or other property will be paid or transferred in lieu of any fractional shares, or whether such fractional shares or any rights thereto will be canceled, terminated or otherwise eliminated.

### **Stock Appreciation Rights**

The Vestis Committee may grant SARs under the Plan. Generally, each SAR will entitle the participant upon exercise to an amount (in cash, shares or a combination of cash and shares, as determined by the Vestis Committee) equal to the product of (i) the excess of (a) the fair market value on the exercise date of one share of Vestis common stock, over (b) the strike price per share, *times* (ii) the number of shares of Vestis common stock covered by the SAR being exercised. The strike price per share of a SAR granted in tandem with an Option will be the exercise price of the related Option, and in the case of a SAR granted independent of an Option, the fair market value on the date of grant (other than in the case of SARs granted in substitution of previously granted awards).

### **No Repricing**

The exercise price for any outstanding Option or the strike price of a SAR may not be decreased after the date of grant nor may an outstanding Option or SAR granted under the Vestis Plan be surrendered to us as consideration for the grant of a replacement Option or SAR with a lower exercise price or a Full Value Award (except for either adjustments related to the corporate transactions or reductions in the exercise price approved by Vestis stockholders). Unless approved by Vestis' stockholders, no Option or SAR granted under the Plan may be surrendered to us in consideration for a cash payment if, at the time of surrender, the exercise price of the Option or SAR is greater than the then-current fair market value of a share of common stock.

### **Full Value Awards**

A Full Value Award is a grant of one or more shares of Vestis common stock or a right to receive one or more shares of Vestis common stock (or cash based on the value of shares of common stock) in the future (including restricted stock, restricted stock units, performance shares and performance units) which is contingent on continuing service, the achievement of performance objectives during a specified period performance, or other restrictions as determined by the Vestis Committee or in consideration of a participant's previously performed services or surrender or other compensation that may be due.

These awards may also be subject to other conditions or restrictions as determined by the Vestis Committee. Notwithstanding the foregoing, no dividends or dividend equivalent rights will be paid or settled on Full Value Awards that have not been earned or vested.

### **Dividend Equivalents**

An award (other than an Option or a SAR) may provide the participant with the right to receive dividend payments, dividend equivalent payments or dividend equivalent units with respect to shares of Vestis common stock subject to the award (both before and after the shares of Vestis common stock subject to the award are earned, vested, or acquired), which payments may be either made currently or credited to an account for the participant, and may be settled in cash or shares of Vestis common stock as determined by the Committee. Any such settlements, and any such crediting of dividends or dividend equivalents or reinvestment in shares of Vestis common stock or Vestis common stock equivalents, may be subject to such conditions, restrictions and contingencies as the Committee shall establish, including, without limitation, the reinvestment of such credited amounts in Vestis common stock equivalents. Notwithstanding the foregoing, no dividends or dividend equivalent rights will be paid or settled on awards that have not been earned or vested.

### **Assumed Aramark Awards**

Each Assumed Aramark Award will be subject to the terms and conditions of the equity compensation plan and award agreement to which such equity award was subject immediately prior to the distribution, subject to the adjustment of such equity award by the Aramark Compensation Committee and the terms of the employee matters agreement; provided that, following the distribution, such award will relate solely to Vestis common stock and be administered by the Vestis Committee in accordance with the administrative procedures in effect under the Plan.

### **Change in Capital Structure and Similar Events**

In the event of a corporate transaction involving Vestis (including, without limitation, any stock dividend, stock split, extraordinary cash dividend, recapitalization, reorganization, merger, consolidation, split-up, spin-off, combination or exchange of shares), the Committee shall adjust the terms of the Plan and awards to preserve the benefits or potential benefits of the Plan or the awards as determined in the sole discretion of the Vestis Committee. Action by the Vestis Committee may include, in its sole discretion: (i) adjustment of the number and kind of shares which may be delivered under the Plan (including, without limitation, adjustments to the number and kind of shares that may be granted to an individual during any specified time as described above); (ii) adjustment of the number and kind of shares subject to outstanding awards; (iii) adjustment of the exercise price of outstanding Options and SARs; and (iv) any other adjustments that the Vestis Committee determines to be equitable (which may include, without limitation, (A) replacement of awards with other awards which the Vestis Committee determines have comparable value and which are based on stock of a company resulting from the transaction and (B) cancellation of the award in return for a cash payment of the current value of the award, determined as though the award is fully vested at the time of payment, provided that in the case of an Option or SAR, the amount of such payment may be the excess of the value of Vestis common stock subject to the Option or SAR at the time of the transaction over the exercise price).

### **Effect of Change of Control**

Unless otherwise specifically prohibited under applicable laws or by the rules and regulations of any applicable governmental agencies or national securities exchange, or unless otherwise provided by the Vestis Committee in the award agreement, in a participant's employment agreement or other individual service agreement with Vestis or an affiliate in an individual severance or other similar agreement between Vestis (or an affiliate) and a participant, the following rules will apply to awards under the Plan in the event of a Change of Control (as defined in the Plan):

- (a) Upon a Change of Control, (i) any performance conditions applicable to Full Value Awards outstanding under the Plan as of the date of the Change of Control will be deemed to have been achieved at the target level of performance for the performance period in effect on the date of the Change of Control and such awards shall thereafter not be subject to any performance conditions, unless the awards will be continued after the Change of Control and the Vestis Committee reasonably determines that, from and after the Change of Control, performance applicable to Full Value Awards can be determined with respect to the performance period in effect on the date of the Change of Control on substantially the same basis as applied immediately prior to the Change of Control.
- (b) If, upon a Change of Control, then-outstanding awards under the Plan are continued under the Plan or are assumed by a successor to Vestis and/or awards in other shares or securities are substituted for then-outstanding awards under the Plan (which continued, assumed, and/or substituted awards are referred to collectively herein as "Replacement Awards"), then: (i) each participant's Replacement Awards will continue in accordance with their terms; and (ii) with respect to any participant whose termination date has not occurred as of the Change of Control, if the participant's termination date occurs by reason of a covered termination within two years following the Change of Control, then (1) all of the participant's outstanding Replacement Awards that are Full Value Awards will be fully vested upon his or her termination date and generally will be settled or paid within 30 days after the termination date, and (2) in the case of any Replacement Awards that are Options or SARs, the Replacement Award will be fully vested and exercisable as of the termination date and the exercise period will extend for 24 months following the termination date or, if earlier, the expiration date of the Option or SAR.
- (c) If, upon a Change of Control, awards are not continued or replaced, all then-outstanding awards will become fully vested upon the Change of Control and will be canceled in exchange for a cash payment or other consideration generally provided to stockholders in the Change of Control equal to the then-current value of the award, determined as though the award was fully vested and exercisable (as applicable) and any restrictions applicable to such award had lapsed immediately prior to the Change of Control; provided, however, that in the case of an Option or SAR, the amount of such payment may be equal to the excess of the aggregate per share consideration to be paid with respect to the cancellation of the Option or SAR over

the aggregate exercise price of the Option or SAR (but not less than zero). For the avoidance of doubt, in the case of any Option or SAR with an exercise price that is greater than the per share consideration to be paid with respect to the cancellation of the Option or SAR, the consideration to be paid with respect to cancellation of the Option or SAR may be zero.

#### **Nontransferability of Awards**

Except as otherwise provided by the Committee or in the Plan or award agreement, awards under the Plan are not transferable except as designated by the Participant by will or by the laws of descent and distribution and, to the extent applicable, shall be exercisable during a Participant's employment only by the Participant. No Award may be assigned, alienated, pledged, attached, sold or otherwise transferred or encumbered by a Participant other than by will or by the laws of descent and distribution and any such purported assignment, alienation, pledge, attachment, sale, transfer or encumbrance shall be void and unenforceable against Vestis or any of its affiliates.

#### **Amendment and Termination**

The Board may, at any time, amend or terminate the Plan, and the Board or the Vestis Committee may amend any award agreement; provided, however, that no amendment or termination of the Plan or amendment of any award agreement may, in the absence of written consent to the change by the affected participant, adversely affect the rights of the participant under any award granted under the Plan prior to the date such amendment is adopted by the Board (or Committee, as applicable). The following amendments will not be effective without the approval of Vestis' stockholders: amendments (i) expanding the group of Eligible Persons; (ii) to the prohibitions on repricing of Options and SARs; (iii) increasing the number of shares reserved under the Plan; (iv) increasing the number of shares reserved for the issuance of ISOs; and (v) amendments for which approval of the Company's stockholders is required by law or the rules of any stock exchange on which shares of Vestis common stock is listed, in any case. Adjustments to the number and kind of shares available under the Plan in the event of certain business transactions or amendments to conform the Plan or any award to certain tax rules shall not be subject to the foregoing (unless required by applicable law).

#### **Foreign Individuals**

Notwithstanding any other provision of the Plan to the contrary, the Vestis Committee may grant awards to eligible persons who are foreign nationals on such terms and conditions different from those specified in the Plan as may, in the judgment of the Vestis Committee, be necessary or desirable to foster and promote achievement of the purposes of the Plan. In furtherance of such purposes, the Vestis Committee may make such modifications, amendments, procedures and subplans as may be necessary or advisable to comply with provisions of laws in other countries or jurisdictions in which Vestis or an affiliate operates or has employees. The foregoing provisions shall not be applied to increase the share limitations of the Plan or to otherwise change any provision of the Plan that would otherwise require the approval of Vestis' stockholders.

#### **Clawback Provisions**

Any awards under the Plan and any shares of Vestis common stock or cash issued pursuant to the Plan shall be subject to Vestis' compensation recovery, clawback, and recoupment policies as in effect from time to time.

#### **Plan Duration**

Prior to the distribution, it is expected that the Plan will be approved, effective as of the date of the distribution, by Vestis' Board of Directors and by a wholly owned subsidiary of Aramark as the sole stockholder of Vestis. The Plan will expire on the tenth anniversary of the effective date of the Plan and no award may be granted under the Plan on or after the tenth anniversary, but awards theretofore granted will continue in full force and effect beyond that date in accordance with their terms.

## CERTAIN RELATIONSHIPS AND RELATED PARTY TRANSACTIONS

### Agreements with Aramark

Following the separation and distribution, Aramark and Vestis will operate separately, each as an independent public company.

Prior to the separation and distribution, Vestis and Aramark will enter into the separation and distribution agreement, which is referred to in this information statement as the “separation and distribution agreement.” Vestis will also enter into various other agreements that will outline the terms and conditions of the separation and distribution and provide a framework for Vestis’ relationship with Aramark after the separation and distribution, such as a transition services agreement, a tax matters agreement and an employee matters agreement.

The summaries of each of the agreements listed above are qualified in their entireties by reference to the full text of the applicable agreements, forms of which are filed as exhibits to the registration statement of which this information statement is a part and which are incorporated by reference into this information statement.

### Separation and Distribution Agreement

#### *Transfer of Assets and Assumption of Liabilities*

The separation and distribution agreement will identify the assets to be transferred, the liabilities to be assumed and the contracts to be transferred to each of Vestis and Aramark as part of the separation of AUS from Aramark into an independent, publicly traded company, and will provide for when and how these transfers and assumptions will occur. In particular, the separation and distribution agreement will provide that, among other things, subject to the terms and conditions contained therein:

- certain assets related to AUS, which this information statement refers to as the “Vestis Assets,” will be retained by or transferred to Vestis or one of its subsidiaries. Subject to certain exceptions, assets that are exclusively related to AUS will be Vestis Assets;
- certain liabilities related to AUS or the Vestis Assets, which this information statement refers to as the “Vestis Liabilities,” will be retained by or transferred to Vestis. Subject to certain exceptions, liabilities that arise out of or are resulting from AUS, including liabilities of various legal entities that will be subsidiaries of Vestis following the separation, will be Vestis Liabilities; and
- all of the assets and liabilities (including whether accrued, contingent or otherwise) other than the Vestis Assets and the Vestis Liabilities (such assets and liabilities, other than the Vestis Assets and the Vestis Liabilities, this information statement refers to as the “Aramark Assets” and “Aramark Liabilities,” respectively) will be retained by or transferred to Aramark.

Except as expressly set forth in the separation and distribution agreement or any ancillary agreement, neither Aramark nor Vestis will make any representation or warranty as to the assets, business or liabilities transferred or assumed as part of the separation, as to any approvals or notifications required in connection with the transfers, as to the value of or the freedom from any security interests of any of the assets transferred, as to the absence or presence of any defenses or right of setoff or freedom from counterclaim with respect to any claim or other asset of either of Vestis or Aramark, or as to the legal sufficiency of any document or instrument delivered to convey title to any asset or thing of value to be transferred in connection with the separation. All assets will be transferred on an “as is,” “where is” basis, and the respective transferees will bear the economic and legal risks that any conveyance will prove to be insufficient to vest in the transferee good and marketable title, free and clear of all security interests, that any necessary consents or governmental approvals are not obtained, or that any requirements of law, agreements, security interests or judgments are not complied with.

Information in this information statement with respect to the assets and liabilities of the parties following the distribution is presented based on the allocation of such assets and liabilities pursuant to the separation and distribution agreement, unless the context otherwise requires. The separation and distribution agreement will provide that in the event that the transfer of certain assets and liabilities (or a portion thereof) to Vestis or Aramark, as

applicable, does not occur prior to the separation, then until such assets or liabilities (or a portion thereof) are able to be transferred, Vestis or Aramark, as applicable, will hold such assets on behalf and for the benefit of the transferee, and will pay, perform and discharge such liabilities, for which the transferee will reimburse Vestis or Aramark, as applicable, for all commercially reasonable payments made in connection with the performance and discharge of such liabilities.

#### ***The Distribution***

The separation and distribution agreement will also govern the rights and obligations of the parties regarding the distribution following the completion of the separation. On the distribution date, Aramark will distribute to its stockholders that hold Aramark common stock as of the record date for the distribution all of the issued and outstanding shares of Vestis common stock (other than a number of shares of Vestis common stock (less than 1% of Vestis' issued and outstanding shares of common stock upon the distribution) which may be contributed to a donor advised fund in order to fund charitable contributions) on a pro rata basis. Stockholders will receive cash in lieu of any fractional shares.

#### ***Conditions to the Distribution***

The separation and distribution agreement will provide that the distribution is subject to satisfaction (or waiver by Aramark in its sole and absolute discretion) of certain conditions. These conditions are described under "The Separation and Distribution—Conditions to the Distribution." Aramark will have the sole and absolute discretion to determine (and change) the terms of, and to determine whether to proceed with, the distribution and, to the extent that it determines to so proceed, to determine the record date for the distribution, the distribution date and the distribution ratio.

#### ***Claims***

In general, each party to the separation and distribution agreement will assume liability for all pending, threatened and unasserted legal matters arising from its own business or its assumed or retained liabilities and will indemnify the other party for any liability to the extent arising out of or resulting from such assumed or retained legal matters.

#### ***Releases***

The separation and distribution agreement will provide that Vestis and its affiliates will release and discharge Aramark and its affiliates from all liabilities assumed by Vestis as part of the separation, from all acts and events occurring or failing to occur, and all conditions existing, on or before the distribution date arising from AUS, the Vestis Assets and the Vestis Liabilities and from all liabilities existing or arising in connection with the implementation of the separation, except as expressly set forth in the separation and distribution agreement. Aramark and its affiliates will release and discharge Vestis and its affiliates from all liabilities retained by Aramark and its affiliates as part of the separation, from all acts and events occurring or failing to occur, and all conditions existing, on or before the distribution date arising from the Aramark Business, the Aramark Assets and the Aramark Liabilities, and from all liabilities existing or arising in connection with the implementation of the separation, except as expressly set forth in the separation and distribution agreement.

These releases will not extend to obligations or liabilities under any agreements between the parties that remain in effect following the separation, which agreements include the separation and distribution agreement and the other agreements described under "Certain Relationships and Related Party Transactions."

#### ***Indemnification***

In the separation and distribution agreement, Vestis will agree to indemnify, defend and hold harmless Aramark, each of their respective affiliates, and each of Aramark's affiliates' directors, officers, employees and agents, from and against all liabilities arising out of or resulting from:

- the Vestis Liabilities;

- Vestis' failure or the failure of any other person to pay, perform or otherwise promptly discharge any of the Vestis Liabilities, in accordance with their respective terms, whether prior to, at or after the distribution;
- except to the extent arising from an Aramark Liability, any guarantee, indemnification or contribution obligation, surety bond or other credit support agreement, arrangement, commitment or understanding for the benefit of Vestis by Aramark that survives the distribution;
- any breach by Vestis of the separation and distribution agreement or any of the ancillary agreements; and
- any untrue statement or alleged untrue statement or omission or alleged omission of a material fact in the Form 10 or in this information statement or other related disclosure document (as amended or supplemented), except for any such statements or omissions made explicitly in Aramark's name.

Aramark will agree to indemnify, defend and hold harmless Vestis, each of Vestis' affiliates and each of Vestis' affiliates' directors, officers, employees and agents from and against all liabilities arising out of or resulting from:

- the Aramark Liabilities;
- the failure of Aramark or any other person to pay, perform or otherwise promptly discharge any of the Aramark Liabilities in accordance with their respective terms whether prior to, at or after the distribution;
- except to the extent arising from a Vestis Liability, any guarantee, indemnification or contribution obligation, surety bond or other credit support agreement, arrangement, commitment or understanding for the benefit of Aramark by Vestis that survives the distribution;
- any breach by Aramark of the separation and distribution agreement or any of the ancillary agreements; and
- any untrue statement or alleged untrue statement or omission or alleged omission of a material fact made explicitly in Aramark's name in the Form 10 or in this information statement or other related disclosure document (as amended or supplemented).

The separation and distribution agreement will also establish procedures with respect to claims subject to indemnification and related matters.

Indemnification with respect to taxes, and the procedures related thereto, will be governed by the tax matters agreement.

#### ***Insurance***

The separation and distribution agreement will provide for the allocation between the parties of rights and obligations under existing insurance policies with respect to occurrences prior to the distribution and set forth procedures for the administration of insured claims and related matters.

#### ***Further Assurances***

In addition to the actions specifically provided for in the separation and distribution agreement, except as otherwise set forth therein or in any ancillary agreement, Vestis and Aramark will agree in the separation and distribution agreement to use reasonable best efforts, prior to, on and after the distribution date, to take, or cause to be taken, all actions, and to do, or cause to be done, all things reasonably necessary, proper or advisable under applicable laws, regulations and agreements to consummate and make effective the transactions contemplated by the separation and distribution agreement and the ancillary agreements.

#### ***Dispute Resolution***

The separation and distribution agreement will contain provisions that govern, except as otherwise provided in any ancillary agreement, the resolution of disputes, controversies or claims that may arise between Vestis and Aramark related to the separation or distribution and that are unable to be resolved through good faith discussions between Vestis and Aramark. If such efforts are not successful, one of the parties in dispute may submit the dispute,



controversy or claim to nonbinding mediation and if such efforts are still not successful, either party may (i) commence binding arbitration if the amount in dispute is less than \$100,000,000 and the dispute does not involve primarily non-monetary relief or (ii) commence litigation if the amount in dispute totals \$100,000,000 or more or involves primarily non-monetary relief, in each case subject to or as otherwise set forth in the provisions of the separation and distribution agreement.

#### ***Expenses***

Except as expressly set forth in the separation and distribution agreement or in any ancillary agreement, the party incurring the expense will be responsible for all fees, costs and expenses incurred in connection with the separation prior to the distribution date.

#### ***Other Matters***

Other matters governed by the separation and distribution agreement will include, among others, approvals and notifications of transfer, termination of intercompany agreements, shared contracts, financial information certifications, transition committee provisions, confidentiality, access to and provision of records, privacy and data protection, production of witnesses, privileged matters and financing arrangements.

#### ***Amendment and Termination***

The separation and distribution agreement will provide that it may be terminated, and the separation and distribution agreement may be amended, modified or abandoned, at any time prior to the distribution date in the sole and absolute discretion of Aramark without the approval of any person, including Vestis.

The separation and distribution agreement will provide that no provision of the separation and distribution agreement or any ancillary agreement may be waived, amended, supplemented or modified by a party without the written consent of the party against whom it is sought to enforce such waiver, amendment, supplement or modification.

After the distribution date, the separation and distribution agreement may not be terminated, except by an agreement in writing signed by both Vestis and Aramark.

In the event of a termination of the separation and distribution agreement, no party, nor any of its directors, officers or employees, will have any liability of any kind to the other parties or any other person.

#### **Transition Services Agreement**

Vestis and Aramark will enter into a transition services agreement in connection with the separation pursuant to which Vestis and Aramark and their respective affiliates will provide each other, on an interim, transitional basis, various services, including, but not limited to, administrative, information technology and cybersecurity support services and certain finance, treasury, tax and governmental function services. The services will be provided in a manner consistent with past practices or otherwise how such services are currently performed within Aramark. The pricing is expected to be on a cost or cost-plus basis (based on actual costs incurred by the party rendering the services plus a fixed percentage) or an hourly rate. The party receiving each transition service will be provided with reasonable information that supports the charges for such transition service by the party providing the service.

The services will commence on the distribution date and terminate no later than 24 months following the distribution date. The receiving party may terminate any services by giving prior written notice to the provider of such services and paying any applicable wind-down charges.

Subject to certain exceptions, the liabilities of each party providing services under the transition services agreement will generally be limited to the aggregate charges actually paid to such party by the other party in the prior 12 months (or such shorter period if 12 months have not elapsed) pursuant to the transition services agreement. The transition services agreement also will provide that the provider of a service will not be liable to the recipient of such service for any lost profits, special, indirect, incidental, consequential, punitive, exemplary, remote, speculative or similar damages.

### **Tax Matters Agreement**

In connection with the separation, Vestis and Aramark will enter into a tax matters agreement that will govern the parties' respective rights, responsibilities and obligations with respect to tax liabilities and benefits, tax attributes, the preparation and filing of tax returns, the control of audits and other tax proceedings and other matters regarding taxes.

The tax matters agreement will provide special rules that allocate tax liabilities in the event the distribution or certain related transactions fail to qualify as transactions that are tax-free for U.S. federal income tax purposes (other than any cash that Aramark stockholders receive in lieu of fractional shares). Under the tax matters agreement, Vestis will generally agree to indemnify Aramark and its affiliates against any and all tax-related liabilities incurred by them relating to the distribution and certain related transactions, to the extent caused by any representation by Vestis being incorrect or an acquisition of Vestis' stock or assets or by any other action undertaken or failure to act by Vestis. This indemnification will apply even if Aramark has permitted Vestis to take an action that would otherwise have been prohibited under the tax-related covenants described below.

Pursuant to the tax matters agreement, Vestis will agree to covenants that contain restrictions intended to preserve the tax-free status of the distribution and certain related transactions. Vestis may take certain actions prohibited by these covenants only if Vestis obtains and provides to Aramark an IRS ruling or an opinion from a U.S. tax counsel or accountant of recognized national standing, in each case satisfactory to Aramark in its sole and absolute discretion, to the effect that such action would not jeopardize the tax-free status of these transactions, or if Vestis obtains prior written consent of Aramark, in its sole and absolute discretion, waiving such requirement. Vestis will be barred from taking any action, or failing to take any action, where such action or failure to act adversely affects or could reasonably be expected to adversely affect the tax-free status of these transactions, for all relevant time periods. During the period ending two years after the date of the distribution, the tax matters agreement will include specific restrictions on Vestis' (i) discontinuing the active conduct of Vestis' trade or business; (ii) issuance or sale of stock or other securities (including securities convertible into Vestis stock, but excluding certain compensatory arrangements); (iii) liquidating or merging or consolidating with any other person; (iv) amending Vestis' certificate of incorporation (or other organizational documents) or taking any other action, whether through a stockholder vote or otherwise, affecting the voting rights of Vestis common stock; (v) sales of assets outside the ordinary course of business; and (vi) entering into any other corporate transaction which would cause Vestis to undergo a 50% or greater change in its stock ownership in the aggregate.

### **Employee Matters Agreement**

Vestis and Aramark will enter into an employee matters agreement in connection with the separation to allocate liabilities and responsibilities relating to employment matters, employee compensation and benefits plans and programs and other related matters. The employee matters agreement will govern certain compensation and employee benefit obligations with respect to former employees of Aramark and current employees and non-employee directors of each company.

The employee matters agreement will provide that, unless otherwise specified, each party will be responsible for liabilities associated with current and former employees of such party and its subsidiaries for purposes of post-separation compensation and benefits matters.

The employee matters agreement will also govern the terms of equity-based awards granted by Aramark prior to the separation. See "The Separation and Distribution—Treatment of Equity-Based Compensation."

### **Other Arrangements**

AUS has entered into, or Vestis intends to enter into, the following commercial agreements with Aramark and its related entities on arm's-length terms.

#### ***Uniform and Workplace Supplies Rental Services Agreements***

AUS has entered into agreements under which it provides uniform and workplace supplies rental services to Aramark businesses in the United States. AUS recorded associated revenues of \$39.0 million, \$28.4 million and \$32.7 million for the fiscal years ended September 30, 2022, October 1, 2021 and October 2, 2020, respectively, in connection with such agreements. In connection with the separation, Vestis intends to enter into a master agreement with Aramark that consolidates the existing agreements and governs Vestis' provision of uniform and workplace supplies rental services to Aramark.

AUS has entered into an agreement under which AUS provides uniform and workplace supplies rental services to Aramark businesses and to third party members of Aramark-owned group purchasing organizations ("GPOs") in Canada, including Complete Purchasing Services, Quasep, and Gespra. AUS recorded associated revenues of \$3.5 million, \$2.2 million and \$3.3 million for the fiscal years ended September 30, 2022, October 1, 2021 and October 2, 2020, respectively, and has made associated payments to Aramark of \$0.4 million, \$0.2 million and \$0.3 million for the fiscal years ended September 30, 2022, October 1, 2021 and October 2, 2020, respectively, in connection with such agreement. Vestis intends for this agreement to continue after the separation.

#### ***Uniforms and Workplace Supplies Direct Sale Agreements***

AUS sells uniforms and workplace supplies to Aramark businesses in the United States and Canada. AUS recorded associated revenues of \$8.0 million, \$7.3 million and \$11.6 million for the fiscal years ended September 30, 2022, October 1, 2021 and October 2, 2020, respectively, in connection with such transactions. In connection with the separation, Vestis intends to enter into a master agreement that governs the direct sale of uniforms and workplace supplies to Aramark in the United States and Canada.

#### ***Avendra Agreements***

AUS has entered into an agreement under which it provides uniform and workplace supplies rental services to third party members of Avendra, an Aramark owned GPO, in the United States. AUS recorded associated revenues of \$0.5 million, \$0.1 million and zero for the fiscal years ended September 30, 2022, October 1, 2021 and October 2, 2020, respectively, and has made associated payments to Aramark of \$15,000, \$1,000 and zero for the fiscal years ended September 30, 2022, October 1, 2021 and October 2, 2020, respectively, in connection with such agreement. Vestis intends for this agreement to continue after the separation.

AUS entered into an agreement effective September 2021 under which it provides uniform and workplace supplies rental services to third party members of Avendra in Canada. AUS recorded associated revenues of \$0.1 million and \$0.1 million for the fiscal years ended September 30, 2022 and October 1, 2021, respectively, and has made associated payments to Aramark of \$7,000 and zero for the fiscal years ended September 30, 2022 and October 1, 2021, respectively, in connection with such agreement. Vestis intends for this agreement to continue after the separation.

AUS purchases certain products directly from third-party suppliers on terms negotiated by Avendra. These purchases are currently made by AUS as an affiliate of Aramark. AUS has entered into an agreement under which it will continue to purchase products from third-party suppliers as a member of Avendra after the separation. AUS has made payments to such third-party suppliers of \$5.3 million, \$5.0 million and \$4.4 million for the fiscal years ended September 30, 2022, October 1, 2021 and October 2, 2020, respectively, in connection with such purchases made through Avendra. After the separation, Vestis will pay Aramark a nominal procurement fee in connection with purchases made under this agreement.

#### ***Breakroom Services Agreements***

AUS has entered into agreements under which it receives coffee and other breakroom-related services and supplies from Aramark Refreshment Services, a subsidiary of Aramark. AUS made associated payments to Aramark of \$0.5 million, \$0.4 million and \$0.4 million for the fiscal years ended September 30, 2022, October 1, 2021 and October 2, 2020, respectively, in connection with such agreements. Vestis intends for these agreements to continue after the separation.

## MATERIAL U.S. FEDERAL INCOME TAX CONSEQUENCES

The following is a general discussion of the material U.S. federal income tax consequences of the distribution to “U.S. holders” (as defined below) of Aramark common stock. This summary is based on the Internal Revenue Code (the “Code”), U.S. Treasury Regulations promulgated thereunder, administrative interpretations and court decisions as in effect as of the date of this information statement, all of which may change at any time, possibly with retroactive effect. Any such change or interpretation could affect the tax consequences described below. This discussion assumes that the separation and the distribution, together with certain related transactions, were or will be consummated in accordance with the separation and distribution agreement and the other agreements related to the separation and as described in this information statement.

For purposes of this discussion, a “U.S. holder” is a beneficial owner of Aramark common stock that is, for U.S. federal income tax purposes:

- a citizen or resident of the United States;
- a corporation (or any other entity treated as a corporation for U.S. federal income tax purposes) created or organized in or under the laws of the United States, any state thereof or the District of Columbia;
- an estate, the income of which is subject to U.S. federal income taxation regardless of its source; or
- a trust, if (i) its administration is subject to the primary supervision of a court within the United States and one or more U.S. persons have the authority to control all the substantial decisions of such trust or (ii) it has a valid election in effect under applicable Treasury Regulations to be treated as a U.S. person.

This discussion addresses only the consequences to U.S. holders of shares of Aramark common stock who hold such shares as capital assets. It does not address all aspects of U.S. federal income taxation that may be relevant to a particular U.S. holder of Aramark common stock in light of that stockholder’s particular circumstances, nor does it address any tax consequences to stockholders subject to special treatment under the U.S. federal income tax laws, including:

- dealers or brokers in securities, commodities or foreign currencies;
- tax-exempt organizations;
- banks or other financial institutions, regulated investment companies or insurance companies;
- real estate investment trusts;
- traders in securities that elect mark-to-market treatment;
- entities or arrangements treated as partnerships or pass-through entities for U.S. federal income tax purposes and their partners and investors;
- individual retirement and other tax-deferred accounts and holders who hold Aramark stock in any such account;
- U.S. expatriates;
- investors who are not U.S. holders;
- holders who at any time own or owned (directly, indirectly or constructively) 5% or more of our stock (by vote or value);
- holders that have a functional currency other than the U.S. dollar;
- persons required to accelerate the recognition of any item of gross income as a result of such income being recognized on an applicable financial statement;

- holders who acquired Aramark common stock pursuant to the exercise of employee stock options or similar derivative securities or otherwise as compensation; or
- holders who own Aramark common stock as part of a hedge, appreciated financial position, straddle, conversion or other risk reduction transaction.

This discussion does not address any state, local or non-U.S. tax consequences or any estate, gift or other non-income tax consequences, any considerations under any alternative minimum tax or any considerations under U.S. federal laws other than those pertaining to the U.S. federal income tax.

If a partnership (or any other entity or arrangement treated as a partnership for U.S. federal income tax purposes) holds Aramark common stock, the tax treatment of a partner in such partnership generally will depend upon the status of the partner and the activities of the partnership. A partner in a partnership holding Aramark common stock should consult such partner's own tax advisor.

The discussion of U.S. federal income tax consequences is not a complete analysis or description of all potential U.S. federal income tax consequences of the distribution. This discussion does not address tax consequences that may vary with, or are contingent on, individual circumstances.

**ACCORDINGLY, ALL HOLDERS OF ARAMARK COMMON STOCK SHOULD CONSULT THEIR OWN TAX ADVISORS WITH RESPECT TO THE SPECIFIC U.S. FEDERAL, STATE, LOCAL AND NON-U.S. INCOME OR OTHER TAX CONSEQUENCES OF THE DISTRIBUTION TO THEM.**

#### **IRS Ruling and Tax Opinion**

It is a condition to the distribution that Aramark receive a private letter ruling from the IRS and opinions of its outside tax advisors, in each case, satisfactory to the Aramark Board of Directors, regarding certain U.S. federal income tax matters relating to the separation and distribution and which shall not have been withdrawn or rescinded. The receipt and continued effectiveness of the IRS private letter ruling and the opinions of outside tax advisors are separate conditions to the distribution, either or all of which may be waived by the Aramark Board of Directors in its sole and absolute discretion. The IRS private letter ruling and the opinions of Aramark's outside tax advisors will be based upon and rely on, among other things, various facts and assumptions, as well as certain representations, statements and undertakings of Aramark and Vestis, including facts, assumptions, representations, statements and undertakings relating to the past and future conduct of the companies' respective businesses and other matters. If any of these facts, assumptions, representations and statements are or become inaccurate or incomplete, or if any such undertaking is not complied with, Aramark may not be able to rely on the IRS private letter ruling and/or the opinions of Aramark's outside tax advisors, and the conclusions reached therein could be jeopardized.

Notwithstanding Aramark's receipt of the IRS private letter ruling and the opinions of its outside tax advisors, the IRS could determine on audit that the distribution or certain related transactions are taxable for U.S. federal income tax purposes if it determines that any of the facts, assumptions, representations, statements and undertakings upon which the ruling and the opinions were based are incorrect or have been violated, or if it disagrees with any of the conclusions in the opinions. Accordingly, notwithstanding Aramark's receipt of the IRS private letter ruling and the opinions of its outside tax advisors, there can be no assurance that the IRS will not assert that the distribution or certain related transactions do not qualify for tax-free treatment for U.S. federal income tax purposes, or that a court would not sustain such a challenge.

#### **Distribution**

The distribution is intended to qualify as a transaction described in Section 355 of the Code. If the distribution so qualifies, then, for U.S. federal income tax purposes:

- Aramark will generally not recognize income, gain or loss on the distribution;
- except with respect to the receipt of cash in lieu of fractional shares of Vestis common stock, holders of Aramark common stock will not recognize income, gain or loss on the receipt of Vestis common stock in the distribution;

- a U.S. holder's aggregate tax basis in its shares of Aramark common stock and Vestis common stock (including any fractional shares deemed received, as described below) immediately after the distribution will be the same as the aggregate tax basis of the shares of Aramark common stock held by the U.S. holder immediately before the distribution, allocated between such shares of Aramark common stock and Vestis common stock in proportion to their relative fair market values; and
- a U.S. holder's holding period in the Vestis common stock received in the distribution (including any fractional shares deemed received, as described below) will include the holding period of the Aramark common stock with respect to which such Vestis common stock was received.

U.S. holders that have acquired different blocks of Aramark common stock at different times or at different prices should consult their tax advisors regarding the allocation of their aggregate tax basis in, and the holding period of, the Vestis common stock distributed with respect to such blocks of Aramark common stock.

A U.S. holder that receives cash in lieu of a fractional share of Vestis common stock in the distribution will generally be treated as having received such fractional share pursuant to the distribution and then as having sold such fractional share for cash. Taxable gain or loss will be recognized in an amount equal to the difference between (i) the amount of cash received in lieu of the fractional share and (ii) the U.S. holder's tax basis in the fractional share, as described above. Such gain or loss will generally be long-term capital gain or loss if the U.S. holder's holding period for its Vestis common stock, as described above, exceeds one year at the effective time of the distribution. Long-term capital gains are generally subject to preferential U.S. federal income tax rates for certain non-corporate U.S. holders (including individuals). The deductibility of capital losses is subject to limitations under the Code.

If the distribution were determined not to qualify for tax-free treatment under Section 355 of the Code, Aramark would generally be subject to tax as if it sold the Vestis common stock in a taxable transaction. Aramark would recognize taxable gain in an amount equal to the excess of (i) the total fair market value of the shares of Vestis common stock distributed in the distribution over (ii) Aramark's aggregate tax basis in such shares of Vestis common stock (unless Aramark and Vestis jointly make an election under Section 336(e) of the Code with respect to the distribution, in which case, in general, (a) the Aramark group would recognize taxable gain as if Vestis had sold all of its assets in a taxable sale in exchange for an amount equal to the fair market value of Vestis common stock and the assumption of all of its liabilities and (b) Vestis would obtain a related step-up in the basis of its assets). In addition, each U.S. holder who receives Vestis common stock in the distribution would generally be treated as receiving a taxable distribution in an amount equal to the fair market value of the Vestis common stock received by the U.S. holder in the distribution. In general, such distribution would be taxable as a dividend to the extent of Aramark's current and accumulated earnings and profits (as determined for U.S. federal income tax purposes). To the extent the distribution exceeds such earnings and profits, the distribution would generally constitute a non-taxable return of capital to the extent of the U.S. holder's tax basis in its shares of Aramark common stock, with any remaining amount of the distribution taxed as capital gain. A U.S. holder would have a tax basis in its shares of Vestis common stock equal to their fair market value. Certain U.S. holders may be subject to special rules governing taxable distributions, such as those that relate to the dividends received deduction and extraordinary dividends.

Even if the distribution otherwise qualifies under Section 355 of the Code, the distribution would be taxable to Aramark (but not to its U.S. holders) pursuant to Section 355(e) of the Code if one or more persons acquire a 50% or greater interest (measured by vote or value) in the stock of Aramark or Vestis, directly or indirectly (including through acquisitions of stock after the completion of the distribution), as part of a plan or series of related transactions that includes the distribution. Current law generally creates a presumption that any direct or indirect acquisition of stock of Aramark or Vestis within two years before or after the distribution is part of a plan that includes the distribution, although the parties may be able to rebut that presumption in certain circumstances. The process for determining whether an acquisition is part of a plan under these rules is complex, inherently factual in nature and subject to a comprehensive analysis of the facts and circumstances of the particular case. If the IRS were to determine that direct or indirect acquisitions of stock of Aramark or Vestis, either before or after the distribution, were part of a plan that includes the distribution, such determination could cause Section 355(e) of the Code to apply to the distribution, which could result in a material tax liability.

Under the tax matters agreement that Vestis will enter into with Aramark, Vestis generally will be required to indemnify Aramark for any taxes incurred by Aramark that arise as a result of Vestis taking or failing to take, as the case may be, certain actions that result in the distribution and certain related transactions failing to qualify as tax-free for U.S. federal income tax purposes. For a more detailed discussion, see “Certain Relationships and Related Party Transactions—Tax Matters Agreement.”

#### **Backup Withholding and Information Reporting**

Payments of cash to U.S. holders in lieu of fractional shares of Vestis common stock may be subject to information reporting and backup withholding (currently, at a rate of 24%), unless such U.S. holder delivers a properly completed IRS Form W-9 certifying such U.S. holder’s correct taxpayer identification number and certain other information, or otherwise establishes an exemption from backup withholding. Backup withholding is not an additional tax. Amounts withheld under the backup withholding rules may be refunded or credited against a U.S. holder’s U.S. federal income tax liability, provided that the required information is timely furnished to the IRS.

**THE FOREGOING DISCUSSION IS A SUMMARY OF MATERIAL U.S. FEDERAL INCOME TAX CONSEQUENCES OF THE DISTRIBUTION UNDER CURRENT LAW AND IS FOR GENERAL INFORMATION ONLY. THE FOREGOING DISCUSSION DOES NOT PURPORT TO ADDRESS ALL U.S. FEDERAL INCOME TAX CONSEQUENCES OF THE DISTRIBUTION OR TAX CONSEQUENCES THAT MAY ARISE UNDER THE TAX LAWS OF OTHER JURISDICTIONS OR THAT MAY APPLY TO PARTICULAR HOLDERS OR CATEGORIES OF HOLDERS. ALL HOLDERS SHOULD CONSULT THEIR OWN TAX ADVISORS AS TO THE PARTICULAR TAX CONSEQUENCES OF THE DISTRIBUTION TO THEM, INCLUDING THE APPLICATION OF U.S. FEDERAL, STATE, LOCAL AND FOREIGN TAX LAWS, AND THE EFFECT OF POSSIBLE CHANGES IN TAX LAWS THAT MAY AFFECT THE TAX CONSEQUENCES DESCRIBED ABOVE.**

## DESCRIPTION OF MATERIAL INDEBTEDNESS

*The following summary sets forth information based on Vestis' current expectations about the financing arrangements anticipated to be entered into in connection with the separation and distribution. However, Vestis has not yet entered into any definitive agreements with respect to such financing arrangements, and, accordingly, the terms of such financing arrangements have not yet been determined, remain under discussion and are subject to change, including as a result of market conditions.*

On the distribution date, Vestis expects to enter into senior secured financing with a syndicate of banks, financial institutions and/or other institutional lenders, with JPMorgan Chase Bank, N.A. acting as the administrative agent and the collateral agent, in an expected aggregate amount of \$1,800 million, consisting of one or more senior secured term loan facilities in an expected aggregate amount of \$1,500 million (the "Term Loan Facilities") and a revolving credit facility in an expected aggregate amount of \$300 million (the "Revolving Credit Facility" and, together with the Term Loan Facilities, the "Credit Facilities"). The Term Loan Facilities are expected to mature no more than five years from the date thereof. Interest on the loans under the Credit Facilities is expected to be calculated by reference to the Secured Overnight Financing Rate ("SOFR") or an alternative base rate, plus an applicable margin, which in the case of any SOFR loan will include a customary spread adjustment.

The obligations under the Credit Facilities are expected to be guaranteed by Vestis' existing and future wholly owned domestic material subsidiaries, subject to certain customary exceptions. Borrowings under the Credit Facilities are expected to be secured by first priority liens on substantially all the assets of Vestis and the guarantors, subject to certain customary exceptions.

The Credit Facilities are expected to contain representations and warranties, affirmative, negative and financial covenants and events of default customary for secured financings of this type, including limitations with respect to liens, fundamental changes, indebtedness, restricted payments, dispositions, investments and affiliate transactions, in each case, subject to a number of important exceptions and qualifications.

Vestis' debt balance will be determined based on internal capital planning and take into account factors and assumptions, including the anticipated business plan, optimal debt levels, operating activities, general economic conditions, credit rating and desired financing capacity.

In connection with the separation and distribution, Vestis expects to borrow under the Term Loan Facilities and make a cash transfer of approximately \$1,472 million to Aramark. Vestis expects to incur debt issuance costs of approximately \$12.6 million in connection with such borrowings. Upon completion of the distribution, Vestis expects to have approximately \$1,500 million of total combined indebtedness under the Credit Facilities, all of which is expected to be incurred pursuant to the Term Loan Facilities, in addition to the Revolving Credit Facility and any incremental indebtedness that will be used to fund working capital and other liquidity needs as necessary.



## SECURITY OWNERSHIP OF CERTAIN BENEFICIAL OWNERS AND MANAGEMENT

Before the separation and distribution, all the outstanding shares of Vestis common stock will be owned beneficially and of record by a wholly owned subsidiary of Aramark. Following the separation and distribution, Vestis expects to have outstanding an aggregate of approximately 131 million shares of common stock based upon approximately 261 million shares of Aramark common stock issued and outstanding on August 28, 2023, excluding treasury shares, assuming no exercise of any shares issued under Aramark equity compensation awards and applying the distribution ratio.

### Securities Owned by Certain Beneficial Owners

The following table sets forth information concerning those persons known to Vestis that are expected to be the beneficial owner of more than 5% of Vestis' outstanding common stock immediately following the completion of the distribution. The table below is based on information available as of August 28, 2023, and based upon the assumption that, for every two shares of Aramark common stock held by such persons, they will receive one share of Vestis common stock. In general, "beneficial ownership" includes those shares that a person has the sole or shared power to vote or dispose of, including shares that the person has the right to acquire within 60 days.

Name and Address of Beneficial Owner	Title of Security	Amount and Nature of Beneficial Ownership	Percentage of Class
Capital International Investors <sup>(1)</sup>	Common Stock	14,036,726	10.7 %
The Vanguard Group <sup>(2)</sup>	Common Stock	12,143,842	9.3 %
Royal Bank of Canada <sup>(3)</sup>	Common Stock	8,500,703	6.5 %

(1) Information based on a Schedule 13G/A filed February 13, 2023 by Capital International Investors, with respect to Aramark common stock, reporting beneficial ownership by Capital International Investors consisting of sole voting power with respect to 27,107,502 Aramark shares and sole dispositive power with respect to 28,073,452 shares. The address of Capital International Investors is 333 South Hope Street, 55th Fl, Los Angeles, CA 90071.

(2) Information based on a Schedule 13G/A filed February 9, 2023 by The Vanguard Group, with respect to Aramark common stock, reporting beneficial ownership by The Vanguard Group, and certain of its subsidiaries, consisting of shared voting power with respect to 163,521 Aramark shares, sole dispositive power over 23,783,996 Aramark shares and shared dispositive power over 503,688 Aramark shares. The address of The Vanguard Group is 100 Vanguard Blvd., Malvern, PA 19355.

(3) Information based on a Schedule 13G/A filed February 14, 2023 by RBC Capital Markets, LLC, with respect to Aramark common stock, reporting beneficial ownership by RBC Capital Markets, LLC, consisting of shared voting power and shared dispositive power over 17,001,405 Aramark shares. The address of RBC Capital Markets, LLC is 200 Vesey Street, New York, NY 10281.

### Stock Ownership of Directors and Executive Officers

The following table sets forth information concerning the expected beneficial ownership of Vestis common stock by (i) each director, (ii) the named executive officers and (iii) all Vestis directors and executive officers as a group immediately following the completion of the distribution, based on information available as of August 28, 2023, and based on the assumption that, for every two shares of Aramark common stock held by such persons, they will receive one share of Vestis common stock. Each person has the sole power to vote and dispose of the shares he or she beneficially owns.

Name	Amount and Nature of Beneficial Ownership	Percentage of Class
Phillip Holloman	—	—
Doug Pertz	—	—
Richard L. Burke	—	—
Tracy C. Jokinen	—	—
Lynn McKee <sup>(1)</sup>	353,483	*
Kim Scott <sup>(2)</sup>	9,818	*
Mary Anne Whitley	—	—
Ena Williams	—	—
Rick Dillon	2,189	*
Timothy Donovan	2,876	*
Angela Kervin	812	*
Grant Shih	—	—
Chris Synek	—	—
Directors and Executive Officers as a Group (13 Persons)	369,178	*

\* Less than one percent.

(1) Shares shown as beneficially owned by Ms. McKee reflect 77,689 shares subject to stock options and 4,563 shares subject to time-based restricted stock units exercisable as of August 28, 2023 or within 60 days of August 28, 2023.

(2) Shares shown as beneficially owned by Ms. Scott reflect 9,818 shares subject to time-based restricted stock units exercisable as of August 28, 2023 or within 60 days of August 28, 2023.

## DESCRIPTION OF VESTIS CAPITAL STOCK

*Vestis' certificate of incorporation and bylaws will be amended and restated prior to the distribution. The following briefly summarizes the material terms of Vestis capital stock that will be contained in its amended and restated certificate of incorporation and amended and restated bylaws. These summaries do not describe every aspect of these securities and documents and are subject to all the provisions of Vestis' amended and restated certificate of incorporation or amended and restated bylaws that will be in effect at the time of the distribution, and are qualified in their entirety by reference to these documents, which you should read for complete information on its capital stock as of the time of the distribution. The amended and restated certificate of incorporation and amended and restated bylaws, each in a form expected to be in effect at the time of the distribution, will be included as exhibits to Vestis' registration statement on Form 10, of which this information statement forms a part. Vestis will include its amended and restated certificate of incorporation and amended and restated bylaws, as in effect at the time of the distribution, in a Current Report on Form 8-K filed with the SEC. The following also summarizes certain relevant provisions of the Delaware General Corporation Law, or the DGCL.*

### General

Vestis' authorized capital stock will consist of 300 million shares of common stock, par value \$0.01 per share, and 50 million shares of preferred stock, par value \$0.01 per share. Vestis' Board of Directors may establish the rights and preferences of the preferred stock from time to time. Immediately following the distribution, Vestis expects that approximately 131 million shares of its common stock will be issued and outstanding (based on 261 million shares of Aramark common stock outstanding on August 28, 2023), and that no shares of its preferred stock will be issued and outstanding.

### Common Stock

Each holder of Vestis common stock will be entitled to one vote for each share on all matters to be voted upon by the holders of Vestis common stock, and there will be no cumulative voting rights. Subject to any preferential rights of any outstanding preferred stock, holders of Vestis common stock will be entitled to receive ratably the dividends, if any, as may be declared from time to time by its Board of Directors out of funds legally available for that purpose. If there is a liquidation, dissolution or winding up of Vestis, holders of its common stock would be entitled to ratable distribution of its assets remaining after the payment in full of liabilities and any preferential rights of any then-outstanding preferred stock.

Holders of Vestis common stock will have no preemptive or conversion rights or other subscription rights, and there are no redemption or sinking fund provisions applicable to the Vestis common stock. After the distribution, all outstanding shares of Vestis common stock will be fully paid and non-assessable. The rights, preferences and privileges of the holders of Vestis common stock are subject to, and may be adversely affected by, the rights of the holders of shares of any series of preferred stock that Vestis may designate and issue in the future.

### Preferred Stock

Under the terms of Vestis' amended and restated certificate of incorporation, its Board of Directors will be authorized, subject to limitations prescribed by the DGCL, and by its amended and restated certificate of incorporation, to issue preferred stock in one or more series without further action by the holders of its common stock. Vestis' Board of Directors will have the discretion, subject to limitations prescribed by the DGCL and by Vestis' amended and restated certificate of incorporation, to determine the designations, powers, rights, preferences, qualifications, limitations and restrictions, including voting rights, dissolution rights, dividend rights, conversion rights, exchange rights and redemption rights, of each series of preferred stock. It is not possible to state the actual effect of the issuance of any additional series of preferred stock upon the rights of common stockholders until Vestis' Board of Directors determines the specific rights of the holders of that series. However, the effects might include, among other things (1) restricting dividends on Vestis common stock, (2) diluting the voting power of Vestis common stock, (3) impairing the liquidation rights of Vestis common stock or (4) delaying or preventing a change in control of Vestis without further action by the stockholders. Vestis expects that there will be no shares of its preferred stock issued and outstanding immediately following the distribution.

## Anti-Takeover Effects of Governance Provisions

Certain provisions of Delaware law and Vestis' amended and restated certificate of incorporation and bylaws may be deemed to have an anti-takeover effect and may delay, defer or prevent a tender offer or change in control of Vestis that a stockholder might consider to be in its best interests, including attempts that might result in a premium being paid over the market price for the shares held by stockholders. These provisions are intended to enhance the likelihood of continuity and stability in the composition of Vestis' Board of Directors and in the policies formulated by Vestis' Board of Directors and could discourage certain types of transactions that may involve an actual or threatened change of control.

- *Classified Board.* Vestis' amended and restated certificate of incorporation will provide that, until the third annual stockholder meeting following the distribution, Vestis' Board of Directors will be divided into three classes, designated Class I, Class II and Class III, as nearly equal in number as reasonably possible. The directors designated as Class I directors will have terms expiring at the first annual meeting of stockholders following the distribution, and will be up for re-election at that meeting for a two-year term to expire at the third annual meeting of stockholders following the distribution. The directors designated as Class II directors will have terms expiring at the second annual meeting of stockholders following the distribution and will be up for re-election at that meeting for a one-year term to expire at the third annual meeting of stockholders following the distribution. The directors designated as Class III directors will have terms expiring at the third annual meeting of stockholders following the distribution. Commencing with the third annual meeting of stockholders following the distribution, directors will be elected annually and for a term of office to expire at the next annual meeting of stockholders, and Vestis' Board of Directors will thereafter no longer be divided into classes. Before Vestis' Board of Directors is declassified, it would take at least two annual meeting of stockholders to be held for any individual or group to gain control of Vestis' Board of Directors. Accordingly, while the Board of Directors is divided into classes, these provisions could discourage a third party from initiating a proxy contest, making a tender offer or otherwise attempting to control Vestis.
- *Removal and Vacancies.* Vestis' amended and restated certificate of incorporation and bylaws will provide that (i) until the third annual meeting of stockholders following the distribution (or such other time as Vestis' Board of Directors is no longer classified under the DGCL), Vestis stockholders may remove directors only for cause and (ii) from and including the third annual meeting of stockholders following the distribution (or such other time as Vestis' Board of Directors is no longer classified under the DGCL), Vestis stockholders may remove directors with or without cause. Removal will require the affirmative vote of holders of at least a majority of the voting power of Vestis stock outstanding and entitled to vote on such removal. Vacancies occurring on Vestis' Board of Directors, whether due to death, resignation, removal, retirement, disqualification or for any other reason, and newly created directorships resulting from an increase in the authorized number of directors, shall be filled solely by a majority of the remaining members of Vestis' Board of Directors or by a sole remaining director.
- *Size of the Board.* Vestis' amended and restated certificate of incorporation and bylaws will provide that Vestis' Board of Directors has the sole authority to fix the number of directors on the Board, subject to a maximum number of 16 directors.
- *Blank Check Preferred Stock.* Vestis' amended and restated certificate of incorporation will authorize Vestis' Board of Directors to designate and issue, without any further vote or action by the Vestis stockholders, up to 50 million shares of preferred stock from time to time in one or more series and, with respect to each such series, to fix the number of shares constituting the series and the designation of the series, the voting powers (if any) of the shares of the series, and the preferences and relative, participating, optional and other rights, if any, and any qualifications, limitations or restrictions, of the shares of such series. The ability to issue such preferred stock could discourage potential acquisition proposals and could delay or prevent a change in control of Vestis.

- *No Stockholder Action by Written Consent.* Vestis' amended and restated certificate of incorporation will expressly exclude the right of Vestis stockholders to act by written consent. Stockholder action must therefore take place at an annual meeting or at a special meeting of Vestis stockholders.
- *No Stockholder Ability to Call Special Meetings of Stockholders Until Two Years Following the Distribution.* Vestis' amended and restated certificate of incorporation and bylaws will provide that a special meeting of Vestis stockholders may only be called by the Chairman of the Board or a majority of the directors of Vestis' Board of Directors until two years after the distribution. From and after two years following the distribution, a special meeting may be called by the Chairman of the Board, a majority of the directors of Vestis' Board or Directors, or upon the written request of stockholders that own 15% or more of Vestis' common stock.
- *Requirements for Advance Notification of Stockholder Nominations and Proposals.* Vestis' amended and restated bylaws will require stockholders seeking to nominate persons for election as directors at an annual or special meeting of stockholders, or to bring other business before an annual or special meeting (other than a proposal submitted under Rule 14a-8 under the Exchange Act), to provide timely notice in writing. A stockholder's notice to Vestis' Corporate Secretary must be in proper written form and must set forth certain information, as required under Vestis' amended and restated bylaws, related to the stockholder giving the notice, the beneficial owner (if any) on whose behalf the nomination is made as well as their control persons and information about the proposal or nominee for election to Vestis' Board of Directors.
- *Amendments to Bylaws.* Vestis' amended and restated certificate of incorporation and bylaws will provide that Vestis' Board of Directors will have the authority to amend and repeal the Vestis amended and restated bylaws without a stockholder vote.
- *Exclusive Forum.* Vestis' amended and restated certificate of incorporation will provide that, unless Vestis (through approval of Vestis' Board of Directors) consents in writing to the selection of an alternative forum, the Court of Chancery of the State of Delaware shall be the sole and exclusive forum for (i) any derivative action or proceeding brought on behalf of Vestis, (ii) any action or proceeding asserting a claim for or based on a breach of a fiduciary duty owed by any current or former director or officer or other employee of Vestis to Vestis or Vestis' stockholders, including any claim alleging aiding and abetting of such a breach of fiduciary duty, (iii) any action or proceeding asserting a claim against Vestis or any current or former director or officer or other employee of Vestis arising pursuant to, or seeking to enforce any right, obligation or remedy under, any provision of the DGCL or Vestis' amended and restated certificate of incorporation or amended and restated bylaws (as either may be amended from time to time), (iv) any action or proceeding asserting a claim related or involving Vestis or any current or former director or officer or other employee of Vestis governed by the internal affairs doctrine, or (v) any action or proceeding as to which the DGCL (as it may be amended from time to time) confers jurisdiction on the Court of Chancery of the State of Delaware. If and only if the Court of Chancery of the State of Delaware dismisses any such action or proceeding for lack of subject matter jurisdiction, such action may be brought in another state court located within the State of Delaware (or, if no state court located within the State of Delaware has jurisdiction, the federal district court for the District of Delaware). These exclusive forum provisions will apply to all covered actions, including any covered action in which the plaintiff chooses to assert a claim or claims under federal law in addition to a claim or claims under Delaware law. These exclusive forum provisions will not apply to actions asserting only federal law claims under the Securities Act or the Exchange Act, regardless of whether the state courts in the State of Delaware have jurisdiction over those claims. Although Vestis believes the exclusive forum provision benefits it by providing increased consistency in the application of law in the types of lawsuits to which it applies, the provision may have the effect of discouraging lawsuits against Vestis' directors and officers.
- *Business Combinations with Interested Stockholder.* Vestis is subject to Section 203 of the DGCL, which, subject to certain exceptions, prohibits a Delaware corporation from engaging in a "business combination" with an "interested stockholder" for three years following the time that such person or entity becomes an interested stockholder, unless (i) prior to the time that such stockholder became an interested stockholder, the board of directors approved either the business combination or the transaction which resulted in the

stockholder becoming an interested stockholder, (ii) upon consummation of the transaction which resulted in the stockholder becoming an interested stockholder, the interested stockholder owned at least 85% of the outstanding voting stock, excluding for purposes of determining the voting stock outstanding (but not the outstanding voting stock owned by the interested stockholder) those shares (A) owned by persons who are directors and also officers and (B) in employee stock plans in which employee participants do not have the right to determine confidentially whether shares subject to the plan will be tendered in a tender or exchange offer, or (iii) at or following the time that such stockholder becomes an interested stockholder, the board of directors and two-thirds of the shares (other than owned by the interested stockholder) approve the transaction. A corporation may “opt out” of Section 203 of the DGCL in its certificate of incorporation. Vestis will not “opt out” of, and will be subject to, Section 203 of the DGCL.

#### **Limitation on Liability of Directors and Indemnification of Directors and Officers**

Delaware law permits a corporation to adopt a provision in its certificate of incorporation eliminating or limiting, with exceptions, the monetary liability of a director to the corporation or its stockholders for breach of the director’s fiduciary duties. Vestis’ amended and restated certificate of incorporation will include provisions that eliminate the liability of directors and certain senior officers to Vestis or its stockholders for monetary damages for a breach of fiduciary duties as directors to the fullest extent permitted by Delaware law. Under Delaware law, such a provision may not eliminate or limit a director’s monetary liability for: (i) breaches of the director’s duty of loyalty to the corporation or its stockholders; (ii) acts or omissions not in good faith or involving intentional misconduct or knowing violation of law; (iii) the payment of unlawful dividends or stock repurchases or redemptions; or (iv) transactions in which the director received an improper personal benefit.

Vestis’ amended and restated bylaws will generally provide indemnification and advancement of expenses for its directors and officers to the fullest extent permitted by the DGCL. Prior to the completion of the distribution, Vestis also intends to enter into indemnification agreements with each of its directors and executive officers that may, in some cases, be broader than the specific indemnification and advancement of expenses provisions contained under Delaware law.

#### **Listing**

Vestis has applied to have its shares of common stock listed on the NYSE under the symbol “VSTS.”

#### **Sale of Unregistered Securities**

On February 24, 2023, Vestis issued one thousand (1,000) shares of its common stock to Aramark Services, Inc. pursuant to Section 4(a)(2) of the Securities Act. Vestis did not register the issuance of the issued shares under the Securities Act because such issuance did not constitute a public offering.

#### **Transfer Agent and Registrar**

After the distribution, the transfer agent and registrar for Vestis common stock will be Computershare Trust Company, N.A.

## WHERE YOU CAN FIND MORE INFORMATION

Vestis has filed a registration statement on Form 10 with the SEC with respect to the shares of its common stock being distributed as contemplated by this information statement. This information statement is a part of, and does not contain all the information set forth in, the registration statement and the exhibits and schedules to the registration statement. For further information with respect to Vestis and its common stock, please refer to the registration statement, including its exhibits and schedules. Statements made in this information statement relating to any contract or other document filed as an exhibit to the registration statement are not necessarily complete, and you should refer to the exhibits attached to the registration statement for copies of the actual contract or document. You may review a copy of the registration statement, including its exhibits and schedules, on the Internet website maintained by the SEC at [www.sec.gov](http://www.sec.gov). Information contained on or connected to any website referenced in this information statement is not incorporated into this information statement or the registration statement of which this information statement forms a part, or in any other filings with, or any information furnished or submitted to, the SEC.

As a result of the distribution, Vestis will become subject to the information and reporting requirements of the Exchange Act and, in accordance with the Exchange Act, will file periodic reports, proxy statements and other information with the SEC.

Vestis intends to furnish holders of its common stock with annual reports containing consolidated financial statements prepared in accordance with U.S. generally accepted accounting principles and audited and reported on, with an opinion expressed, by an independent registered public accounting firm.

You should rely only on the information contained in this information statement or to which this information statement has referred you. Vestis has not authorized any person to provide you with different information or to make any representation not contained in this information statement.

## CHANGES IN ARAMARK UNIFORM SERVICES' CERTIFYING ACCOUNTANT

On August 18, 2022, the Audit Committee of Aramark engaged RSM US LLP ("RSM") as Aramark Uniform Services' independent registered public accounting firm for the fiscal year ended October 2, 2020 ("fiscal 2020") and to serve as AUS's independent registered public accounting firm effective on August 18, 2022. On November 1, 2022, the Audit Committee of Aramark engaged Deloitte and Touche LLP ("Deloitte") as AUS's independent registered public accounting firm for the fiscal years ended October 1, 2021, and September 30, 2022.

The Audit Committee of Aramark dismissed RSM as AUS's independent registered public accounting firm effective at the time of the filing of the registration statement on Form 10 of which this information statement is a part, on March 17, 2023. RSM's report, dated March 17, 2023, on AUS's Combined Financial Statements for fiscal 2020 did not contain any adverse opinion or a disclaimer of opinion, and was not qualified or modified as to uncertainty, audit scope or accounting principles.

During the fiscal years ended October 1, 2021, and September 30, 2022, and in the subsequent interim period through March 17, 2023, (i) there were no disagreements with RSM (within the meaning of Item 304(a)(1)(iv) of Regulation S-K) on any matter of accounting principles or practices, financial statement disclosure or auditing scope or procedure that, if not resolved to RSM's satisfaction, would have caused RSM to make reference thereto in its reports; and (ii) there were no "reportable events" (as defined by Item 304(a)(1)(v) of Regulation S-K).

AUS provided RSM with a copy of the foregoing disclosures and requested that RSM provide a letter addressed to the SEC stating whether it agrees with such disclosures. A copy of RSM's letter is filed as Exhibit 16.1 to the registration statement on Form 10 of which this information statement is a part.

During the fiscal years ended October 1, 2021, and September 30, 2022, and the subsequent interim period through August 18, 2022, neither AUS nor anyone on AUS's behalf consulted Deloitte regarding (i) the application of accounting principles to a specific transaction, either completed or proposed, or the type of audit opinion that might be rendered on AUS's financial statements, and neither a written report nor oral advice was provided to AUS that Deloitte concluded was an important factor considered by AUS in reaching a decision as to any accounting, auditing, or financial reporting issue; (ii) any matter that was the subject of a disagreement within the meaning of Item 304(a)(1)(iv) of Regulation S-K and the related instructions; or (iii) any reportable event within the meaning of Item 304(a)(1)(v) of Regulation S-K.



## INDEX TO THE FINANCIAL STATEMENTS

Contents	Page
<b><u>VESTIS CORPORATION AUDITED FINANCIAL STATEMENT</u></b>	
<u>Report of Deloitte &amp; Touche LLP, Independent Registered Public Accounting Firm</u>	<u>F-2</u>
<u>Balance Sheet as of February 24, 2023</u>	<u>F-3</u>
<u>Notes to Financial Statement</u>	<u>F-4</u>
<b><u>VESTIS CORPORATION UNAUDITED CONDENSED FINANCIAL STATEMENTS</u></b>	
<u>Condensed Balance Sheets as of June 30, 2023 and February 24, 2023</u>	<u>F-5</u>
<u>Notes to Condensed Financial Statements</u>	<u>F-6</u>
<b><u>ARAMARK UNIFORM SERVICES AUDITED COMBINED FINANCIAL STATEMENTS</u></b>	
<u>Report of Deloitte &amp; Touche LLP, Independent Registered Public Accounting Firm</u>	<u>F-7</u>
<u>Report of RSM US LLP, Independent Registered Public Accounting Firm</u>	<u>F-9</u>
<u>Combined Balance Sheets as of September 30, 2022 and October 1, 2021</u>	<u>F-10</u>
<u>Combined Statements of Income for the fiscal years ended September 30, 2022, October 1, 2021 and October 2, 2020</u>	<u>F-11</u>
<u>Combined Statements of Comprehensive Income for the fiscal years ended September 30, 2022, October 1, 2021 and October 2, 2020</u>	<u>F-12</u>
<u>Combined Statements of Cash Flows for the fiscal years ended September 30, 2022, October 1, 2021 and October 2, 2020</u>	<u>F-13</u>
<u>Combined Statements of Parent's Equity for the fiscal years ended September 30, 2022, October 1, 2021, and October 2, 2020</u>	<u>F-14</u>
<u>Notes to Combined Financial Statements</u>	<u>F-15</u>
<b><u>ARAMARK UNIFORM SERVICES UNAUDITED CONDENSED COMBINED FINANCIAL STATEMENTS</u></b>	
<u>Condensed Combined Balance Sheets as of June 30, 2023 and September 30, 2022</u>	<u>F-41</u>
<u>Condensed Combined Statements of Income for the nine months ended June 30, 2023 and July 1, 2022</u>	<u>F-42</u>
<u>Condensed Combined Statements of Comprehensive Income for the nine months ended June 30, 2023 and July 1, 2022</u>	<u>F-43</u>
<u>Condensed Combined Statements of Cash Flows for the nine months ended June 30, 2023 and July 1, 2022</u>	<u>F-44</u>
<u>Condensed Combined Statements of Parent's Equity for the nine months ended June 30, 2023 and July 1, 2022</u>	<u>F-45</u>
<u>Notes to Condensed Combined Financial Statements</u>	<u>F-46</u>

## REPORT OF INDEPENDENT REGISTERED PUBLIC ACCOUNTING FIRM

To the Stockholders and the Board of Directors of Aramark

### Opinion on the Financial Statement

We have audited the accompanying balance sheet of Vestis Corporation (the “Company”), a wholly owned subsidiary of Aramark, as of February 24, 2023, and the related notes (collectively referred to as the “financial statement”). In our opinion, the financial statement presents fairly, in all material respects, the financial position of the Company as of February 24, 2023, in conformity with accounting principles generally accepted in the United States of America.

### Basis for Opinion

This financial statement is the responsibility of the Company’s management. Our responsibility is to express an opinion on the Company’s financial statement based on our audit. We are a public accounting firm registered with the Public Company Accounting Oversight Board (United States) (PCAOB) and are required to be independent with respect to the Company in accordance with the U.S. federal securities laws and the applicable rules and regulations of the Securities and Exchange Commission and the PCAOB.

We conducted our audit in accordance with the standards of the PCAOB and in accordance with auditing standards generally accepted in the United States of America. Those standards require that we plan and perform the audit to obtain reasonable assurance about whether the financial statement is free of material misstatement, whether due to error or fraud. The Company is not required to have, nor were we engaged to perform, an audit of its internal control over financial reporting. As part of our audit, we are required to obtain an understanding of internal control over financial reporting but not for the purpose of expressing an opinion on the effectiveness of the Company’s internal control over financial reporting. Accordingly, we express no such opinion.

Our audit included performing procedures to assess the risks of material misstatement of the financial statement, whether due to error or fraud, and performing procedures that respond to those risks. Such procedures included examining, on a test basis, evidence regarding the amounts and disclosures in the financial statement. Our audit also included evaluating the accounting principles used and significant estimates made by management, as well as evaluating the overall presentation of the financial statement. We believe that our audit provides a reasonable basis for our opinion.

### Critical Audit Matters

Critical audit matters are matters arising from the current-period audit of the financial statement that were communicated or required to be communicated to the audit committee and that (1) relate to accounts or disclosures that are material to the financial statement and (2) involved our especially challenging, subjective, or complex judgments. We determined that there are no critical audit matters.

/s/ Deloitte & Touche LLP

Philadelphia, PA

March 17, 2023

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

**VESTIS CORPORATION**  
**BALANCE SHEET**

**FEBRUARY 24, 2023**  
**(in dollars)**

<b>ASSETS</b>	
Subscription Receivable	\$ 10
<b>Total Assets</b>	<b>\$ 10</b>
<b>LIABILITIES AND EQUITY</b>	
Liabilities	\$ —
<b>Total Liabilities</b>	<b>—</b>
Commitments and Contingencies (see Note 3)	
Equity:	
Common stock, par value \$0.01 per share, 1,000 shares authorized, 1,000 shares issued and outstanding	10
<b>Total Equity</b>	<b>10</b>
<b>Total Liabilities and Equity</b>	<b>\$ 10</b>

The accompanying notes are an integral part of the Financial Statement.

**VESTIS CORPORATION**  
**NOTES TO FINANCIAL STATEMENT**

**NOTE 1. ORGANIZATION:**

Vestis Corporation (the “Company”) was formed as a Delaware corporation on February 22, 2023. Pursuant to a reorganization, the Company will become a holding company whose assets are expected to include all of the outstanding equity interest of Aramark Uniform Services, a business of Aramark. The Company will, through Aramark Uniform Services, continue to conduct the business now conducted by such entities. As a result, the Company will consolidate the financial results of Aramark Uniform Services at a future date when the Aramark Uniform Services business of Aramark is contributed to the Company in a separation and distribution transaction.

**NOTE 2. SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES:**

The Balance Sheet has been prepared in accordance with generally accepted accounting principles in the United States (“U.S. GAAP”) and pursuant to the rules and regulations of the U.S. Securities and Exchange Commission (the “SEC”). Separate statements of income, comprehensive income, changes in equity and cash flows have not been presented in the financial statements because there have been no material operating or non-operating activities in this entity.

*Subscription Receivable*

Subscription receivable represents cash not yet collected from stockholders for the issuance of common stock. As of February 24, 2023, the subscription receivable balance of \$10.00 was the result of the issuance of 1,000 shares to Aramark Services, Inc., a subsidiary of Aramark.

*Use of Estimates*

The preparation of the balance sheet in conformity with U.S. GAAP requires management to make estimates and assumptions that affect the reported amounts of assets and liabilities and disclosure of contingent assets and liabilities at the date of the balance sheet. Actual results could materially differ from those estimates.

**NOTE 3. COMMITMENTS AND CONTINGENCIES:**

From time to time, the Company may be subject to various legal proceedings and claims that arise in the ordinary course of business. As of March 17, 2023, the Company is not subject to any material litigation nor is the Company aware of any material litigation threatened against it.

**NOTE 4. EQUITY:**

The Company is authorized to issue 1,000 shares of common stock, par value \$0.01 per share (“Common Stock”). As of February 24, 2023, the Company has issued 1,000 shares of Common Stock in exchange for a subscription agreement to receive \$10.00 from Aramark Services, Inc.

**NOTE 5. SUBSEQUENT EVENTS:**

The Company has evaluated events and transactions that occurred after the date of our accompanying Balance Sheet through March 17, 2023, the date this financial statement was available for issuance, for potential recognition or disclosure in the financial statement. There were no material recognized or unrecognized subsequent events.

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**VESTIS CORPORATION**  
**CONDENSED BALANCE SHEETS (UNAUDITED)**

**JUNE 30, 2023 AND FEBRUARY 24, 2023**  
(in dollars)

	June 30, 2023	February 24, 2023
<b>ASSETS</b>		
Subscription Receivable	\$ 10	\$ 10
<b>Total Assets</b>	<b>\$ 10</b>	<b>\$ 10</b>
<b>LIABILITIES AND EQUITY</b>		
Liabilities	\$ —	\$ —
<b>Total Liabilities</b>	<b>—</b>	<b>—</b>
Commitments and Contingencies (see Note 3)		
<b>Equity:</b>		
Common stock, par value \$0.01 per share, 1,000 shares authorized, 1,000 shares issued and outstanding	10	10
<b>Total Equity</b>	<b>10</b>	<b>10</b>
<b>Total Liabilities and Equity</b>	<b>\$ 10</b>	<b>\$ 10</b>

The accompanying notes are an integral part of the Condensed Financial Statements.

**VESTIS CORPORATION**

**NOTES TO CONDENSED FINANCIAL STATEMENTS (UNAUDITED)**

**NOTE 1. ORGANIZATION:**

Vestis Corporation (the “Company”) was formed as a Delaware corporation on February 22, 2023. Pursuant to a reorganization, the Company will become a holding company whose assets are expected to include all of the outstanding equity interest of Aramark Uniform Services, a business of Aramark. The Company will, through Aramark Uniform Services, continue to conduct the business now conducted by such entities. As a result, the Company will consolidate the financial results of Aramark Uniform Services at a future date when the Aramark Uniform Services business of Aramark is contributed to the Company in a separation and distribution transaction.

**NOTE 2. SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES:**

The Condensed Balance Sheets have been prepared in accordance with generally accepted accounting principles in the United States (“U.S. GAAP”) and pursuant to the rules and regulations of the U.S. Securities and Exchange Commission (the “SEC”) applicable to interim financial statements. Accordingly, certain information related to our significant accounting policies and footnote disclosures normally included in financial statements prepared in accordance with U.S. GAAP have been condensed or omitted. These condensed financial statements reflect, in the opinion of management, all material adjustments (which include only normally recurring adjustments) necessary to fairly state, in all material respects, our financial position for the period presented. Separate statements of income, comprehensive income, changes in equity and cash flows have not been presented in the financial statements because there have been no material operating or non-operating activities in this entity.

*Subscription Receivable*

Subscription receivable represents cash not yet collected from stockholders for the issuance of common stock. As of February 24, 2023, the subscription receivable balance of \$10.00 was the result of the issuance of 1,000 shares to Aramark Services, Inc., a subsidiary of Aramark. As of June 30, 2023, the subscription receivable remains outstanding.

*Use of Estimates*

The preparation of the balance sheets in conformity with U.S. GAAP requires management to make estimates and assumptions that affect the reported amounts of assets and liabilities and disclosure of contingent assets and liabilities at the date of the balance sheets. Actual results could materially differ from those estimates.

**NOTE 3. COMMITMENTS AND CONTINGENCIES:**

From time to time, the Company may be subject to various legal proceedings and claims that arise in the ordinary course of business. As of August 15, 2023, the Company is not subject to any material litigation nor is the Company aware of any material litigation threatened against it.

**NOTE 4. EQUITY:**

The Company is authorized to issue 1,000 shares of common stock, par value \$0.01 per share (“Common Stock”). The Company has issued 1,000 shares of Common Stock in exchange for a subscription agreement to receive \$10.00 from Aramark Services, Inc. All shares of Common Stock were held by Aramark Services, Inc. at June 30, 2023 and February 24, 2023.

**NOTE 5. SUBSEQUENT EVENTS:**

The Company has evaluated events and transactions that occurred after the date of our accompanying Condensed Balance Sheets through August 15, 2023, the date these condensed financial statements were available for issuance, for potential recognition or disclosure in the condensed financial statements. There were no material recognized or unrecognized subsequent events.

## REPORT OF INDEPENDENT REGISTERED PUBLIC ACCOUNTING FIRM

To the Stockholders and the Board of Directors of Aramark

### Opinion on the Financial Statements

We have audited the accompanying combined balance sheets of Aramark Uniform Services, a business of Aramark, (the “Company”) as of September 30, 2022 and October 1, 2021, the related combined statements of income, comprehensive income, cash flows, and parent’s equity for the years then ended, and the related notes (collectively referred to as the “financial statements”). In our opinion, the financial statements present fairly, in all material respects, the financial position of the Company as of September 30, 2022 and October 1, 2021, and the results of its operations and its cash flows for the years then ended, in conformity with accounting principles generally accepted in the United States of America.

### Basis for Opinion

These financial statements are the responsibility of the Company’s management. Our responsibility is to express an opinion on the Company’s financial statements based on our audits. We are a public accounting firm registered with the Public Company Accounting Oversight Board (United States) (PCAOB) and are required to be independent with respect to the Company in accordance with the U.S. federal securities laws and the applicable rules and regulations of the Securities and Exchange Commission and the PCAOB.

We conducted our audits in accordance with the standards of the PCAOB and in accordance with auditing standards generally accepted in the United States of America. Those standards require that we plan and perform the audit to obtain reasonable assurance about whether the financial statements are free of material misstatement, whether due to error or fraud. The Company is not required to have, nor were we engaged to perform, an audit of its internal control over financial reporting. As part of our audits, we are required to obtain an understanding of internal control over financial reporting but not for the purpose of expressing an opinion on the effectiveness of the Company’s internal control over financial reporting. Accordingly, we express no such opinion.

Our audits included performing procedures to assess the risks of material misstatement of the financial statements, whether due to error or fraud, and performing procedures that respond to those risks. Such procedures included examining, on a test basis, evidence regarding the amounts and disclosures in the financial statements. Our audits also included evaluating the accounting principles used and significant estimates made by management, as well as evaluating the overall presentation of the financial statements. We believe that our audits provide a reasonable basis for our opinion.

### Critical Audit Matter

The critical audit matter communicated below is a matter arising from the current-period audit of the financial statements that was communicated or required to be communicated to the audit committee and that (1) relates to accounts or disclosures that are material to the financial statements and (2) involved our especially challenging, subjective, or complex judgments. The communication of critical audit matters does not alter in any way our opinion on the financial statements, taken as a whole, and we are not, by communicating the critical audit matter below, providing a separate opinion on the critical audit matter or on the accounts or disclosures to which it relates.

### *Insurance – Refer to Note 1 to the financial statements*

#### *Critical Audit Matter Description*

Aramark (the “Parent”) insures portions of its risk in general liability, automobile liability, workers’ compensation liability and property liability through a wholly owned captive insurance subsidiary, to enhance its risk financing strategies. Parent’s reserves for retained costs associated with the Parent’s casualty program are estimated through actuarial methods, with the assistance of third-party actuaries, using loss development assumptions based on claims history. The Parent allocates certain costs associated to the captive insurance subsidiary to the Company. The Company does not recognize liabilities related to claims from general liability, automobile liability, workers’ compensation liability and property liability on the combined balance sheets as the Parent’s captive insurance

subsidiary is the primary responsible party related to these obligations. The Parent's captive insurance subsidiary had estimated reserves of approximately \$61.7 million and \$62.3 million at September 30, 2022 and October 1, 2021, respectively, related to claims arising from the Company's operations.

We identified the valuation of insurance reserves and the allocation of associated costs to the Company as a critical audit matter because estimating projected settlement value of reported and unreported claims arising from the Company's operations involves significant estimation by management. This required high degree of auditor judgment and an increased extent of effort, including the need to involve our actuarial specialists.

*How the Critical Audit Matter Was Addressed in the Audit*

Our audit procedures related to the insurance reserves and allocation of costs to the Company included the following, among others:

- We tested the effectiveness of internal controls over management's estimate of insurance reserves, including controls over the underlying historical claims data, the actuarial methodology used, and the loss development assumptions selected by management that are used to calculate the insurance reserves.
- We evaluated the inputs used by management to estimate the insurance reserves by:
  - Reading the Company's insurance policies and comparing the coverage and terms to the assumptions used by management.
  - Testing the underlying historical claims data that served as the basis for the actuarial analysis.
- With the assistance of our actuarial specialists, we:
  - Evaluated the actuarial method used by management to estimate the insurance reserves.
  - Compared management's prior-year assumptions of expected development and ultimate loss to actuals incurred during the current year to identify potential bias in the determination of the insurance reserves.
  - Developed independent estimates of the insurance reserves, including loss data and industry claim development factors, and compared our estimates to management's estimates.
- We tested the allocation of costs associated to the captive insurance subsidiary to the Company.

/s/ Deloitte & Touche LLP

Philadelphia, PA

March 17, 2023

We have served as the Company's auditor since 2022.



## REPORT OF INDEPENDENT REGISTERED PUBLIC ACCOUNTING FIRM

To the Stockholders and the Board of Directors of Aramark

### Opinion on the Financial Statements

We have audited the accompanying combined statements of income, comprehensive income, cash flows, and parent's equity for the year ended October 2, 2020, and the related notes to the Combined Financial Statements (collectively, the "financial statements") of Aramark Uniform Services and affiliates (the "Company"). In our opinion, the financial statements referred to above present fairly, in all material respects, the results of operations of the Company and its cash flows for the year ended October 2, 2020, in conformity with accounting principles generally accepted in the United States of America.

### Basis for Opinion

These financial statements are the responsibility of the Company's management. Our responsibility is to express an opinion on the Company's financial statements based on our audit. We are a public accounting firm registered with the Public Company Accounting Oversight Board (United States) (PCAOB) and are required to be independent with respect to the Company in accordance with U.S. federal securities laws and the applicable rules and regulations of the Securities and Exchange Commission and the PCAOB.

We conducted our audit in accordance with the standards of the PCAOB. Those standards require that we plan and perform the audit to obtain reasonable assurance about whether the financial statements are free of material misstatement, whether due to error or fraud. Our audit included performing procedures to assess the risks of material misstatement of the financial statements, whether due to error or fraud, and performing procedures that respond to those risks. Such procedures included examining, on a test basis, evidence regarding the amounts and disclosures in the financial statements. Our audit also included evaluating the accounting principles used and significant estimates made by management, as well as evaluating the overall presentation of the financial statements. We believe that our audit provides a reasonable basis for our opinion.

/s/ RSM US LLP

We served as the Company's auditor from 2022 to 2023.

Blue Bell, Pennsylvania

March 17, 2023

**ARAMARK UNIFORM SERVICES  
COMBINED BALANCE SHEETS**  
**SEPTEMBER 30, 2022 AND OCTOBER 1, 2021**  
(in thousands)

	September 30, 2022	October 1, 2021
<b>ASSETS</b>		
Current Assets:		
Cash and cash equivalents	\$ 23,736	\$ 41,106
Receivables (net of allowances: 2022 - \$29,100; 2021 - \$34,104)	368,714	317,276
Inventories	183,439	203,438
Rental merchandise in service	393,140	353,705
Other current assets	18,252	16,399
Total current assets	987,281	931,924
Property and Equipment, at cost:		
Land, buildings and improvements	579,915	569,879
Equipment	1,027,224	982,819
	1,607,139	1,552,698
Less - Accumulated depreciation	(957,540)	(887,248)
Total property and equipment, net	649,599	665,450
Goodwill	963,375	964,896
Other Intangible Assets	264,264	276,911
Operating Lease Right-of-use Assets	72,567	74,809
Other Assets	195,926	194,393
Total Assets	\$ 3,133,012	\$ 3,108,383
<b>LIABILITIES AND PARENT'S EQUITY</b>		
Current Liabilities:		
Current maturities of financing lease obligations	\$ 20,482	\$ 22,283
Current operating lease liabilities	20,899	21,352
Accounts payable	167,125	133,368
Accrued payroll and related expenses	119,032	121,708
Accrued expenses and other current liabilities	74,657	84,611
Total current liabilities	402,195	383,322
Noncurrent Financing Lease Obligations	86,783	81,691
Noncurrent Operating Lease Liabilities	54,017	56,255
Deferred Income Taxes	201,826	184,261
Other Noncurrent Liabilities	52,379	70,869
Total Liabilities	797,200	776,398
Commitments and Contingencies (see Note 11)		
Parent's Equity:		
Net parent investment	2,367,492	2,343,591
Accumulated other comprehensive loss	(31,680)	(11,606)
Total parent's equity	2,335,812	2,331,985
Total Liabilities and Parent's Equity	\$ 3,133,012	\$ 3,108,383

The accompanying notes are an integral part of these Combined Financial Statements

**ARAMARK UNIFORM SERVICES**  
**COMBINED STATEMENTS OF INCOME**  
**FOR THE FISCAL YEARS ENDED**  
**SEPTEMBER 30, 2022, OCTOBER 1, 2021 AND OCTOBER 2, 2020**  
(in thousands)

	Fiscal Year Ended		
	September 30, 2022	October 1, 2021	October 2, 2020
Revenue	\$ 2,687,005	\$ 2,456,577	\$ 2,561,996
Operating Expenses:			
Cost of services provided (exclusive of depreciation and amortization)	1,909,676	1,765,635	1,813,985
Depreciation and amortization	134,352	133,306	137,158
Selling, general and administrative expenses	450,734	461,397	461,133
Total Operating Expenses	2,494,762	2,360,338	2,412,276
Operating Income	192,243	96,239	149,720
Interest Expense and Other, net	2,284	(1,120)	206
Income Before Income Taxes	189,959	97,359	149,514
Provision for Income Taxes	48,280	23,089	37,867
Net Income	\$ 141,679	\$ 74,270	\$ 111,647

The accompanying notes are an integral part of these Combined Financial Statements.

**ARAMARK UNIFORM SERVICES**  
**COMBINED STATEMENTS OF COMPREHENSIVE INCOME**  
**FOR THE FISCAL YEARS ENDED**  
**SEPTEMBER 30, 2022, OCTOBER 1, 2021 AND OCTOBER 2, 2020**  
(in thousands)

	Fiscal Year Ended		
	September 30, 2022	October 1, 2021	October 2, 2020
Net Income	\$ 141,679	\$ 74,270	\$ 111,647
Other Comprehensive (Loss) Income, net of tax:			
Pension plan adjustments	1,697	355	(2,598)
Foreign currency translation adjustments	(21,771)	6,362	(319)
Other Comprehensive (Loss) Income, net of tax	(20,074)	6,717	(2,917)
Comprehensive Income	<u>\$ 121,605</u>	<u>\$ 80,987</u>	<u>\$ 108,730</u>

The accompanying notes are an integral part of these Combined Financial Statements.

**ARAMARK UNIFORM SERVICES**  
**COMBINED STATEMENTS OF CASH FLOWS**  
**FOR THE FISCAL YEARS ENDED**  
**SEPTEMBER 30, 2022, OCTOBER 1, 2021 AND OCTOBER 2, 2020**  
(in thousands)

	Fiscal Year Ended		
	September 30, 2022	October 1, 2021	October 2, 2020
<b>Cash flows from operating activities:</b>			
Net Income	\$ 141,679	\$ 74,270	\$ 111,647
<b>Adjustments to reconcile Net Income to Net cash provided by operating activities:</b>			
Depreciation and amortization	134,352	133,306	137,158
Deferred income taxes	20,603	(615)	(13,060)
Share-based compensation expense	17,398	15,427	6,818
Personal protective equipment charges	26,183	34,472	—
<b>Changes in operating assets and liabilities:</b>			
Receivables	(53,860)	(30,909)	19,290
Inventories	(631)	6,508	(59,256)
Rental merchandise in service	(42,226)	(10,514)	46,688
Other current assets	(2,586)	503	421
Accounts payable	31,398	10,298	(12,104)
Accrued expenses	(31,456)	15,183	(6,460)
Changes in other noncurrent liabilities	(2,183)	1,251	1,479
Changes in other assets	(4,140)	(6,544)	(7,311)
Other operating activities	(1,684)	1,699	5,981
Net cash provided by operating activities	<u>232,847</u>	<u>244,335</u>	<u>231,291</u>
<b>Cash flows from investing activities:</b>			
Purchases of property and equipment and other	(76,449)	(90,138)	(58,074)
Disposals of property and equipment	7,316	2,706	26,640
Acquisition of certain businesses, net of cash acquired	(17,200)	(15,767)	(11,995)
Other investing activities	200	43	56
Net cash used in investing activities	<u>(86,133)</u>	<u>(103,156)</u>	<u>(43,373)</u>
<b>Cash flows from financing activities:</b>			
Payments of financing lease obligations	(28,041)	(29,917)	(32,125)
Net cash distributions to Parent	(134,502)	(95,596)	(143,008)
Net cash used in financing activities	<u>(162,543)</u>	<u>(125,513)</u>	<u>(175,133)</u>
Effect of foreign exchange rates on cash and cash equivalents	(1,541)	1,102	117
(Decrease) Increase in cash and cash equivalents	(17,370)	16,768	12,902
Cash and cash equivalents, beginning of period	41,106	24,338	11,436
Cash and cash equivalents, end of period	<u>\$ 23,736</u>	<u>\$ 41,106</u>	<u>\$ 24,338</u>

The accompanying notes are an integral part of these Combined Financial Statements.

**ARAMARK UNIFORM SERVICES**  
**COMBINED STATEMENTS OF PARENT'S EQUITY**  
**FOR THE FISCAL YEARS ENDED**  
**SEPTEMBER 30, 2022, OCTOBER 1, 2021 AND OCTOBER 2, 2020**  
(in thousands)

	Net Parent Investment	Accumulated Other Comprehensive Loss	Total Parent's Equity
Balance, September 27, 2019	\$ 2,386,829	\$ (15,406)	\$ 2,371,423
Net Income	111,647		111,647
Net Transfers to Parent	(136,189)		(136,189)
Other Comprehensive Loss		(2,917)	(2,917)
Balance, October 2, 2020	\$ 2,362,287	\$ (18,323)	\$ 2,343,964
Net Income	74,270		74,270
Net Transfers to Parent	(92,966)		(92,966)
Other Comprehensive Income		6,717	6,717
Balance, October 1, 2021	\$ 2,343,591	\$ (11,606)	\$ 2,331,985
Net Income	141,679		141,679
Net Transfers to Parent	(117,778)		(117,778)
Other Comprehensive Loss		(20,074)	(20,074)
Balance, September 30, 2022	\$ 2,367,492	\$ (31,680)	\$ 2,335,812

The accompanying notes are an integral part of these Combined Financial Statements.

## ARAMARK UNIFORM SERVICES

### NOTES TO COMBINED FINANCIAL STATEMENTS

#### NOTE 1. NATURE OF BUSINESS, BASIS OF PRESENTATION AND SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES:

On May 10, 2022, Aramark announced that its Board of Directors approved a plan to separate its Uniform and Career Apparel business (“Aramark Uniform Services”, “Vestis” or “the Company”). Under the plan, Aramark would execute a separation of the Company by way of a pro rata distribution of common stock of Vestis Corporation to Aramark stockholders at the close of business on the record date of the separation. The proposed separation is intended to be a tax-free transaction to Aramark and Aramark’s stockholders for United States federal income tax purposes.

Aramark Uniform Services is a leading provider of uniforms and workplace supplies across the United States and Canada. The Company provides uniforms, mats, towels, linens, restroom supplies, first-aid supplies and safety products. The Company’s customer base participates in a wide variety of industries, including manufacturing, hospitality, retail, food processing, pharmaceuticals, healthcare and automotive. The Company serves customers ranging from small, family-owned operations with a single location to large corporations and national franchises with multiple locations. The Company’s customers value the uniforms and workplace supplies it delivers as its services and products can help them reduce operating costs, enhance their brand image, maintain a safe and clean workplace and focus on their core business. The Company leverages its broad footprint and its supply chain, delivery fleet and route logistic capabilities to serve customers on a recurring basis, typically weekly, and primarily through multi-year contracts. In addition, the Company offers customized uniforms through direct sales agreements, typically for large, regional or national companies.

The Company manages and evaluates its business activities based on geography and, as a result, determined that its United States and Canada businesses are its operating segments. The Company’s operating segments are also its reportable segments. The United States and Canada reportable segments both provide a range of uniforms and workplace supplies programs. The Company’s uniforms business (“Uniforms”) generates revenue from the rental, servicing and direct sale of uniforms to customers, including the design, sourcing, manufacturing, customization, personalization, delivery, laundering, sanitization, repair and replacement of uniforms. The uniform options include shirts, pants, outerwear, gowns, scrubs, high visibility garments, particulate-free garments and flame-resistant garments, along with shoes and accessories. The Company’s workplace supplies business (“Workplace Supplies”) generates revenue from the rental and servicing of workplace supplies, including managed restroom supply services, first-aid supplies and safety products, floor mats, towels and linens.

#### *Basis of Presentation*

The Combined Financial Statements reflect the combined historical results of operations, comprehensive income and cash flows for the years ended September 30, 2022, October 1, 2021 and October 2, 2020 and the financial position as of September 30, 2022 and October 1, 2021 for the Company and are denominated in United States (“U.S.”) dollars. The Combined Financial Statements have been derived from Aramark’s historical accounting records and were prepared on a standalone basis in accordance with generally accepted accounting principles in the United States (“U.S. GAAP”) and pursuant to the rules and regulations of the U.S. Securities and Exchange Commission (“SEC”). The assets, liabilities, revenue and expenses of the Company have been reflected in these Combined Financial Statements on a historical cost basis, as included in the consolidated financial statements of Aramark, using the historical accounting policies applied by Aramark. Historically, separate financial statements have not been prepared for the Company, and it has not operated as a standalone business from Aramark. The historical results of operations, financial position and cash flows of the Company presented in these Combined Financial Statements may not be indicative of what they would have been had the Company actually been an independent standalone public company, nor are they necessarily indicative of the Company’s future results of operations, financial position and cash flows.

The Company’s business has historically functioned together with other Aramark businesses. Accordingly, the Company relied on certain of Aramark’s corporate support functions to operate. The Combined Financial Statements

include all revenues and costs directly attributable to the Company and an allocation of expenses related to certain Aramark corporate functions (see Note 4). These expenses have been allocated to the Company on the basis of direct usage where identifiable, with the remainder allocated on a pro rata basis of revenues, headcount or other drivers. The Company considers these allocations to be a reasonable reflection of the utilization of services or the benefit received. However, the allocations may not be indicative of the actual expense that would have been incurred had the Company operated as an independent, standalone public entity, nor are they indicative of the Company's future expenses.

Following the separation, certain functions that Aramark provided to the Company prior to the separation will either continue to be provided to the Company by Aramark under transition services agreements or will be performed using the Company's own resources or third-party service providers. The Company expects to incur certain one-time charges in its establishment as a standalone public company, as well as ongoing additional costs associated with operating as an independent, publicly traded company. It is impracticable to estimate the costs that would have been incurred as a standalone public company during fiscal 2022, fiscal 2021 and fiscal 2020.

The Combined Financial Statements include assets and liabilities that have been determined to be specifically identifiable or otherwise attributable to the Company.

The Company's cash flows within the United States segment are transferred to Aramark regularly as part of Aramark's centralized cash management program. The Company's cash flows within the Canada segment are reinvested locally. The cash and cash equivalents held by Aramark at the corporate level are not specifically identifiable to the Company and therefore were not allocated to any of the periods presented. Only cash amounts specifically attributable to the Company are reflected in the Combined Balance Sheets. Transfers of cash, both to and from Aramark's central cash management system, are reflected as a component of "Net parent investment" on the Combined Balance Sheets and in "Net cash used in financing activities" on the accompanying Combined Statements of Cash Flows.

Aramark's long-term borrowings and related interest expense, exclusive of certain financing lease obligations, have not been attributed to the Company for any of the periods presented because the borrowings are neither directly attributable to the Company nor is the Company the primary legal obligor of such borrowings.

All intercompany transactions and balances within the Company have been eliminated. Transactions between the Company and Aramark have been included in these Combined Financial Statements and are considered related party transactions (see Note 4).

The "Provision for Income Taxes" in the Combined Statements of Income has been calculated as if the Company filed a separate tax return and was operating as a standalone company. Therefore, income tax expense, cash tax payments and items of current and deferred income taxes may not be reflective of the Company's actual tax balances prior to or subsequent to the distribution.

#### ***Fiscal Year***

The Company's fiscal year is the 52- or 53-week period which ends on the Friday nearest to September 30th. The fiscal years ended September 30, 2022 and October 1, 2021 were each 52-week periods, and the fiscal year ended October 2, 2020 was a 53-week period.

#### ***New Accounting Standards Updates***

##### *Adopted Standards (from most to least recent date of issuance)*

In March 2022, the Financial Accounting Standards Board ("FASB") issued an accounting standards update ("ASU") which expanded the scope of existing guidance to allow entities to apply the portfolio layer method to portfolios of all financial assets, including both pre-payable and non-pre-payable financial assets. The Company early adopted the ASU during fiscal 2022, which did not have a material impact on the Combined Financial Statements.



In January 2020, the FASB issued an ASU which provided clarification and improvements to existing guidance related to accounting for certain equity securities upon the application or discontinuation of equity method accounting and the measurement of forward contracts and purchased options on certain securities. The Company adopted the ASU during fiscal 2022, which did not have a material impact on the Combined Financial Statements.

In March 2019, the FASB issued an ASU which provided clarification regarding three issues related to the lease recognition standard. The guidance was effective for the Company in fiscal 2020 when the lease accounting standard was adopted. See below for further discussion regarding the impact of the lease accounting provisions related to this standard.

In July 2018, the FASB issued two ASUs regarding the lease recognition standard. The guidance provided clarification on issues identified regarding the adoption of the standard, provided an additional transition method to adopt the standard and provided an additional practical expedient to lessors. The guidance was effective for the Company in fiscal 2020 when the lease accounting standard was adopted. See below for further discussion regarding the impact of the lease accounting provisions related to this standard.

In February 2018, the FASB issued an ASU which allowed for the reclassification of stranded tax effects resulting from the Tax Cuts and Jobs Act (the "TCJA") from accumulated other comprehensive income to retained earnings. The Company adopted the guidance in fiscal 2020, which did not have an impact on the Combined Financial Statements.

In September 2017, the FASB issued an ASU to provide additional implementation guidance with respect to the lease accounting standard. The Company adopted the standard in fiscal 2020 in conjunction with the lease recognition standard. See below for further discussion regarding the impact of the lease accounting provisions related to this standard.

In June 2016, the FASB issued an ASU to require entities to account for expected credit losses on financial instruments, including trade receivables. The expected credit loss model replaced the incurred credit loss model, that generally required a loss to be incurred before it was recognized. The forward-looking credit loss model required the Company to consider historical experience, current conditions and reasonable and supportable forecasts that affect the collectability of the reported amount in estimating credit losses. The amended guidance required financial assets that are measured at amortized cost be presented at the net amount expected to be collected. The allowance for credit losses is a valuation account that is deducted from the amortized cost basis of financial assets. The Company adopted this guidance on October 3, 2020 (the first day of fiscal 2021) using a modified retrospective approach. This approach allowed the new standard to be applied retrospectively through a cumulative-effect adjustment to retained earnings recognized upon adoption. The adoption of this guidance did not have a material impact on the Combined Financial Statements.

In February 2016, the FASB issued an ASU requiring lessees to recognize most leases on their balance sheets as operating lease liabilities with corresponding operating lease right-of-use assets and to disclose key information about lease arrangements. Recognition of expense on the Combined Statements of Income continues in a manner similar to previous guidance. The Company adopted this guidance on September 28, 2019 (the first day of fiscal 2020).

In connection with the new lease guidance, the Company completed a comprehensive review of its lease arrangements in order to determine the impact of this ASU on its Combined Financial Statements and related disclosures. The Company identified and implemented appropriate changes to business processes, controls and systems to support recognition and disclosure under the new standard.

The Company adopted Accounting Standards Codification 842 ("ASC 842" or the "new lease standard") using the modified retrospective transition approach with an adjustment that recognized "Operating Lease Right-of-use Assets," "Current operating lease liabilities" and "Noncurrent Operating Lease Liabilities" on the Combined Financial Statements. Adoption of the new lease standard resulted in the recognition of operating lease liabilities and associated operating lease right-of-use assets. Deferred rent, tenant improvement allowances and prepaid rent were reclassified into operating lease right-of-use assets. There was no material impact to the Combined Statements of Income or Combined Statements of Cash Flows as a result of adoption.

*Standards Not Yet Adopted (from most to least recent date of issuance)*

In September 2022, the FASB issued an ASU to enhance the transparency of supplier finance programs, which may be referred to as reverse factoring, payables finance or structured payables arrangements. The guidance will require that a buyer in a supplier finance program disclose the program's nature, activity and potential magnitude. The guidance is effective for the Company in the first quarter of fiscal 2024, and early adoption is permitted. The Company is currently evaluating the impact of this standard.

In November 2021, the FASB issued an ASU which required that an entity provide certain annual disclosures when they have received government assistance. The guidance is effective for the Company in the first quarter of fiscal 2023 and early adoption is permitted. The adoption of this guidance is not expected to have a material impact on the Combined Financial Statements.

In October 2021, the FASB issued an ASU which requires that an entity (acquirer) recognize and measure contract assets and contract liabilities acquired in a business combination in accordance with Accounting Standards Codification 606, Revenue from Contracts with Customers as if it had originated the contracts. The guidance is effective for the Company in the first quarter of fiscal 2024 and early adoption is permitted. The Company is currently evaluating the impact of this standard.

Other new accounting pronouncements recently issued or newly effective were not applicable to the Company, did not have a material impact on the Combined Financial Statements or are not expected to have a material impact on the Combined Financial Statements.

***Revenue Recognition***

The Company generates and recognizes over 92% of its total revenue from route servicing contracts on both Uniforms, which the Company generally manufactures, and Workplace Supplies, such as mats, towels, and linens that are procured from third-party suppliers. Revenue from these contracts represent a single-performance obligation and are recognized over time as services are performed based on the nature of services provided and contractual rates (output method). The Company generates its remaining revenue primarily from the direct sale of uniforms to customers, with such revenue being recognized when the Company's performance obligation is satisfied, typically upon the transfer of control of the promised product to the customer. Revenue is recognized in an amount that reflects the consideration the Company expects to be entitled to in exchange for the services or products described above and is presented net of sales and other taxes we collect on behalf of governmental authorities.

Certain customer route servicing contracts include terms and conditions that include components of variable consideration, which are typically in the form of consideration paid to a customer based on performance metrics specified within the contract. Some contracts provide for customer discounts or rebates that can be earned through the achievement of specified volume levels. Each component of variable consideration is earned based on the Company's actual performance during the measurement period specified within the contract. To determine the transaction price, the Company estimates the variable consideration using the most likely amount method, based on the specific contract provisions and known performance results during the relevant measurement period. When assessing if variable consideration should be limited, the Company evaluates the likelihood of whether uncontrollable circumstances could result in a significant reversal of revenue. The Company's performance period generally corresponds with the monthly invoice period. No significant constraints on the Company's revenue recognition were applied during fiscal 2022, fiscal 2021 or fiscal 2020. The Company reassesses these estimates during each reporting period. The Company maintains a liability for these discounts and rebates within "Accrued expenses and other current liabilities" on the Combined Balance Sheets. Variable consideration can also include consideration paid to a customer at the beginning of a contract. This type of variable consideration is capitalized as an asset (in "Other Assets" on the Combined Balance Sheets) and is amortized over the life of the contract as a reduction to revenue in accordance with the accounting guidance for revenue recognition.

***Use of Estimates***

The preparation of financial statements in conformity with U.S. GAAP requires management to make estimates and assumptions that affect the reported amounts in the Combined Financial Statements and accompanying notes.

The Company utilizes key estimates in preparing the financial statements including environmental estimates, goodwill, intangibles, insurance reserves, income taxes and long-lived assets. These estimates are based on historical information, current trends and information available from other sources. Actual results could materially differ from those estimates.

#### ***Fair Value of Financial Assets and Financial Liabilities***

Fair value is defined as the price that would be received to sell an asset or paid to transfer a liability in an orderly transaction between market participants at the measurement date. Assets and liabilities recorded at fair value are classified based upon the level of judgment associated with the inputs used to measure their fair value. The hierarchical levels related to the subjectivity of the valuation inputs are defined as follows:

- *Level 1*—inputs to the valuation methodology are quoted prices (unadjusted) for identical assets or liabilities in active markets
- *Level 2*—inputs to the valuation methodology include quoted prices for similar assets and liabilities in active markets, and inputs that are observable for the asset or liability, either directly or indirectly, for substantially the full term of the financial instrument
- *Level 3*—inputs to the valuation methodology are unobservable and significant to the fair value measurement

#### ***Recurring Fair Value Measurements***

The Company's financial instruments consist primarily of cash and cash equivalents, accounts receivable, accounts payable and financing leases. Management believes that the carrying value of cash and cash equivalents, accounts receivable, accounts payable and financing leases are representative of their respective fair values.

#### ***Nonrecurring Fair Value Measurements***

The Company's assets measured at fair value on a nonrecurring basis include long-lived assets, indefinite-lived intangible assets and goodwill. The Company reviews the carrying amounts of such assets at least annually or whenever events or changes in circumstances indicate that the carrying amount may not be recoverable. Any resulting asset impairment would require that the asset be recorded at its fair value. The resulting fair value measurement of the assets are considered to be Level 3 measurements.

#### ***Acquisitions***

The Company completed business acquisitions with aggregate purchase price of approximately \$17.2 million, \$15.8 million and \$12.0 million during fiscal 2022, fiscal 2021 and fiscal 2020, respectively. The results of operations of these acquisitions have been included in the Company's combined financial results since their respective acquisition dates. These acquisitions were not significant in relation to the Company's combined financial results and, therefore, pro forma financial information has not been presented.

#### ***Merger and Integration Costs***

During fiscal 2021 and fiscal 2020, the Company incurred merger and integration costs of \$22.2 million and \$24.6 million, respectively, as a result of the AmeriPride acquisition that occurred during fiscal year 2018. The expenses mainly related to costs for transitional employees and integration-related consulting costs and charges related to plant consolidations, mainly asset write-downs, the implementation of a new laundry enterprise resource planning system and other expenses.

#### ***Comprehensive Income***

Comprehensive income includes all changes to parent's equity during a period, except those related to the net parent investment. Components of comprehensive income include net income, pension plan adjustments (net of tax) and changes in foreign currency translation adjustments (net of tax).

The summary of the components of comprehensive income is as follows (in thousands):

	Fiscal Year Ended								
	September 30, 2022			October 1, 2021			October 2, 2020		
	Pre-Tax Amount	Tax Effect	After-Tax Amount	Pre-Tax Amount	Tax Effect	After-Tax Amount	Pre-Tax Amount	Tax Effect	After-Tax Amount
Net Income			\$ 141,679			\$ 74,270			\$ 111,647
Pension plan adjustments	2,621	(924)	1,697	1,020	(665)	355	(3,693)	1,095	(2,598)
Foreign currency translation adjustments	(22,893)	1,122	(21,771)	6,079	283	6,362	(239)	(80)	(319)
Other Comprehensive (Loss) Income	(20,272)	198	(20,074)	7,099	(382)	6,717	(3,932)	1,015	(2,917)
Comprehensive Income			\$ 121,605			\$ 80,987			\$ 108,730

Accumulated other comprehensive loss consists of the following (in thousands):

	September 30, 2022	October 1, 2021
Pension plan adjustments	\$ (4,414)	\$ (6,111)
Foreign currency translation adjustments <sup>(1)</sup>	(27,266)	(5,495)
	\$ (31,680)	\$ (11,606)

(1) Significant change in foreign currency translation adjustment in fiscal 2022 due to the strengthening of the U.S. dollar against the Canadian dollar.

#### ***Currency Translation***

The Company's Canadian subsidiary's functional currency is the local currency of operations, and the net assets of its Canadian operations are translated into U.S. dollars using current exchange rates. The U.S. dollar results that arise from such translation are included as a component of accumulated other comprehensive loss in parent's equity.

#### ***Cash and Cash Equivalents***

The Company considers all highly liquid investments with an original maturity of three months or less to be cash equivalents.

#### ***Receivables***

Receivables represents amounts due from customers and is presented net of allowance for credit losses. Judgment and estimates are used in determining the collectability of receivables and evaluating the adequacy of the allowance for credit losses. The Company estimates and reserves for its credit loss exposure based on historical experience, current general and specific industry economic conditions and reasonable and supportable forecasts that affect the collectability of the reported amount in estimating credit losses. Credit loss expense is classified within "Cost of services provided (exclusive of depreciation and amortization)" in the Combined Statements of Income. When an account is considered uncollectible, it is written off against the allowance for credit losses. The amounts

recognized in fiscal years 2022, 2021 and 2020 relating to allowance for credit losses, which are netted against “Receivables” in the Combined Balance Sheets, are as follows (in thousands):

	Fiscal Year Ended		
	September 30, 2022	October 1, 2021	October 2, 2020
Balance, beginning of year	\$ 34,104	\$ 31,968	\$ 17,519
Additions: Charged to Income <sup>(1)</sup>	9,704	12,152	29,386
Reductions: Deductions from Reserves <sup>(2)</sup>	(14,708)	(10,016)	(14,937)
Balance, end of year	<u>\$ 29,100</u>	<u>\$ 34,104</u>	<u>\$ 31,968</u>

(1) Significant increase in fiscal 2020 due to credit loss uncertainty linked to COVID-19.

(2) Amounts determined not to be collectible and charged against the reserve and translation.

### ***Inventories***

Inventories are valued at the lower of cost (principally the first-in, first-out method) or net realizable value. The Company records valuation adjustments to its inventories if the cost of inventory on hand exceeds the amount it expects to realize from the ultimate sale or disposal of the inventory. These estimates are based on management’s judgment regarding future demand and market conditions and analysis of historical experience. As of September 30, 2022 and October 1, 2021, the Company’s reserve for inventory was approximately \$48.8 million and \$42.2 million, respectively. The inventory reserve is determined based on history and projected customer consumption and specific identification. During fiscal 2022, the Company decided to no longer sell personal protective equipment (“PPE”), which required inventory charges to reduce the carrying value of PPE to a zero net realizable value. The Company recorded \$26.2 million and \$34.4 million in inventory charges within “Cost of services provided (exclusive of depreciation and amortization)” in the Combined Statements of Income during fiscal 2022 and fiscal 2021, respectively, to reflect the net realizable value of PPE inventory.

The components of inventories are as follows (in thousands):

	September 30, 2022	October 1, 2021
Raw Materials	\$ 23,463	\$ 42,181
Work in Process	1,998	1,307
Finished Goods	157,978	159,950
	<u>\$ 183,439</u>	<u>\$ 203,438</u>

### ***Rental merchandise in service***

Rental merchandise in service represents personalized work apparel, linens and other rental items in service. Rental merchandise in service is valued at cost less amortization, calculated using the straight-line method. Rental merchandise in service is amortized over its useful life, which primarily range from one to four years. The amortization rates are based on the Company’s specific experience and wear tests performed by the Company. These factors are critical to determining the amount of rental merchandise in service and related Cost of services provided (exclusive of depreciation and amortization) that are presented in the Combined Financial Statements. Material differences may result in the amount and timing of operating income if management makes significant changes to these estimates.

During the fiscal years ended September 30, 2022, October 1, 2021 and October 2, 2020, the Company recorded \$313.4 million, \$300.2 million and \$351.6 million, respectively, of amortization related to rental merchandise in service within “Cost of services provided (exclusive of depreciation and amortization)” on the Combined Statements of Income.

### ***Other current assets***

“Other current assets” as presented in the Combined Balance Sheets is primarily comprised of prepaid insurance and prepaid taxes and licenses.

### ***Property and Equipment***

Property and equipment are stated at cost and are depreciated over their estimated useful lives on a straight-line basis. When a decision has been made to dispose of property and equipment prior to the end of the previously estimated useful life, depreciation estimates are revised to reflect the use of the asset over the shortened estimated useful life. Gains and losses on dispositions are included in operating results. Maintenance and repairs are charged to current operations and replacements, and significant improvements that extend the useful life of the asset are capitalized. The estimated useful lives for the major categories of property and equipment are 10 to 40 years for buildings and improvements and three to 10 years for equipment. Depreciation expense during fiscal 2022, fiscal 2021 and fiscal 2020 was \$103.3 million, \$102.3 million and \$103.9 million, respectively.

During fiscal 2020, the Company received \$25.0 million of insurance proceeds from one of its insurance carriers related to property damage and business interruption from a tornado in Nashville, Tennessee. The Company recorded a gain during fiscal 2020 of approximately \$16.3 million, included in “Cost of services provided (exclusive of depreciation and amortization)” on the Combined Statements of Income, from these proceeds, which represents the excess of previously incurred losses, including the write-down of the damaged property and equipment and business interruption expenses. The Company allocated \$21.5 million of the insurance proceeds to the recovery of the damaged building and equipment and is included within “Net cash used in investing activities” on the Combined Statements of Cash Flows for the fiscal year ended October 2, 2020. The remaining \$3.5 million of insurance proceeds is included within “Net cash provided by operating activities” on the Combined Statements of Cash Flows to offset the business interruption expenses incurred during the fiscal year ended October 2, 2020.

### ***Other Assets***

“Other assets” as presented in the Combined Balance Sheets is primarily comprised of employee sales commissions, computer software costs, equity method investments, consideration payable to a customer at the beginning of the contract, noncurrent pension assets, preparation costs and long-term receivables.

Employee sales commissions represent commission payments made to employees related to new or retained business contracts (see Note 6). Computer software costs represent capitalized costs incurred to purchase or develop software for internal use, and are amortized over the estimated useful life of the software, generally a period of three to 10 years.

The Company accounts for investments in unconsolidated entities where it exercises significant influence, but does not have control, using the equity method. Under the equity method of accounting, the Company recognizes its share of the investee’s net income or loss. Equity method investments represent the 39% ownership interest in ARATEX, a Japanese uniform solutions company.

### ***Accrued Expenses and Other Current Liabilities***

“Accrued Expenses and Other Current Liabilities” as presented in the Combined Balance Sheets is primarily comprised of current deferred income, taxes, insurance, environmental reserves (see Note 11), rebates and a deferral related to the employer portion of social security taxes as permitted under the Coronavirus Aid, Relief, and Economic Security Act (“CARES Act”).

### ***Other Noncurrent Liabilities***

“Other Noncurrent Liabilities” as presented in the Combined Balance Sheets is primarily comprised of environmental reserves (see Note 11), asset retirement obligations (see Note 11) and noncurrent deferred income.

### ***Insurance***

Aramark insures portions of its risk in general liability, automobile liability, workers' compensation liability and property liability through a wholly owned captive insurance subsidiary (the "Captive"), to enhance its risk financing strategies. The Captive is subject to regulations within its domicile of Bermuda, including regulations established by the Bermuda Monetary Authority (the "BMA") relating to levels of liquidity and solvency as such concepts are defined by the BMA. The Captive was in compliance with these regulations as of September 30, 2022. Aramark allocates certain costs associated to the Captive to the Company. The Company does not recognize liabilities related to claims from general liability, automobile liability, workers' compensation liability and property liability on the Combined Balance Sheets as Aramark's Captive subsidiary is the primary responsible party related to these obligations. Aramark's Captive insurance subsidiary had estimated reserves of approximately \$61.7 million and \$62.3 million at September 30, 2022 and October 1, 2021, respectively, related to claims arising from the Company's operations. Aramark's reserves for retained costs associated with Aramark's casualty program are estimated through actuarial methods, with the assistance of third-party actuaries, using loss development assumptions based on claims history.

### ***Environmental Matters***

Capital expenditures for ongoing environmental compliance measures were recorded in Property and Equipment and related expenses were included in the normal operating expenses of conducting business. The Company accrued for environmental-related activities for which commitments or clean-up plans have been developed and when such costs could be reasonably estimated based on industry standards and professional judgment. Accrued amounts were primarily recorded on an undiscounted basis (see Note 11).

### ***Income Taxes***

The Company's operations are included in the tax returns of Aramark. Aramark remits funds to or receives refunds from governmental jurisdictions on behalf of the Company's operations related to income taxes. In the future, as a standalone entity, the Company will file tax returns on its own behalf. Income taxes are presented in the Combined Financial Statements, whereas current and deferred income tax assets and liabilities of Aramark are attributed to the Company in a manner that is systematic, rational and consistent with the asset and liability method prescribed by the accounting guidance for income taxes. The income tax provision of the Company is prepared using the separate return method, which applies the accounting guidance for income taxes to the standalone financial statements as if the Company was a separate taxpayer and a standalone enterprise. The Company believes the assumptions supporting the allocation and presentation of income taxes on a separate return basis are reasonable.

The Company has reviewed its needs in the United States for possible repatriation of undistributed earnings of its Canadian subsidiary and continues to invest earnings outside of the United States to fund foreign investments or meet foreign working capital and property and equipment needs. As a result, the Company is permanently reinvested with respect to all of its historical foreign earnings related to its Canadian subsidiary of \$17.2 million and \$3.5 million as of September 30, 2022 and October 1, 2021, respectively. The foreign withholding tax associated with remitting these earnings is immaterial as of September 30, 2022 and October 1, 2021. Deferred taxes are not provided on undistributed earnings of its Canadian subsidiary that are indefinitely reinvested.

Aramark conducts business and files tax returns in numerous countries and currently has tax audits in progress in a number of tax jurisdictions. The Company's operations are included in the tax returns of Aramark. In evaluating the exposure associated with various tax filing positions, the Company records accruals for uncertain tax positions, based on the technical support for the positions, past audit experience with similar situations and the potential interest and penalties related to the matters. The effects of tax adjustments and settlements from taxing authorities are presented in the Combined Financial Statements in the period to which they relate as if the Company was a separate filer.

Aramark maintains valuation allowances where it is more likely than not that all or a portion of a deferred tax asset will not be realized. Changes in valuation allowances are included in the tax provision in the period of change. In determining whether a valuation allowance is warranted, Aramark's management evaluates factors such as prior

earnings history, expected future earnings, carryback and carryforward periods and tax strategies that could potentially enhance the likelihood of the realization of a deferred tax asset.

#### ***Net Parent Investment***

“Net parent investment” in the Combined Balance Sheets is presented in lieu of stockholders’ equity and represents Aramark’s historic investment in the Company, the accumulated net earnings after taxes of the Company and the net effect of the transactions with the allocations from Aramark. All transactions reflected in “Net parent investment” in the accompanying Combined Balance Sheets have been considered as financing activities for purposes of the Combined Statements of Cash Flows.

For additional information, see Basis of Presentation above and Note 4.

#### ***Interest Expense and Other, net***

“Interest Expense and Other, net” as presented in the Combined Statements of Income is primarily comprised of interest expense recognized on financing leases (see Note 7) and the Company’s share of the financial results for its equity method investment.

#### ***Impact of COVID-19***

COVID-19 adversely affected global economies, disrupted global supply chains and labor force participation and created significant volatility and disruption of financial markets. COVID-19 related disruptions negatively impacted the Company’s financial and operating results beginning in the second quarter of fiscal 2020 through the first half of fiscal 2021. The Company’s financial results started to improve during the second half of fiscal 2021 and continued to improve throughout fiscal 2022 as COVID-19 restrictions were lifted and operations re-opened.

The CARES Act provided for deferred payment of the employer portion of social security taxes through the end of calendar 2020, with 50% of the deferred amount due December 31, 2021 and the remaining 50% due December 31, 2022. Deferred social security taxes of \$16.6 million were paid in fiscal 2022. Social security taxes of \$16.6 million remain deferred, which are recorded as liabilities within “Accrued expenses and other current liabilities” on the Company’s Combined Balance Sheets as of September 30, 2022. Subsequent to September 30, 2022, the remaining deferred social security taxes of \$16.6 million were paid.

Regarding our operations within Canada, the Canadian government provided companies with various forms of relief from COVID-19, including labor related tax credits. These labor related tax credits were generally earned if companies retained employees on their payroll, rather than furloughing or terminating employees as a result of the business disruption caused by COVID-19. The Company qualified for these tax credits. The Company recorded approximately \$0.4 million, \$17.9 million and \$23.0 million of labor related tax credits within “Cost of services provided (exclusive of depreciation and amortization)” and “Selling, general and administrative expenses” on the Combined Statements of Income during the fiscal years ended September 30, 2022, October 1, 2021 and October 2, 2020, respectively. The Company does not expect to receive additional tax credits related to COVID-19 relief at this time.

The Company accounts for these labor related tax credits as a reduction to the expense that they were intended to compensate in the period in which the corresponding expense was incurred and there was reasonable assurance the Company would both receive the tax credits and comply with all conditions attached to the tax credits.

#### ***Supplemental Cash Flow Information***

During fiscal 2022, fiscal 2021 and fiscal 2020, the Company executed finance lease transactions. The present value of the future rental obligations was \$28.9 million, \$27.6 million and \$20.8 million for the respective periods, which is included in “Property and Equipment, at cost” and “Noncurrent Financing Lease Obligations” on the Combined Balance Sheets.



**NOTE 2. SEVERANCE:**

During fiscal 2021, the Company approved action plans to streamline and improve the efficiency and effectiveness of its operations, including a series of facility consolidations and closures. As a result of these actions, severance charges of \$9.0 million were recorded within “Selling, general and administrative expenses” and “Cost of services provided (exclusive of depreciation and amortization)” on the Combined Statements of Income for the fiscal year ended October 1, 2021.

During fiscal 2020, the Company made changes to its organization as a result of COVID-19. These actions included headcount reductions, which resulted in severance charges of \$4.9 million during the fiscal year ended October 2, 2020, which were recorded in “Cost of services provided (exclusive of depreciation and amortization)” and “Selling, general and administrative expenses” on the Combined Statements of Income.

The following table summarizes the unpaid obligations for severance and related costs as of September 30, 2022, which are included in “Accrued payroll and related expenses” on the Combined Balance Sheets.

(dollars in millions)	October 1, 2021	Charges	Payments and Other	September 30, 2022
Fiscal 2021 Severance	\$ 9.0	\$ —	\$ (5.6)	\$ 3.4
Fiscal 2020 Severance	0.2	—	(0.2)	—
<b>Total</b>	<b>\$ 9.2</b>	<b>\$ —</b>	<b>\$ (5.8)</b>	<b>\$ 3.4</b>

The following table summarizes the unpaid obligations for severance and related costs as of October 1, 2021, which are included in “Accrued payroll and related expenses” on the Combined Balance Sheets.

(dollars in millions)	October 2, 2020	Charges	Payments and Other	October 1, 2021
Fiscal 2021 Severance	\$ —	\$ 9.0	\$ —	\$ 9.0
Fiscal 2020 Severance	4.6	(1.1)	(3.3)	0.2
<b>Total</b>	<b>\$ 4.6</b>	<b>\$ 7.9</b>	<b>\$ (3.3)</b>	<b>\$ 9.2</b>

**NOTE 3. GOODWILL AND OTHER INTANGIBLE ASSETS:**

Goodwill represents the excess of the fair value of consideration paid for an acquired entity over the fair value of assets acquired and liabilities assumed in a business combination. Goodwill is not amortized and is subject to an impairment test that is conducted annually or more frequently if a change in circumstances or the occurrence of events indicates that potential impairment exists, using discounted cash flows. Based on Aramark’s historical structure, goodwill for the Company is retained within one reporting unit. The annual impairment test is performed as of the end of the fiscal month of August. If results of the qualitative assessment indicate a more likely than not determination or if a qualitative assessment is not performed, a quantitative test is performed by comparing the estimated fair value, calculated using a discounted cash flow method, of the reporting unit with its estimated net book value.

During the fourth quarter of fiscal 2022, fiscal 2021 and fiscal 2020, the annual impairment test for goodwill was performed by Aramark for the Company’s sole reporting unit using a quantitative testing approach. During the second quarter of fiscal 2020, an interim impairment test for goodwill was performed by Aramark for the Company’s sole reporting unit using a quantitative testing approach due to an identified triggering event caused by Aramark’s stock price declining as a result of the COVID-19 pandemic. The test compared the estimated fair value using a discounted cash flow method of the reporting unit with its book value. Based on the evaluations performed, the fair value of the Company’s reporting unit significantly exceeded its respective carrying amount, and therefore, goodwill was not impaired for any of the periods.

The determination of fair value for the reporting unit includes assumptions, which are considered Level 3 inputs, that are subject to risk and uncertainty. The discounted cash flow calculations are dependent on several

subjective factors, including the timing of future cash flows, the underlying margin projection assumptions, future growth rates and the discount rate. If assumptions or estimates in the fair value calculations change or if future cash flows, margin projections or future growth rates vary from what was expected, this may impact the impairment analysis and could reduce the underlying cash flows used to estimate fair values and result in a decline in fair value that may trigger future impairment charges.

Changes in total goodwill during fiscal 2022 are as follows (in thousands):

	October 1, 2021	Acquisitions	Translation	September 30, 2022
United States	\$ 896,237	\$ —	\$ —	\$ 896,237
Canada	68,659	—	(1,521)	67,138
<b>Total</b>	<b>\$ 964,896</b>	<b>\$ —</b>	<b>\$ (1,521)</b>	<b>\$ 963,375</b>

Changes in total goodwill during fiscal 2021 are as follows (in thousands):

	October 2, 2020	Acquisitions	Translation	October 1, 2021
United States	\$ 896,210	\$ 27	\$ —	\$ 896,237
Canada	68,168	—	491	68,659
<b>Total</b>	<b>\$ 964,378</b>	<b>\$ 27</b>	<b>\$ 491</b>	<b>\$ 964,896</b>

Other intangible assets consist of (in thousands):

	September 30, 2022			October 1, 2021		
	Gross Amount	Accumulated Amortization	Net Amount	Gross Amount	Accumulated Amortization	Net Amount
Customer relationship assets	\$ 383,801	\$ (135,748)	\$ 248,053	\$ 369,135	\$ (109,949)	\$ 259,186
Trade names	16,211	—	16,211	17,725	—	17,725
<b>Total</b>	<b>\$ 400,012</b>	<b>\$ (135,748)</b>	<b>\$ 264,264</b>	<b>\$ 386,860</b>	<b>\$ (109,949)</b>	<b>\$ 276,911</b>

During fiscal 2022 and fiscal 2021, the Company acquired customer relationship assets with values of \$15.1 million and \$14.5 million, respectively. Customer relationship assets are being amortized principally on a straight-line basis over the expected period of benefit with a weighted average life of approximately 14 years. The Canadian Linen trade name is an indefinite lived intangible asset and is not amortized, but is evaluated for impairment at least annually or more frequently if events or changes in circumstances indicate that it is more likely than not that the asset is impaired. The Company utilized the “relief-from-royalty” method, which considers the discounted estimated royalty payments that are expected to be avoided as a result of the trade name being owned. The Company completed its annual trade name impairment test for fiscal 2022, fiscal 2021 and fiscal 2020, which did not result in an impairment charge. Amortization of other intangible assets for fiscal 2022, fiscal 2021 and fiscal 2020 was approximately \$25.9 million, \$25.0 million and \$25.3 million, respectively.

Based on the recorded balances at September 30, 2022, total estimated amortization of all acquisition-related intangible assets for fiscal years 2023 through 2027 are as follows (in thousands):

2023	\$ 25,999
2024	25,911
2025	26,312
2026	25,920
2027	25,659

#### **NOTE 4. RELATED PARTY TRANSACTIONS AND PARENT COMPANY INVESTMENT**

##### ***Corporate Allocations***

The Company's Combined Financial Statements include general corporate expenses of Aramark, which were not historically allocated to the Company for certain support functions that are provided on a centralized basis by Aramark and are not recorded at the Company level, such as expenses related to finance, supply chain, human resources, information technology, share-based compensation, insurance and legal, among others (collectively, "General Corporate Expenses"). For purposes of these Combined Financial Statements, General Corporate Expenses have been allocated to the Company. General Corporate Expenses are included in the Combined Statements of Income in "Selling, general and administrative expenses" and "Cost of services provided" for the impact related to Aramark's gasoline and diesel derivative agreements. These expenses have been allocated to the Company on the basis of direct usage where identifiable, with the remainder allocated on a pro rata basis of revenues, headcount or other drivers. Management believes the assumptions underlying the Combined Financial Statements, including the assumptions regarding allocating General Corporate Expenses from Aramark, are reasonable. Nevertheless, the Combined Financial Statements may not include all of the actual expenses that would have been incurred and may not reflect the Company's combined results of operations, financial position and cash flows had it been a standalone public company during the periods presented. Actual costs that would have been incurred if the Company had been a standalone public company would depend on multiple factors, including organizational structure and strategic decisions made in various areas, including information technology and infrastructure.

During the years ended September 30, 2022, October 1, 2021 and October 2, 2020, General Corporate Expenses allocated to the Company were \$37.5 million, \$30.6 million and \$24.8 million, respectively.

##### ***Transactions with the Parent***

In the ordinary course of business, the Company provides uniforms to certain food and support services contracts of Aramark in the United States and Canada, the terms of which are at fair market value. During the years ended September 30, 2022, October 1, 2021 and October 2, 2020, these related party revenues were \$47.6 million, \$36.0 million and \$44.9 million, respectively, with related costs of \$43.3 million, \$33.9 million and \$41.4 million, respectively. Amounts receivable from Aramark for such revenues as of September 30, 2022 and October 1, 2021 were \$0.9 million and \$0.8 million, respectively.

##### ***Parent Company Investment***

All significant intercompany transactions between the Company and Aramark have been included in the Combined Financial Statements. The total net effect of these intercompany transactions is reflected in the Combined Statements of Cash Flows as a financing activity and in the Combined Balance Sheets as "Net parent investment."

#### **NOTE 5. DERIVATIVE INSTRUMENTS:**

Aramark enters into contractual derivative arrangements to manage changes in market conditions related to exposure to fluctuating gasoline and diesel fuel prices at the Company. Derivative instruments utilized during the period include gasoline and diesel fuel agreements. All derivative instruments are recognized as either assets or liabilities on the balance sheet of Aramark at fair value at the end of each quarter. The counterparties to Aramark's contractual derivative agreements are all major international financial institutions. Aramark is exposed to credit loss in the event of nonperformance by these counterparties. Aramark continually monitors its positions and the credit ratings of its counterparties, and does not anticipate nonperformance by the counterparties.

Aramark's contractual derivative arrangements have not been included within the Company's Combined Balance Sheets as the Company did not enter into such arrangements. The corresponding impact on earnings related to the contractual derivative arrangements have been allocated to the Company as the arrangements relate to gasoline and diesel fuel utilized within the Company's operations.

### *Derivatives not Designated in Hedging Relationships*

Aramark entered into a series of pay fixed/receive floating gasoline and diesel fuel agreements based on the Department of Energy weekly retail on-highway index in order to limit its exposure to price fluctuations for gasoline and diesel fuel mainly for the Company's operations. As of September 30, 2022, Aramark has contracts for approximately 8.5 million gallons outstanding through September of fiscal 2023 related to the Company. Aramark does not record its gasoline and diesel fuel agreements as hedges for accounting purposes. The impact on earnings related to the change in fair value of these unsettled contracts related to the Company was a loss of \$4.6 million for fiscal 2022, a gain of \$3.9 million for fiscal 2021 and a loss of \$1.1 million for fiscal 2020.

The following table summarizes the location of loss (gain) for the Company's derivatives not designated as hedging instruments in the Combined Statements of Income (in thousands):

	Income Statement Location	Fiscal Year Ended		
		September 30, 2022	October 1, 2021	October 2, 2020
Gasoline and diesel fuel agreements	Cost of services provided (exclusive of depreciation and amortization)	\$ (3,212)	\$ (7,220)	\$ 5,152

### **NOTE 6. REVENUE RECOGNITION:**

#### *Disaggregation of Revenue*

The following table presents revenue disaggregated by revenue source (in millions):

	Fiscal Year Ended		
	September 30, 2022	October 1, 2021	October 2, 2020
<b>United States:</b>			
Uniforms	\$ 1,067.8	\$ 1,076.3	\$ 1,158.1
Workplace Supplies	1,379.2	1,174.5	1,199.8
Total United States	2,447.0	2,250.8	2,357.9
<b>Canada:</b>			
Uniforms	\$ 100.8	\$ 100.5	\$ 99.8
Workplace Supplies	139.2	105.3	104.3
Total Canada	240.0	205.8	204.1
<b>Total Revenue</b>	<b>\$ 2,687.0</b>	<b>\$ 2,456.6</b>	<b>\$ 2,562.0</b>

#### *Contract Balances*

The Company defers sales commissions earned by its sales force that are considered to be incremental and recoverable costs of obtaining a contract. The deferred costs are amortized using the portfolio approach on a straight-line basis over the average period of benefit, approximately 9.0 years, and are assessed for impairment on a periodic basis. Determination of the amortization period and the subsequent assessment for impairment of the contract cost asset requires judgment. The Company expenses sales commissions as incurred if the amortization period is one year or less. As of September 30, 2022 and October 1, 2021, the Company has \$99.0 million and \$95.5 million, respectively, of employee sales commissions recorded as assets within "Other Assets" on the Company's Combined Balance Sheets. During the fiscal years ended September 30, 2022, October 1, 2021 and October 2, 2020, the Company recorded \$19.2 million, \$18.0 million and \$16.7 million, respectively, of expense

related to employee sales commissions within "Selling, general and administrative expenses" on the Combined Statements of Income.

**NOTE 7. LEASES:**

The Company has lease arrangements primarily related to real estate, vehicles and equipment, which generally have terms of one to 30 years. Finance leases primarily relate to vehicles. The Company assesses whether an arrangement is a lease, or contains a lease, upon inception of the related contract. A right-of-use asset and corresponding lease liability are not recorded for leases with an initial term of 12 months or less ("short-term leases").

As a result of adopting ASC 842 on September 28, 2019 (the first day of fiscal 2020), the Company recognized operating lease liabilities and operating lease right-of-use assets on its Combined Balance Sheets. Operating lease right-of-use assets represent the Company's right to use the underlying assets for the lease term, and operating lease liabilities represent the Company's obligation to make lease payments arising from the lease. Operating lease liabilities and operating lease right-of-use assets are recognized at the lease commencement date based on the estimated present value of the lease payments over the lease term. Deferred rent, tenant improvement allowances and prepaid rent are included in the operating lease right-of-use asset balances. Lease expense is recognized on a straight-line basis over the expected lease term. The Company has lease agreements with lease and non-lease components. Non-lease components are combined with the related lease components and accounted for as lease components for all classes of underlying assets.

As permitted under the transition guidance upon adoption of ASC 842, the Company elected the following practical expedients:

- the simplified approach to not recast comparative periods and to apply the new lease standard on a prospective basis beginning in the year of initial adoption;
- the package of practical expedients to not reassess the lease determination, lease classification or initial direct costs for leases commenced prior to adoption;
- the component election to not separate lease and non-lease components in all arrangements that contain a lease; and
- the short-term lease recognition exemption whereby lease-related assets and liabilities are not recognized for arrangements with initial lease terms of one year or less.

The Company did not elect the use of the hindsight expedient for determining the lease term.

Variable lease payments, which primarily consist of real estate taxes, common area maintenance charges, insurance costs and other operating expenses, are not included in the operating lease right-of-use asset or operating lease liability balances and are recognized in the period in which the expenses are incurred. The Company's lease terms may include options to extend or terminate the lease when it is reasonably certain they will be exercised or not, respectively. Options to extend lease terms that are reasonably certain of exercise are recognized as part of the operating lease right-of-use asset and operating lease liability balances.

The Company is required to discount its future minimum lease payments using the interest rate implicit in the lease or, if that rate cannot be readily determined, the incremental borrowing rate. The Company primarily uses Aramark's incremental borrowing rate as the discount rate. The Company uses a portfolio approach to determine the incremental borrowing rate based on the geographic location of the lease and the remaining lease term. The incremental borrowing rate is calculated using a base line rate plus an applicable margin.

The following table summarizes the location of the operating and finance leases in the Company's Combined Balance Sheets (in thousands), as well as the weighted average remaining lease term and weighted average discount rate:

Leases	Balance Sheet Location	September 30, 2022	October 1, 2021
<b>Assets:</b>			
Operating	Operating Lease Right-of-use Assets	\$ 72,567	\$ 74,809
Finance	Property and Equipment, net	99,294	97,950
Total lease assets		<u>\$ 171,861</u>	<u>\$ 172,759</u>
<b>Liabilities:</b>			
Current			
Operating	Current operating lease liabilities	\$ 20,899	\$ 21,352
Finance	Current maturities of financing lease obligations	20,482	22,283
Noncurrent			
Operating	Noncurrent Operating Lease Liabilities	54,017	56,255
Finance	Noncurrent Financing Lease Obligations	86,783	81,691
Total lease liabilities		<u>\$ 182,181</u>	<u>\$ 181,581</u>
Weighted average remaining lease term (in years)			
Operating leases		5.1	5.3
Finance leases		5.7	5.6
Weighted average discount rate			
Operating leases		3.6 %	3.7 %
Finance leases		3.9 %	4.6 %

The following table summarizes the location of lease related costs in the Combined Statements of Income (in thousands):

Lease Cost	Income Statement Location	Fiscal Year Ended		
		September 30, 2022	October 1, 2021	October 2, 2020
<b>Operating lease cost<sup>(1)</sup>:</b>				
Fixed lease costs	Cost of services provided (exclusive of depreciation and amortization) / Selling, general and administrative expenses	\$ 25,376	\$ 27,698	\$ 29,143
Variable lease costs	Cost of services provided (exclusive of depreciation and amortization) / Selling, general and administrative expenses	9,114	7,529	7,865
Short-term lease costs	Cost of services provided (exclusive of depreciation and amortization) / Selling, general and administrative expenses	6,371	5,430	6,255
<b>Finance lease cost<sup>(2)</sup>:</b>				
Amortization of right-of-use-assets	Depreciation and amortization	29,135	28,162	27,533
Interest on lease liabilities	Interest Expense and Other, net	3,205	3,399	3,929
Net lease cost		<u>\$ 73,201</u>	<u>\$ 72,218</u>	<u>\$ 74,725</u>

(1) Excludes sublease income, which is immaterial.

(2) Excludes variable lease costs, which are immaterial.

Supplemental cash flow information related to leases for the period reported is as follows (in thousands):

	Fiscal Year Ended		
	September 30, 2022	October 1, 2021	October 2, 2020
<b>Cash paid for amounts included in the measurement of lease liabilities:</b>			
Operating cash flows from operating leases <sup>(1)</sup>	\$ 25,189	\$ 27,102	\$ 28,324
Operating cash flows from finance leases	3,205	3,399	3,951
Financing cash flows from finance leases	28,042	29,917	32,124
<b>Lease assets obtained in exchange for lease obligations:</b>			
Operating leases	\$ 20,416	\$ 19,107	\$ 27,617
Finance leases	28,895	27,578	20,814

(1) For fiscal 2022, excludes cash paid for variable and short-term lease costs of \$9.1 million and \$6.4 million, respectively, that are not included within the measurement of lease liabilities. For fiscal 2021, excludes cash paid for variable and short-term lease costs of \$7.5 million and \$5.4 million, respectively, that are not included within the measurement of lease liabilities. For fiscal 2020, excludes cash paid for variable and short-term lease costs of \$7.9 million and \$6.3 million, respectively, that are not included within the measurement of lease liabilities.

Future minimum lease payments under non-cancelable leases as of September 30, 2022 are as follows (in thousands):

	Operating leases	Finance leases	Total
2023	\$ 23,245	\$ 23,720	\$ 46,965
2024	18,634	22,198	40,832
2025	14,218	19,775	33,993
2026	8,865	16,544	25,409
2027	5,618	12,840	18,458
Thereafter	12,504	22,744	35,248
Total future minimum lease payments	\$ 83,084	\$ 117,821	\$ 200,905
Less: Interest	(8,168)	(10,556)	(18,724)
Present value of lease liabilities	\$ 74,916	\$ 107,265	\$ 182,181

**NOTE 8. EMPLOYEE PENSION AND PROFIT SHARING PLANS:**

***Defined Contribution Retirement Plans***

In the United States and Canada, the Company maintains qualified contributory defined contribution retirement plans for all Company employees meeting certain eligibility requirements, with Company contributions to the plans based on earnings performance or salary level. The total expense of the above plans for Company employees for fiscal 2022, fiscal 2021 and fiscal 2020 was \$8.7 million, \$8.6 million and \$5.7 million, respectively, which were recorded in “Cost of services provided (exclusive of depreciation and amortization)” and “Selling, general and administrative expenses” on the Combined Statements of Income.

***Multiemployer Defined Benefit Pension Plans***

The Company contributes to a number of multiemployer defined benefit pension plans under the terms of collective-bargaining agreements (“CBAs”) that cover its union-represented employees. The risks of participating in these multiemployer plans are different from single-employer plans in the following respects:

1. Assets contributed to the multiemployer plan by one employer may be used to provide benefits to employees of other participating employers.
2. If a participating employer stops contributing to the plan, the unfunded obligations of the plan may be borne by the remaining participating employers.
3. If the Company chooses to stop participating in some of its multiemployer plans, the Company may be required to pay those plans an amount based on the underfunded status of the plan, referred to as a withdrawal liability.

The Company’s participation in these plans for fiscal 2022 is outlined in the table below. The “EIN/Pension Plan Number” column provides the Employee Identification Number (EIN) and the three-digit plan number, if applicable. Unless otherwise noted, the most recent Pension Protection Act (PPA) zone status available in 2022 and 2021 is for the plans’ two most recent fiscal year-ends. The zone status is based on information that the Company received from the plan and is certified by the plan’s actuary. Among other factors, plans in the critical and declining zone are generally less than 65% funded and projected to become insolvent in the next 15 or 20 years depending on the ratio of active to inactive participants, plans in the critical zone are generally less than 65% funded, and plans in the green zone are at least 80% funded. The “FIP/RP Status Pending/Implemented” column indicates plans for which a financial improvement plan (FIP) or a rehabilitation plan (RP) is either pending or has been implemented. The contributions columns represent the recurring, required contributions made by the Company, which are typically based upon the number of employees participating within the plan. The last column lists the expiration date(s) of the



CBA(s) to which the plans are subject. There have been no significant changes that affect the comparability of fiscal 2022, fiscal 2021 and fiscal 2020 contributions.

Pension Fund	EIN/Pension Plan Number	Pension Protection Act Zone Status		FIP/RP Status Pending/ Implemented	Contributions by the Company (in thousands)			Surcharge Imposed	Range of Expiration Dates of CBAs
		2022	2021		2022	2021	2020		
National Retirement Fund	13-6130178/ 001	Critical	Critical	Implemented	\$ 2,400	\$ 2,545	\$ 2,607	No	3/25/2022 - 7/31/2026
Central States SE and SW Areas Pension Plan	36-6044243/ 001	Critical and Declining	Critical and Declining	Implemented	3,971	3,842	3,969	No	9/25/2020 - 9/22/2028
Retail, Wholesale and Department Store International Union and Industry Pension Fund <sup>(1)</sup>	63-0708442/ 001	Critical and Declining	Critical and Declining	Implemented	408	425	410	No	4/15/2022 - 5/19/2023
Local No. 731, I.B. of T. Pension Fund	36-6513567/ 001	Green	Green	N/A	997	852	925	No	5/1/2026
Other funds					8,369	8,422	9,030		
Total contributions					\$ 16,145	\$ 16,086	\$ 16,941		

(1) Over 60% of the Company's participants in this fund are covered by a single CBA that expires on 5/19/2023.

The Company provided more than 5% of the total contributions for the following plans and plan years:

Pension Funds	Contributions to the plan exceeded more than 5% of total contributions (as of the plan's year-end)
National Retirement Fund	12/31/2021, 12/31/2020 and 12/31/2019

#### NOTE 9. INCOME TAXES:

The components of Income Before Income Taxes by source of income are as follows (in thousands):

	Fiscal Year Ended		
	September 30, 2022	October 1, 2021	October 2, 2020
United States	\$ 172,948	\$ 74,002	\$ 132,127
Non-United States	17,011	23,357	17,387
	\$ 189,959	\$ 97,359	\$ 149,514

The Provision for Income Taxes consists of (in thousands):

	Fiscal Year Ended		
	September 30, 2022	October 1, 2021	October 2, 2020
Current:			
Federal	\$ 19,663	\$ 12,435	\$ 35,459
State and local	6,958	4,833	11,096
Non-United States	1,056	6,436	4,372
	27,677	23,704	50,927
Deferred:			
Federal	13,070	1,326	(10,271)
State and local	3,322	311	(2,625)
Non-United States	4,211	(2,252)	(164)
	20,603	(615)	(13,060)
	\$ 48,280	\$ 23,089	\$ 37,867

The Provision for Income Taxes varies from the amount determined by applying the United States Federal statutory rate to Income Before Income Taxes as a result of the following (all percentages are as a percentage of Income Before Income Taxes):

	Fiscal Year Ended		
	September 30, 2022	October 1, 2021	October 2, 2020
United States statutory income tax rate	21.0 %	21.0 %	21.0 %
Increase (decrease) in taxes, resulting from:			
State income taxes, net of Federal tax benefit	4.2	4.2	4.5
Foreign taxes	0.9	1.6	0.8
Foreign valuation allowances	—	(2.3)	(0.4)
Permanent book/tax differences	—	(0.1)	0.2
Uncertain tax positions	0.1	0.4	0.4
Tax credits & other	(0.8)	(1.1)	(1.2)
Effective income tax rate	25.4 %	23.7 %	25.3 %

The effective tax rate is based on expected income, statutory tax rates and tax planning opportunities available to the Company in the various jurisdictions in which it operates. Judgment is required in determining the effective tax rate and in evaluating the tax return positions. Reserves are established when positions are “more likely than not” to be challenged and not sustained. Reserves are adjusted at each financial statement date to reflect the impact of audit settlements, expiration of statutes of limitation, developments in tax law and ongoing discussions with tax authorities. Accrued interest and penalties associated with uncertain tax positions are recognized as part of the income tax provision.

As of September 30, 2022 and October 1, 2021, the components of Deferred Income Taxes are as follows (in thousands):

	September 30, 2022	October 1, 2021
Deferred tax liabilities:		
Property and equipment	\$ 63,148	\$ 63,485
Other intangible assets including goodwill	70,982	64,408
Rental merchandise in service	66,572	66,442
Operating Lease Right-of-use Asset	18,625	19,350
Employee compensation and benefits	14,119	6,760
Other	7,954	6,138
Gross deferred tax liability	241,400	226,583
Deferred tax assets:		
Accruals and allowances	18,200	18,668
Operating lease liabilities	19,304	20,017
NOL/credit carryforward and other	2,070	3,637
Gross deferred tax asset	39,574	42,322
Net deferred tax liability	\$ 201,826	\$ 184,261

As of September 30, 2022 and October 1, 2021, the Company did not have a valuation allowance against deferred tax assets.

A reconciliation of the beginning and ending amount of gross unrecognized tax benefits follows (in thousands):

	September 30,	October 1,	October 2,
	2022	2021	2020
Balance, beginning of year	\$ 2,854	\$ 2,560	\$ 1,951
Additions based on tax positions taken in the current year	109	432	609
Reductions for remeasurements, settlements and payments	—	(138)	—
Balance, end of year	\$ 2,963	\$ 2,854	\$ 2,560

Generally, a number of years may elapse before a tax reporting year is audited and finally resolved. With few exceptions, Aramark is no longer subject to United States federal, state or local examinations by tax authorities before 2015. While it is often difficult to predict the final outcome or the timing of or resolution of a particular tax matter, Aramark does not anticipate any adjustments resulting from United States federal, state or foreign tax audits that would result in a material change to the financial condition or results of operations. Adequate amounts are established for any adjustments that may result from examinations for tax years after 2015. However, an unfavorable settlement of a particular issue may impact the Company.

**NOTE 10. SHARE-BASED COMPENSATION:**

The Company has no share-based compensation plans. Certain employees of the Company have historically participated in Aramark's Stock Incentive Plan ("Aramark Stock Plan").

All awards granted under Aramark Stock Plan will settle in shares of Aramark common stock and are approved by Aramark's Compensation Committee of the Board of Directors or another committee authorized by Aramark's Board of Directors. As such, all related equity account balances, other than allocations of share-based compensation expense (see Note 4), remain at the Aramark level. The following disclosure represents share-based compensation attributable to the Company based on the awards and terms previously granted to Company employees under Aramark's share-based payment plans and is representative of only those employees who are dedicated to the Company. Share-based compensation expense allocated to the Company for Aramark corporate employees who are not dedicated to the Company are included as a component of General Corporate Expenses. The allocation of share-based compensation expense for Aramark corporate employees was \$4.2 million, \$3.6 million and \$0.2 million, respectively in fiscal 2022, 2021 and 2020.

The following table summarizes the share-based compensation expense (reversal) and related information for Time-Based Options ("TBOs"), Time-Based Restricted Stock Units ("RSUs"), Performance Stock Units ("PSUs") and Employee Stock Purchase Plan ("ESPP") classified as "Selling, general and administrative expenses" on the Combined Statements of Income (in millions).

	Fiscal Year Ended		
	September 30, 2022	October 1, 2021	October 2, 2020
TBOs	\$ 1.1	\$ 2.3	\$ 1.2
RSUs <sup>(1)</sup>	9.0	8.3	6.5
PSUs <sup>(2)</sup>	0.5	—	(1.1)
ESPP <sup>(3)</sup>	2.6	1.2	—
	\$ 13.2	\$ 11.8	\$ 6.6
Taxes related to share-based compensation	\$ 2.7	\$ 2.8	\$ 1.7

(1) Share-based compensation expense for RSUs increased during fiscal 2021 compared to fiscal 2020 due to the shortening of the vesting period on the annual grants issued in September 2020 from four years to three years and the accelerated timing of the issuance of the fiscal 2021 annual grant.

(2) Share-based compensation expense related to PSUs during fiscal 2022 was due to the issuance of new 2022 PSU grants. No PSUs were issued in fiscal 2021. Share-based compensation expense was reduced during fiscal 2020 based on lower than estimated target attainment on

- plan metrics on each of the fiscal 2018, fiscal 2019 and fiscal 2020 PSU grants, resulting in the reversal of previously recognized share-based compensation expense of \$2.7 million.
- (3) Share-based compensation expense related to the ESPP increased during fiscal 2022 compared to fiscal 2021 as the program was available for the entirety of fiscal 2022 as compared to only a portion of fiscal 2021. Share-based compensation expense related to the ESPP increased during fiscal 2021 compared to fiscal 2020 as the program began mid-year on April 1, 2021.

No compensation expense was capitalized. Prior to the fourth quarter of fiscal 2020, Aramark applied a forfeiture assumption of approximately 6.4% per annum in the calculation of such expenses. During the fourth quarter of fiscal 2020, Aramark increased its estimated forfeiture assumption to 9.0% per annum based on actual forfeiture activity, which remained in effect throughout fiscal 2021 and 2022.

The below table summarizes the unrecognized compensation expense as of September 30, 2022 related to non-vested awards and the weighted-average period they are expected to be recognized:

	Unrecognized Compensation Expense (in millions)	Weighted-Average Period (Years)
TBOs	\$ 1.7	1.9
RSUs	12.2	1.7
PSUs	1.4	2
Total	<u>\$ 15.3</u>	

### *Stock Options*

#### *Time-Based Options*

Aramark's annual TBO grants for fiscal 2022 were awarded in November 2021, while Aramark's annual TBO grants for fiscal 2021 were awarded early in September 2020. The fiscal 2022 and 2021 TBO grants vest solely based upon continued employment over a three-year time period. TBO grants prior to September 2020 vest solely based upon continued employment over a four-year time period. All TBOs remain exercisable for 10 years from the date of grant.

The fair value of the TBOs granted was estimated using the Black-Scholes option pricing model. Prior to June of fiscal 2020, the expected volatility was based on a blended average of the historic volatility of Aramark's and its competitors' stock price over the expected term of the stock options. Beginning in June of fiscal 2020, the expected volatility is based on the historic volatility of Aramark's stock price over the expected term of the stock options. The expected life represents the period of time that options granted are expected to be outstanding and is calculated using the simplified method, as permitted under SEC rules and regulations, due to the method providing a reasonable estimate in comparison to actual experience. The simplified method uses the midpoint between an option's vesting date and contractual term. The risk-free rate is based on the United States Treasury security with terms equal to the expected life of the option as of the grant date. Compensation expense for TBOs is recognized on a straight-line basis over the vesting period during which employees perform related services.

The table below presents the weighted average assumptions and related valuations for TBOs.

	Fiscal Year Ended		
	September 30, 2022	October 1, 2021	October 2, 2020
Expected volatility	41 %	41 %	33 %
Expected dividend yield	1.18% - 1.29%	1 %	1.04% - 1.81%
Expected life (in years)	6.00	6.00	6.17
Risk-free interest rate	1.35% - 2.96%	1 %	0.40% - 1.71%
Weighted-average grant-date fair value	\$ 13.4	\$ 12.4	\$ 9.0

A summary of TBO activity is presented below:

Options	Shares (000s)	Weighted-Average Exercise Price	Aggregate Intrinsic Value (\$000s)	Weighted-Average Remaining Term (Years)
Outstanding at October 1, 2021	916	\$ 32.52		
Granted	134	\$ 36.65		
Exercised	(261)	\$ 25.97		
Forfeited and expired	(89)	\$ 34.69		
Outstanding at September 30, 2022	700	\$ 35.48	\$ 597	4.5
Exercisable at September 30, 2022	487	\$ 35.56	\$ 418	2.8
Expected to vest at September 30, 2022	194	\$ 35.30	\$ 164	8.5

	Fiscal Year Ended		
	September 30, 2022	October 1, 2021	October 2, 2020
Total intrinsic value exercised (in millions)	\$ 3.1	\$ 2.8	\$ 1.0
Total fair value that vested (in millions)	1.7	1.7	1.0

#### *Time-Based Restricted Stock Units*

Aramark's annual RSU grants for fiscal 2022 were awarded in November 2021, while Aramark's annual RSU grants for fiscal 2021 were awarded early in September 2020. For RSU grants awarded during or subsequent to September 2020, the RSU agreement provides that 33% of each grant will vest and be settled in shares on each of the first three anniversaries of the date of grant, subject to the participant's continued employment with Aramark through each such anniversary. For RSU grants awarded prior to September 2020, the RSU agreement provides that 25% of each grant will vest and be settled in shares on each of the first four anniversaries of the grant date, subject to the participant's continued employment with Aramark through each such anniversary. The grant-date fair value of RSUs is based on the fair value of Aramark's common stock. Participants holding RSUs will receive the benefit of any dividends paid on shares in the form of additional RSUs. The unvested units are subject to forfeiture if employment is terminated other than due to death, disability or retirement, and the units are nontransferable while subject to forfeiture.

Restricted Stock Units	Units (000s)	Weighted Average Grant- Date Fair Value
Outstanding at October 1, 2021	479	\$ 34.54
Granted	372	\$ 36.43
Vested	(208)	\$ 34.09
Forfeited	(86)	\$ 34.56
Outstanding at September 30, 2022	557	\$ 35.94

	Fiscal Year Ended		
	September 30, 2022	October 1, 2021	October 2, 2020
Total fair value that vested (in millions)	\$ 7.1	\$ 9.7	\$ 4.4

#### *Performance Stock Units*

Under the Aramark Stock Plan, Aramark is authorized to grant PSUs to its employees. A participant is eligible to become vested in a number of PSUs equal to a percentage, higher or lower, of the target number of PSUs granted based on the level of Aramark's achievement of the performance condition. During fiscal 2020, Aramark granted

PSUs subject to the level of achievement of adjusted revenue growth, adjusted operating income growth, return on invested capital and a total shareholder return multiplier for the cumulative performance period of three years and the participant's continued employment with Aramark. During fiscal 2022, Aramark granted PSUs subject to the level of achievement of adjusted revenue growth, adjusted operating income growth and a total shareholder return multiplier for the cumulative performance period of three years and the participant's continued employment with Aramark. Aramark also granted PSUs during fiscal 2022 subject to the level of achievement of actual return on invested capital for the cumulative performance period of three years and the participant's continued employment with Aramark. Aramark is accounting for the fiscal 2022 grants as performance-based awards, with a market condition, valued utilizing the Monte Carlo Simulation pricing model, which calculates multiple potential outcomes for an award and establishes fair value based on the most likely outcome. The grant-date fair value of the PSUs is based on the fair value of Aramark's common stock. No share-based compensation expense was recorded during fiscal 2022 or 2021 related to PSUs awards granted during fiscal 2019 and fiscal 2020, respectively, as the performance targets for the awards were not met.

<b>Performance Stock Units</b>	<b>Units (000s)</b>	<b>Weighted Average Grant- Date Fair Value</b>
Outstanding at October 1, 2021	102	\$ 38.77
Granted	49	\$ 39.87
Vested	—	\$ —
Forfeited	(54)	\$ 43.73
Outstanding at September 30, 2022	97	\$ 40.17

#### ***Employee Stock Purchase Plan***

On February 2, 2021, Aramark's stockholders approved the Aramark 2021 ESPP. The ESPP allows eligible employees to contribute up to 10% of their eligible pay toward the quarterly purchase of Aramark's common stock, subject to an annual maximum dollar amount. The purchase price is 85% of the lesser of the (i) fair market value per share of Aramark's common stock as determined on the purchase date or (ii) fair market value per share of Aramark's common stock as determined on the first trading day of the quarterly offering period. Purchases under the ESPP are made in March, June, September, and December.

#### **NOTE 11. COMMITMENTS AND CONTINGENCIES:**

The Company has capital and other purchase commitments of approximately \$11.5 million at September 30, 2022, primarily in connection with commitments for the purchase of raw materials from vendors.

From time to time, the Company and its subsidiaries are a party to various legal actions, proceedings and investigations involving claims incidental to the conduct of their business, including actions by customers, employees, government entities and third parties, including under federal, state, international, national, provincial and local employment laws, wage and hour laws, discrimination laws, immigration laws, human health and safety laws, import and export controls and customs laws, environmental laws, false claims or whistleblower statutes, tax codes, antitrust and competition laws, customer protection statutes, procurement regulations, intellectual property laws, supply chain laws, the Foreign Corrupt Practices Act and other anti-corruption laws, lobbying laws, motor carrier safety laws, data privacy and security laws, or alleging negligence and/or breaches of contractual and other obligations. Based on information currently available, advice of counsel, available insurance coverage, established reserves and other resources, the Company does not believe that any such actions are likely to be, individually or in the aggregate, material to its business, financial condition, results of operations or cash flows. However, in the event of unexpected further developments, it is possible that the ultimate resolution of these matters, or other similar matters, if unfavorable, may be materially adverse to the Company's business, financial condition, results of operations or cash flows.

The Company is involved with environmental investigation and remediation activities at some of its currently and formerly owned sites (including sites which were previously owned and/or operated by businesses acquired by the Company). The Company initially provides for estimated costs of environmental-related activities relating to its

past operations and third-party sites for which commitments or clean-up plans have been developed and when such costs can be reasonably estimated based on industry standards and professional judgment. These estimated costs, which are mostly undiscounted, are determined based on currently available facts regarding each site. If the reasonably estimable costs can only be identified as a range and no specific amount within that range can be determined more likely, the minimum of the range is used. The Company continuously assesses its potential liability for investigation and remediation-related activities and adjusts its environmental-related accruals as information becomes available upon which more accurate costs can be reasonably estimated. As of September 30, 2022 and October 1, 2021, the Company has \$6.3 million and \$7.2 million, respectively, recorded as liabilities within “Accrued expenses and other current liabilities” and \$18.0 million and \$19.4 million, respectively, recorded as liabilities within “Other Noncurrent Liabilities” on the Company’s Combined Balance Sheets.

The Company records the fair value of a liability for an asset retirement obligation both as an asset and a liability when there is a legal obligation associated with the retirement of a tangible long-lived asset and the liability can be reasonably estimated. The Company has identified certain conditional asset retirement obligations at various current and closed facilities. These obligations relate primarily to asbestos abatement, underground storage tank closures and restoration of leased properties to the original condition. Using investigative, remediation and disposal methods that are currently available to the Company, the estimated costs of these obligations were accrued. As of September 30, 2022 and October 1, 2021, the Company has \$12.1 million and \$11.6 million, respectively, recorded as liabilities within “Other Noncurrent Liabilities” on the Company’s Combined Balance Sheets.

**NOTE 12. BUSINESS SEGMENTS:**

The Company manages and evaluates its business activities based on geography and, as a result, determined that its United States and Canada businesses are its operating segments. The United States and Canada operating segments both provide a full range of uniform programs, managed restroom supply services and first-aid and safety products, as well as ancillary items such as floor mats, towels and linens. The Company’s operating segments are also its reportable segments. Corporate includes administrative expenses not specifically allocated to an individual segment. The Company evaluates the performance of each operating segment based on several factors of which the primary financial measure is operating income. The accounting policies of the operating segments are the same as those described in Note 1.

COVID-19 had a negative impact on revenue, operating income, capital expenditures and other identifiable assets for all segments in fiscal 2021 and fiscal 2020. The Company’s financial results began to improve during the second half of fiscal 2021 and throughout fiscal 2022 as lockdowns were lifted and operations re-opened.

Financial information by segment is as follows (in millions):

	Fiscal Year Ended		
	September 30, 2022	October 1, 2021	October 2, 2020
<b>Revenue</b>			
United States	\$ 2,447.0	\$ 2,250.8	\$ 2,357.9
Canada	240.0	205.8	204.1
	<u>\$ 2,687.0</u>	<u>\$ 2,456.6</u>	<u>\$ 2,562.0</u>
<b>Operating Income</b>			
United States	\$ 243.0	\$ 136.3	\$ 177.0
Canada	18.0	22.7	21.3
Total Segment Operating Income	261.0	159.0	198.3
Corporate	(68.8)	(62.8)	(48.6)
Total Operating Income	<u>\$ 192.2</u>	<u>\$ 96.2</u>	<u>\$ 149.7</u>

	Fiscal Year Ended		
	September 30, 2022	October 1, 2021	October 2, 2020
<b>Reconciliation to Income Before Income Taxes</b>			
Total Operating Income	\$ 192.2	\$ 96.2	\$ 149.7
Interest Expense and Other, net	2.3	(1.1)	0.2
Income Before Income Taxes	\$ 189.9	\$ 97.3	\$ 149.5

	Fiscal Year Ended		
	September 30, 2022	October 1, 2021	October 2, 2020
<b>Depreciation and Amortization</b>			
United States	\$ 122.3	\$ 121.0	\$ 124.3
Canada	11.5	11.7	12.2
Corporate	0.6	0.6	0.7
	\$ 134.4	\$ 133.3	\$ 137.2

	Fiscal Year Ended		
	September 30, 2022	October 1, 2021	October 2, 2020
<b>Capital Expenditures</b>			
United States	\$ 72.1	\$ 84.8	\$ 53.7
Canada	4.3	5.3	4.4
	\$ 76.4	\$ 90.1	\$ 58.1

	September 30, 2022	October 1, 2021
	<b>Property and Equipment, net</b>	
United States	\$ 574.1	\$ 577.6
Canada	69.4	81.3
Corporate	6.1	6.6
	\$ 649.6	\$ 665.5

	September 30, 2022	October 1, 2021
	<b>Total Assets</b>	
United States	\$ 2,844.0	\$ 2,793.1
Canada	273.0	299.0
Corporate	16.0	16.3
	\$ 3,133.0	\$ 3,108.4

**NOTE 13. SUBSEQUENT EVENTS:**

The Company has evaluated events and transactions that occurred after the date of our accompanying Combined Balance Sheets through March 17, 2023, the date these Combined Financial Statements were available for issuance, for potential recognition or disclosure in the Combined Financial Statements. There were no material recognized or unrecognized subsequent events.

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**ARAMARK UNIFORM SERVICES  
CONDENSED COMBINED BALANCE SHEETS (UNAUDITED)**

**JUNE 30, 2023 AND SEPTEMBER 30, 2022**  
(in thousands)

	June 30, 2023	September 30, 2022
<b>ASSETS</b>		
Current Assets:		
Cash and cash equivalents	\$ 14,248	\$ 23,736
Receivables (net of allowances: 2023 - \$25,033; 2022 - \$29,100)	388,438	368,714
Inventories	209,071	183,439
Rental merchandise in service	395,821	393,140
Other current assets	16,010	18,252
Total current assets	1,023,588	987,281
Property and Equipment, net	652,388	649,599
Goodwill	963,777	963,375
Other Intangible Assets	245,586	264,264
Operating Lease Right-of-use Assets	60,621	72,567
Other Assets	208,088	195,926
Total Assets	<u>\$ 3,154,048</u>	<u>\$ 3,133,012</u>
<b>LIABILITIES AND PARENT'S EQUITY</b>		
Current Liabilities:		
Current maturities of financing lease obligations	\$ 23,483	\$ 20,482
Current operating lease liabilities	20,239	20,899
Accounts payable	145,455	167,125
Accrued payroll and related expenses	101,327	119,032
Accrued expenses and other current liabilities	76,794	74,657
Total current liabilities	367,298	402,195
Noncurrent Financing Lease Obligations	99,577	86,783
Noncurrent Operating Lease Liabilities	48,940	54,017
Deferred Income Taxes	203,677	201,826
Other Noncurrent Liabilities	52,674	52,379
Total Liabilities	772,166	797,200
Commitments and Contingencies (see Note 9)		
Parent's Equity:		
Net parent investment	2,406,551	2,367,492
Accumulated other comprehensive loss	(24,669)	(31,680)
Total parent's equity	2,381,882	2,335,812
Total Liabilities and Parent's Equity	<u>\$ 3,154,048</u>	<u>\$ 3,133,012</u>

The accompanying notes are an integral part of these Condensed Combined Financial Statements.

**ARAMARK UNIFORM SERVICES  
CONDENSED COMBINED STATEMENTS OF INCOME (UNAUDITED)**

**FOR THE NINE MONTHS ENDED  
JUNE 30, 2023 AND JULY 1, 2022  
(in thousands)**

	Nine months ended	
	June 30, 2023	July 1, 2022
Revenue	\$ 2,109,385	\$ 2,003,832
Operating Expenses:		
Cost of services provided (exclusive of depreciation and amortization)	1,480,143	1,398,212
Depreciation and amortization	101,712	100,603
Selling, general and administrative expenses	367,396	343,352
Total Operating Expenses	1,949,251	1,842,167
Operating Income	160,134	161,665
Interest Expense and Other, net	(268)	2,808
Income Before Income Taxes	160,402	158,857
Provision for Income Taxes	41,216	40,391
Net Income	<u>\$ 119,186</u>	<u>\$ 118,466</u>

The accompanying notes are an integral part of these Condensed Combined Financial Statements.

**ARAMARK UNIFORM SERVICES**  
**CONDENSED COMBINED STATEMENTS OF COMPREHENSIVE INCOME (UNAUDITED)**

**FOR THE NINE MONTHS ENDED**  
**JUNE 30, 2023 AND JULY 1, 2022**  
(in thousands)

	Nine months ended	
	June 30, 2023	July 1, 2022
Net Income	\$ 119,186	\$ 118,466
Other Comprehensive Income (Loss), net of tax:		
Pension plan adjustments	—	3,008
Foreign currency translation adjustments	7,011	(8,255)
Other Comprehensive Income (Loss), net of tax	7,011	(5,247)
Comprehensive Income	\$ 126,197	\$ 113,219

The accompanying notes are an integral part of these Condensed Combined Financial Statements.

**ARAMARK UNIFORM SERVICES**  
**CONDENSED COMBINED STATEMENTS OF CASH FLOWS (UNAUDITED)**

**FOR THE NINE MONTHS ENDED**  
**JUNE 30, 2023 AND JULY 1, 2022**  
(in thousands)

	Nine months ended	
	June 30, 2023	July 1, 2022
Cash flows from operating activities:		
Net Income	\$ 119,186	\$ 118,466
Adjustments to reconcile Net Income to Net cash provided by operating activities:		
Depreciation and amortization	101,712	100,603
Deferred income taxes	1,551	17,276
Share-based compensation expense	11,580	12,888
Asset write-downs	7,698	—
Changes in operating assets and liabilities:		
Receivables	(18,317)	(48,620)
Inventories	(25,183)	353
Rental merchandise in service	(1,207)	(30,074)
Other current assets	2,335	(5,282)
Accounts payable	(22,146)	31,879
Accrued expenses	(17,560)	(26,281)
Other operating activities	(15,712)	(6,232)
Net cash provided by operating activities	143,937	164,976
Cash flows from investing activities:		
Purchases of property and equipment and other	(52,641)	(46,428)
Disposals of property and equipment	10,968	6,263
Acquisition of certain businesses, net of cash acquired	—	(17,200)
Other investing activities	75	200
Net cash used in investing activities	(41,598)	(57,165)
Cash flows from financing activities:		
Payments of financing lease obligations	(20,803)	(21,391)
Net cash distributions to Parent	(91,706)	(101,605)
Net cash used in financing activities	(112,509)	(122,996)
Effect of foreign exchange rates on cash and cash equivalents	682	(353)
Decrease in cash and cash equivalents	(9,488)	(15,538)
Cash and cash equivalents, beginning of period	23,736	41,106
Cash and cash equivalents, end of period	\$ 14,248	\$ 25,568

The accompanying notes are an integral part of these Condensed Combined Financial Statements.

**ARAMARK UNIFORM SERVICES**  
**CONDENSED COMBINED STATEMENTS OF PARENT'S EQUITY (UNAUDITED)**  
**FOR THE NINE MONTHS ENDED**  
**JUNE 30, 2023 AND JULY 1, 2022**  
(in thousands)

	<u>Net Parent Investment</u>	<u>Accumulated Other Comprehensive Loss</u>	<u>Total Parent's Equity</u>
Balance, September 30, 2022	\$ 2,367,492	\$ (31,680)	\$ 2,335,812
Net Income	119,186		119,186
Net Transfers to Parent	(80,127)		(80,127)
Other Comprehensive Income		7,011	7,011
Balance, June 30, 2023	<u>\$ 2,406,551</u>	<u>\$ (24,669)</u>	<u>\$ 2,381,882</u>
	<u>Net Parent Investment</u>	<u>Accumulated Other Comprehensive Loss</u>	<u>Total Parent's Equity</u>
Balance, October 1, 2021	\$ 2,343,591	\$ (11,606)	\$ 2,331,985
Net Income	118,466		118,466
Net Transfers to Parent	(89,393)		(89,393)
Other Comprehensive Loss		(5,247)	(5,247)
Balance, July 1, 2022	<u>\$ 2,372,664</u>	<u>\$ (16,853)</u>	<u>\$ 2,355,811</u>

The accompanying notes are an integral part of these Condensed Combined Financial Statements.

## ARAMARK UNIFORM SERVICES

### NOTES TO CONDENSED COMBINED FINANCIAL STATEMENTS (UNAUDITED)

#### NOTE 1. NATURE OF BUSINESS, BASIS OF PRESENTATION AND SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES:

On May 10, 2022, Aramark announced that its Board of Directors approved a plan to separate its Uniform and Career Apparel business (“Aramark Uniform Services”, “Vestis” or “the Company”). Under the plan, Aramark would execute a separation of the Company by way of a pro rata distribution of common stock of Vestis Corporation to Aramark stockholders at the close of business on the record date of the separation. The proposed separation is intended to be a tax-free transaction to Aramark and Aramark’s stockholders for United States federal income tax purposes.

Aramark Uniform Services is a leading provider of uniforms and workplace supplies across the United States and Canada. The Company provides uniforms, mats, towels, linens, restroom supplies, first-aid supplies and safety products. The Company’s customer base participates in a wide variety of industries, including manufacturing, hospitality, retail, food processing, pharmaceuticals, healthcare and automotive. The Company serves customers ranging from small, family-owned operations with a single location to large corporations and national franchises with multiple locations. The Company’s customers value the uniforms and workplace supplies it delivers as its services and products can help them reduce operating costs, enhance their brand image, maintain a safe and clean workplace and focus on their core business. The Company leverages its broad footprint and its supply chain, delivery fleet and route logistic capabilities to serve customers on a recurring basis, typically weekly, and primarily through multi-year contracts. In addition, the Company offers customized uniforms through direct sales agreements, typically for large, regional or national companies.

The Company manages and evaluates its business activities based on geography and, as a result, determined that its United States and Canada businesses are its operating segments. The Company’s operating segments are also its reportable segments. The United States and Canada reportable segments both provide a range of uniforms and workplace supplies programs. The Company’s uniforms business (“Uniforms”) generates revenue from the rental, servicing and direct sale of uniforms to customers, including the design, sourcing, manufacturing, customization, personalization, delivery, laundering, sanitization, repair and replacement of uniforms. The uniform options include shirts, pants, outerwear, gowns, scrubs, high visibility garments, particulate-free garments and flame-resistant garments, along with shoes and accessories. The Company’s workplace supplies business (“Workplace Supplies”) generates revenue from the rental and servicing of workplace supplies, including managed restroom supply services, first-aid supplies and safety products, floor mats, towels and linens.

#### *Basis of Presentation*

The Condensed Combined Financial Statements reflect the combined historical results of operations, comprehensive income and cash flows for the nine months ended June 30, 2023 and July 1, 2022 and the financial position as of June 30, 2023 and September 30, 2022 for the Company and are denominated in United States (“U.S.”) dollars. The Condensed Combined Financial Statements have been derived from Aramark’s historical accounting records and were prepared on a standalone basis in accordance with generally accepted accounting principles in the United States (“U.S. GAAP”) and pursuant to the rules and regulations of the U.S. Securities and Exchange Commission (“SEC”) applicable to interim financial statements. Accordingly, certain information related to our significant accounting policies and footnote disclosures normally included in financial statements prepared in accordance with U.S. GAAP have been condensed or omitted. These Condensed Combined Financial Statements reflect, in the opinion of management, all material adjustments (which include only normally recurring adjustments) necessary to fairly state, in all material respects, our financial position, results of operations and cash flows for the periods presented.

The assets, liabilities, revenue and expenses of the Company have been reflected in these Condensed Combined Financial Statements on a historical cost basis, as included in the consolidated financial statements of Aramark, using the historical accounting policies applied by Aramark. Historically, separate financial statements have not been prepared for the Company, and it has not operated as a standalone business from Aramark. The historical

results of operations, financial position and cash flows of the Company presented in these Condensed Combined Financial Statements may not be indicative of what they would have been had the Company actually been an independent standalone public company, nor are they necessarily indicative of the Company's future results of operations, financial position and cash flows.

The Company's business has historically functioned together with other Aramark businesses. Accordingly, the Company relied on certain of Aramark's corporate support functions to operate. The Condensed Combined Financial Statements include all revenues and costs directly attributable to the Company and an allocation of expenses related to certain Aramark corporate functions (see Note 4). These expenses have been allocated to the Company on the basis of direct usage where identifiable, with the remainder allocated on a pro rata basis of revenues, headcount or other drivers. The Company considers these allocations to be a reasonable reflection of the utilization of services or the benefit received. However, the allocations may not be indicative of the actual expense that would have been incurred had the Company operated as an independent, standalone public entity, nor are they indicative of the Company's future expenses.

Following the separation, certain functions that Aramark provided to the Company prior to the separation will either continue to be provided to the Company by Aramark under transition services agreements or will be performed using the Company's own resources or third-party service providers. The Company expects to incur certain one-time charges in its establishment as a standalone public company, as well as ongoing additional costs associated with operating as an independent, publicly traded company. It is impracticable to estimate the costs that would have been incurred as a standalone public company during the nine months ended June 30, 2023 and July 1, 2022.

The Condensed Combined Financial Statements include assets and liabilities that have been determined to be specifically identifiable or otherwise attributable to the Company.

The Company's cash flows within the United States segment are transferred to Aramark regularly as part of Aramark's centralized cash management program. The Company's cash flows within the Canada segment are reinvested locally. The cash and cash equivalents held by Aramark at the corporate level are not specifically identifiable to the Company and therefore were not allocated to any of the periods presented. Only cash amounts specifically attributable to the Company are reflected in the Condensed Combined Balance Sheets. Transfers of cash, both to and from Aramark's central cash management system, are reflected as a component of "Net parent investment" on the Condensed Combined Balance Sheets and in "Net cash used in financing activities" on the accompanying Condensed Combined Statements of Cash Flows.

Aramark's long-term borrowings and related interest expense, exclusive of certain financing lease obligations, have not been attributed to the Company for any of the periods presented because the borrowings are neither directly attributable to the Company nor is the Company the primary legal obligor of such borrowings.

All intercompany transactions and balances within the Company have been eliminated. Transactions between the Company and Aramark have been included in these Condensed Combined Financial Statements and are considered related party transactions (see Note 4).

The "Provision for Income Taxes" in the Condensed Combined Statements of Income has been calculated as if the Company filed a separate tax return and was operating as a standalone company. Therefore, income tax expense, cash tax payments and items of current and deferred income taxes may not be reflective of the Company's actual tax balances prior to or subsequent to the distribution.

#### ***New Accounting Standards Updates***

##### *Adopted Standards (from most to least recent date of issuance)*

In November 2021, the Financial Accounting Standards Board ("FASB") issued an accounting standards update ("ASU") which required that an entity provide certain annual disclosures when they have received government assistance. The guidance was effective for the Company in the first quarter of fiscal 2023. The Company adopted the

ASU prospectively and adoption of this guidance did not have a material impact on the Condensed Combined Financial Statements.

*Standards Not Yet Adopted (from most to least recent date of issuance)*

In September 2022, the FASB issued an ASU to enhance the transparency of supplier finance programs, which may be referred to as reverse factoring, payables finance or structured payables arrangements. The guidance will require that a buyer in a supplier finance program disclose the program's nature, activity and potential magnitude. The guidance is effective for the Company in the first quarter of fiscal 2024, and early adoption is permitted. The adoption of this guidance is not expected to have a material impact on the Condensed Combined Financial Statements.

In October 2021, the FASB issued an ASU which requires that an entity (acquirer) recognize and measure contract assets and contract liabilities acquired in a business combination in accordance with Accounting Standards Codification 606, Revenue from Contracts with Customers as if it had originated the contracts. The guidance is effective for the Company in the first quarter of fiscal 2024 and early adoption is permitted. The adoption of this guidance is not expected to have a material impact on the Condensed Combined Financial Statements.

Other new accounting pronouncements recently issued or newly effective were not applicable to the Company, did not have a material impact on the Condensed Combined Financial Statements or are not expected to have a material impact on the Condensed Combined Financial Statements.

***Revenue Recognition***

The Company generates and recognizes over 93% of its total revenue from route servicing contracts on both Uniforms, which the Company generally manufactures, and Workplace Supplies, such as mats, towels, and linens that are procured from third-party suppliers. Revenue from these contracts represent a single-performance obligation and are recognized over time as services are performed based on the nature of services provided and contractual rates (output method). The Company generates its remaining revenue primarily from the direct sale of uniforms to customers, with such revenue being recognized when the Company's performance obligation is satisfied, typically upon the transfer of control of the promised product to the customer. Revenue is recognized in an amount that reflects the consideration the Company expects to be entitled to in exchange for the services or products described above and is presented net of sales and other taxes we collect on behalf of governmental authorities.

Certain customer route servicing contracts include terms and conditions that include components of variable consideration, which are typically in the form of consideration paid to a customer based on performance metrics specified within the contract. Some contracts provide for customer discounts or rebates that can be earned through the achievement of specified volume levels. Each component of variable consideration is earned based on the Company's actual performance during the measurement period specified within the contract. To determine the transaction price, the Company estimates the variable consideration using the most likely amount method, based on the specific contract provisions and known performance results during the relevant measurement period. When assessing if variable consideration should be limited, the Company evaluates the likelihood of whether uncontrollable circumstances could result in a significant reversal of revenue. The Company's performance period generally corresponds with the monthly invoice period. No significant constraints on the Company's revenue recognition were applied during the nine months ended June 30, 2023 and July 1, 2022. The Company reassesses these estimates during each reporting period. The Company maintains a liability for these discounts and rebates within "Accrued expenses and other current liabilities" on the Condensed Combined Balance Sheets. Variable consideration can also include consideration paid to a customer at the beginning of a contract. This type of variable consideration is capitalized as an asset (in "Other Assets" on the Condensed Combined Balance Sheets) and is amortized over the life of the contract as a reduction to revenue in accordance with the accounting guidance for revenue recognition.

***Use of Estimates***

The preparation of financial statements in conformity with U.S. GAAP requires management to make estimates and assumptions that affect the reported amounts in the Condensed Combined Financial Statements and



accompanying notes. The Company utilizes key estimates in preparing the financial statements including environmental estimates, goodwill, intangibles, insurance reserves, income taxes and long-lived assets. These estimates are based on historical information, current trends and information available from other sources. Actual results could materially differ from those estimates.

#### ***Fair Value of Financial Assets and Financial Liabilities***

Fair value is defined as the price that would be received to sell an asset or paid to transfer a liability in an orderly transaction between market participants at the measurement date. Assets and liabilities recorded at fair value are classified based upon the level of judgment associated with the inputs used to measure their fair value. The hierarchical levels related to the subjectivity of the valuation inputs are defined as follows:

- *Level 1*—inputs to the valuation methodology are quoted prices (unadjusted) for identical assets or liabilities in active markets
- *Level 2*—inputs to the valuation methodology include quoted prices for similar assets and liabilities in active markets, and inputs that are observable for the asset or liability, either directly or indirectly, for substantially the full term of the financial instrument
- *Level 3*—inputs to the valuation methodology are unobservable and significant to the fair value measurement

#### ***Recurring Fair Value Measurements***

The Company's financial instruments consist primarily of cash and cash equivalents, accounts receivable, accounts payable and financing leases. Management believes that the carrying value of cash and cash equivalents, accounts receivable, accounts payable and financing leases are representative of their respective fair values.

#### ***Nonrecurring Fair Value Measurements***

The Company's assets measured at fair value on a nonrecurring basis include long-lived assets, indefinite-lived intangible assets and goodwill. The Company reviews the carrying amounts of such assets at least annually or whenever events or changes in circumstances indicate that the carrying amount may not be recoverable. Any resulting asset impairment would require that the asset be recorded at its fair value. The resulting fair value measurement of the assets are considered to be Level 3 measurements.

#### ***Comprehensive Income***

Comprehensive income includes all changes to parent's equity during a period, except those related to the net parent investment. Components of comprehensive income include net income, pension plan adjustments (net of tax) and changes in foreign currency translation adjustments (net of tax).

The summary of the components of comprehensive income is as follows (in thousands):

	Nine months ended					
	June 30, 2023			July 1, 2022		
	Pre-Tax Amount	Tax Effect	After-Tax Amount	Pre-Tax Amount	Tax Effect	After-Tax Amount
Net Income			\$ 119,186			\$ 118,466
Pension plan adjustments	—	—	—	3,709	(701)	3,008
Foreign currency translation adjustments	7,474	(463)	7,011	(9,172)	917	(8,255)
Other Comprehensive Income (Loss)	7,474	(463)	7,011	(5,463)	216	(5,247)
Comprehensive Income			<u>\$ 126,197</u>			<u>\$ 113,219</u>

Accumulated other comprehensive loss consists of the following (in thousands):

	June 30, 2023	September 30, 2022
Pension plan adjustments	\$ (4,414)	\$ (4,414)
Foreign currency translation adjustments	(20,255)	(27,266)
	<u>\$ (24,669)</u>	<u>\$ (31,680)</u>

#### ***Currency Translation***

The Company's Canadian subsidiary's functional currency is the local currency of operations, and the net assets of its Canadian operations are translated into U.S. dollars using current exchange rates. The U.S. dollar results that arise from such translation are included as a component of accumulated other comprehensive loss in parent's equity.

#### ***Inventories***

Inventories are valued at the lower of cost (principally the first-in, first-out method) or net realizable value. The Company records valuation adjustments to its inventories if the cost of inventory on hand exceeds the amount it expects to realize from the ultimate sale or disposal of the inventory. These estimates are based on management's judgment regarding future demand and market conditions and analysis of historical experience. As of June 30, 2023 and September 30, 2022, the Company's reserve for inventory was approximately \$19.4 million and \$48.8 million, respectively. The decrease in the Company's reserve was primarily due to the write off and disposal of Personal Protective Equipment inventory. The inventory reserve is determined based on history and projected customer consumption and specific identification.

The components of inventories are as follows (in thousands):

	June 30, 2023	September 30, 2022
Raw Materials	\$ 43,831	\$ 23,463
Work in Process	1,873	1,998
Finished Goods	163,367	157,978
	<u>\$ 209,071</u>	<u>\$ 183,439</u>

#### ***Rental merchandise in service***

Rental merchandise in service represents personalized work apparel, linens and other rental items in service. Rental merchandise in service is valued at cost less amortization, calculated using the straight-line method. Rental merchandise in service is amortized over its useful life, which primarily range from one to four years. The amortization rates are based on the Company's specific experience and wear tests performed by the Company. These factors are critical to determining the amount of rental merchandise in service and related Cost of services provided (exclusive of depreciation and amortization) that are presented in the Condensed Combined Financial Statements. Material differences may result in the amount and timing of operating income if management makes significant changes to these estimates.

During the nine months ended June 30, 2023 and July 1, 2022, the Company recorded \$257.0 million and \$230.1 million, respectively, of amortization related to rental merchandise in service within "Cost of services provided (exclusive of depreciation and amortization)" on the Condensed Combined Statements of Income.

#### ***Operating Lease Right-of-use Assets and Property and Equipment***

During the nine months ended June 30, 2023, the Company completed a strategic review of certain administrative locations, taking into account facility capacity and current utilization, among other factors. Based on this review, the Company vacated or otherwise reduced its usage at certain of these locations, resulting in an analysis of the recoverability of the assets associated with the locations. As a result, the Company recorded an impairment

charge of \$7.7 million within its United States segment, which is included in “Selling, general and administrative expenses” in the Condensed Combined Statements of Income for the nine months ended June 30, 2023. The non-cash impairment charge consisted of operating lease right-of-use assets (\$7.1 million) and other costs (\$0.6 million).

During the nine months ended June 30, 2023, the Company completed the sale of a property for cash proceeds of \$9.6 million. As a result, the Company recorded a gain on disposal of \$6.8 million within the United States segment, which is included in “Cost of services provided (exclusive of depreciation and amortization)” in the Condensed Combined Statements of Income for the nine months ended June 30, 2023.

#### ***Insurance***

Aramark insures portions of its risk in general liability, automobile liability, workers’ compensation liability and property liability through a wholly owned captive insurance subsidiary (the “Captive”), to enhance its risk financing strategies. The Captive is subject to regulations within its domicile of Bermuda, including regulations established by the Bermuda Monetary Authority (the “BMA”) relating to levels of liquidity and solvency as such concepts are defined by the BMA. The Captive was in compliance with these regulations as of June 30, 2023. Aramark allocates certain costs associated to the Captive to the Company. The Company does not recognize liabilities related to claims from general liability, automobile liability, workers’ compensation liability and property liability on the Condensed Combined Balance Sheets as Aramark’s Captive subsidiary is the primary responsible party related to these obligations. Aramark’s Captive insurance subsidiary had estimated reserves of approximately \$62.3 million and \$61.7 million at June 30, 2023 and September 30, 2022, respectively, related to claims arising from the Company’s operations. Aramark’s reserves for retained costs associated with Aramark’s casualty program are estimated through actuarial methods, with the assistance of third-party actuaries, using loss development assumptions based on claims history.

#### ***Net Parent Investment***

“Net parent investment” in the Condensed Combined Balance Sheets is presented in lieu of stockholders’ equity and represents Aramark’s historic investment in the Company, the accumulated net earnings after taxes of the Company and the net effect of the transactions with the allocations from Aramark. All transactions reflected in “Net parent investment” in the accompanying Condensed Combined Balance Sheets have been considered as financing activities for purposes of the Condensed Combined Statements of Cash Flows.

For additional information, see Basis of Presentation above and Note 4.

#### ***Supplemental Cash Flow Information***

The Coronavirus Aid, Relief and Economic Security Act provided for deferred payment of the employer portion of social security taxes through the end of calendar 2020, with 50% of the deferred amount due December 31, 2021 and the remaining 50% due December 31, 2022. Deferred social security taxes of \$16.2 million were paid during both the nine months ended June 30, 2023 and July 1, 2022.

#### **NOTE 2. SEVERANCE:**

During fiscal 2023, the Company approved headcount reductions to streamline and improve the efficiency and effectiveness of operational and administrative functions. As a result of these actions, severance charges of \$6.6 million were recorded within “Selling, general and administrative expenses” on the Condensed Combined Statements of Income for the nine months ended June 30, 2023. As of June 30, 2023, the Company had an accrual of approximately \$3.3 million related to unpaid severance obligations.

#### **NOTE 3. GOODWILL AND OTHER INTANGIBLE ASSETS:**

Goodwill represents the excess of the fair value of consideration paid for an acquired entity over the fair value of assets acquired and liabilities assumed in a business combination. Goodwill is not amortized and is subject to an impairment test that is conducted annually or more frequently if a change in circumstances or the occurrence of events indicates that potential impairment exists, using discounted cash flows.

Changes in total goodwill during the nine months ended June 30, 2023 are as follows (in thousands):

	September 30, 2022	Acquisitions	Translation	June 30, 2023
United States	\$ 896,237	\$ —	\$ —	\$ 896,237
Canada	67,138	—	402	67,540
<b>Total</b>	<b>\$ 963,375</b>	<b>\$ —</b>	<b>\$ 402</b>	<b>\$ 963,777</b>

Other intangible assets consist of (in thousands):

	June 30, 2023			September 30, 2022		
	Gross Amount	Accumulated Amortization	Net Amount	Gross Amount	Accumulated Amortization	Net Amount
Customer relationship assets	\$ 383,964	\$ (155,308)	\$ 228,656	\$ 383,801	\$ (135,748)	\$ 248,053
Trade names	16,930	—	16,930	16,211	—	16,211
	<b>\$ 400,894</b>	<b>\$ (155,308)</b>	<b>\$ 245,586</b>	<b>\$ 400,012</b>	<b>\$ (135,748)</b>	<b>\$ 264,264</b>

Amortization of intangible assets for the nine months ended June 30, 2023 and July 1, 2022 was approximately \$19.5 million and \$19.4 million, respectively.

#### NOTE 4. RELATED PARTY TRANSACTIONS AND PARENT COMPANY INVESTMENT

##### *Corporate Allocations*

The Company's Condensed Combined Financial Statements include general corporate expenses of Aramark, which were not historically allocated to the Company for certain support functions that are provided on a centralized basis by Aramark and are not recorded at the Company level, such as expenses related to finance, supply chain, human resources, information technology, share-based compensation, insurance and legal, among others (collectively, "General Corporate Expenses"). For purposes of these Condensed Combined Financial Statements, General Corporate Expenses have been allocated to the Company. General Corporate Expenses are included in the Condensed Combined Statements of Income in "Selling, general and administrative expenses" with the impact related to Aramark's gasoline and diesel derivative agreements included in "Cost of services provided." These expenses have been allocated to the Company on the basis of direct usage where identifiable, with the remainder allocated on a pro rata basis of revenues, headcount or other drivers. Management believes the assumptions underlying the Condensed Combined Financial Statements, including the assumptions regarding allocating General Corporate Expenses from Aramark, are reasonable. Nevertheless, the Condensed Combined Financial Statements may not include all of the actual expenses that would have been incurred and may not reflect the Company's combined results of operations, financial position and cash flows had it been a standalone public company during the periods presented. Actual costs that would have been incurred if the Company had been a standalone public company would depend on multiple factors, including organizational structure and strategic decisions made in various areas, including information technology and infrastructure.

During the nine months ended June 30, 2023 and July 1, 2022, General Corporate Expenses allocated to the Company were \$20.4 million and \$23.6 million, respectively.

##### *Transactions with the Parent*

In the ordinary course of business, the Company provides uniforms to certain food and support services contracts of Aramark in the United States and Canada, the terms of which are at fair market value. During the nine months ended June 30, 2023 and July 1, 2022, these related party revenues were \$40.0 million and \$34.7 million, respectively, with related costs of \$36.5 million and \$31.2 million, respectively. Amounts receivable from Aramark for such revenues as of June 30, 2023 and September 30, 2022 were \$1.1 million and \$0.9 million, respectively.

### *Parent Company Investment*

All significant intercompany transactions between the Company and Aramark have been included in the Condensed Combined Financial Statements. The total net effect of these intercompany transactions is reflected in the Condensed Combined Statements of Cash Flows as a financing activity and in the Condensed Combined Balance Sheets as "Net parent investment."

### **NOTE 5. DERIVATIVE INSTRUMENTS:**

Aramark enters into contractual derivative arrangements to manage changes in market conditions related to exposure to fluctuating gasoline and diesel fuel prices at the Company. Derivative instruments utilized during the period include gasoline and diesel fuel agreements. All derivative instruments are recognized as either assets or liabilities on the balance sheet of Aramark at fair value at the end of each quarter. The counterparties to Aramark's contractual derivative agreements are all major international financial institutions. Aramark is exposed to credit loss in the event of nonperformance by these counterparties. Aramark continually monitors its positions and the credit ratings of its counterparties, and does not anticipate nonperformance by the counterparties.

Aramark's contractual derivative arrangements have not been included within the Company's Condensed Combined Balance Sheets as the Company did not enter into such arrangements. The corresponding impact on earnings related to the contractual derivative arrangements have been allocated to the Company as the arrangements relate to gasoline and diesel fuel utilized within the Company's operations.

### *Derivatives not Designated in Hedging Relationships*

Aramark entered into a series of pay fixed/receive floating gasoline and diesel fuel agreements based on the Department of Energy weekly retail on-highway index in order to limit its exposure to price fluctuations for gasoline and diesel fuel mainly for the Company's operations. As of June 30, 2023, Aramark has contracts for approximately 2.6 million gallons outstanding through December of fiscal 2024 related to the Company. Aramark does not record its gasoline and diesel fuel agreements as hedges for accounting purposes. The impact on earnings related to the change in fair value of these unsettled contracts related to the Company was a gain of \$1.5 million for the nine months ended June 30, 2023 and a gain of \$1.4 million for the nine months ended July 1, 2022.

The following table summarizes the location of loss (gain) for the Company's derivatives not designated as hedging instruments in the Condensed Combined Statements of Income (in thousands):

	Income Statement Location	Nine months ended	
		June 30, 2023	July 1, 2022
Gasoline and diesel fuel agreements	Cost of services provided (exclusive of depreciation and amortization)	\$ 1,071	\$ (8,080)

**NOTE 6. REVENUE RECOGNITION:*****Disaggregation of Revenue***

The following table presents revenue disaggregated by revenue source (in millions):

	Nine months ended	
	June 30, 2023	July 1, 2022
United States:		
Uniforms	\$ 804.0	\$ 803.0
Workplace Supplies	1,117.1	1,020.8
Total United States	1,921.1	1,823.8
Canada:		
Uniforms	\$ 76.0	\$ 75.9
Workplace Supplies	112.3	104.1
Total Canada	188.3	180.0
Total Revenue	<u>\$ 2,109.4</u>	<u>\$ 2,003.8</u>

***Contract Balances***

The Company defers sales commissions earned by its sales force that are considered to be incremental and recoverable costs of obtaining a contract. The deferred costs are amortized using the portfolio approach on a straight-line basis over the average period of benefit, approximately 9.0 years, and are assessed for impairment on a periodic basis. Determination of the amortization period and the subsequent assessment for impairment of the contract cost asset requires judgment. The Company expenses sales commissions as incurred if the amortization period is one year or less. As of June 30, 2023 and September 30, 2022, the Company has \$103.5 million and \$99.0 million, respectively, of employee sales commissions recorded as assets within "Other Assets" on the Company's Condensed Combined Balance Sheets. During the nine months ended June 30, 2023 and July 1, 2022, the Company recorded \$15.0 million and \$14.3 million, respectively, of expense related to employee sales commissions within "Selling, general and administrative expenses" on the Condensed Combined Statements of Income.

**NOTE 7. LEASES:**

The Company has lease arrangements primarily related to real estate, vehicles and equipment, which generally have terms of one to 30 years. Finance leases primarily relate to vehicles. The Company assesses whether an arrangement is a lease, or contains a lease, upon inception of the related contract. A right-of-use asset and corresponding lease liability are not recorded for leases with an initial term of 12 months or less ("short-term leases").

Variable lease payments, which primarily consist of real estate taxes, common area maintenance charges, insurance costs and other operating expenses, are not included in the operating lease right-of-use asset or operating lease liability balances and are recognized in the period in which the expenses are incurred. The Company's lease terms may include options to extend or terminate the lease when it is reasonably certain they will be exercised or not, respectively. Options to extend lease terms that are reasonably certain of exercise are recognized as part of the operating lease right-of-use asset and operating lease liability balances.

The Company is required to discount its future minimum lease payments using the interest rate implicit in the lease or, if that rate cannot be readily determined, the incremental borrowing rate. The Company primarily uses Aramark's incremental borrowing rate as the discount rate. The Company uses a portfolio approach to determine the

incremental borrowing rate based on the geographic location of the lease and the remaining lease term. The incremental borrowing rate is calculated using a base line rate plus an applicable margin.

The following table summarizes the location of the operating and finance leases in the Company's Condensed Combined Balance Sheets (in thousands), as well as the weighted average remaining lease term and weighted average discount rate:

Leases	Balance Sheet Location	June 30, 2023	September 30, 2022
<b>Assets:</b>			
Operating	Operating Lease Right-of-use Assets	\$ 60,621	\$ 72,567
Finance	Property and Equipment, net	116,341	99,294
Total lease assets		<u>\$ 176,962</u>	<u>\$ 171,861</u>
<b>Liabilities:</b>			
Current			
Operating	Current operating lease liabilities	\$ 20,239	\$ 20,899
Finance	Current maturities of financing lease obligations	23,483	20,482
Noncurrent			
Operating	Noncurrent Operating Lease Liabilities	48,940	54,017
Finance	Noncurrent Financing Lease Obligations	99,577	86,783
Total lease liabilities		<u>\$ 192,239</u>	<u>\$ 182,181</u>
Weighted average remaining lease term (in years)			
Operating leases		4.8	5.1
Finance leases		5.6	5.7
Weighted average discount rate			
Operating leases		4.3 %	3.6 %
Finance leases		4.2 %	3.9 %

The following table summarizes the location of lease related costs in the Condensed Combined Statements of Income (in thousands):

Lease Cost	Income Statement Location	Nine months ended	
		June 30, 2023	July 1, 2022
<b>Operating lease cost<sup>(1)</sup>:</b>			
Fixed lease costs	Cost of services provided (exclusive of depreciation and amortization) / Selling, general and administrative expenses	\$ 17,545	\$ 19,149
Variable lease costs	Cost of services provided (exclusive of depreciation and amortization) / Selling, general and administrative expenses	7,522	6,509
Short-term lease costs	Cost of services provided (exclusive of depreciation and amortization) / Selling, general and administrative expenses	5,967	4,626
<b>Finance lease cost<sup>(2)</sup>:</b>			
Amortization of right-of-use-assets	Depreciation and amortization	22,436	21,815
Interest on lease liabilities	Interest Expense and Other, net	3,072	2,403
Net lease cost		<u>\$ 56,542</u>	<u>\$ 54,502</u>

(1) Excludes sublease income, which is immaterial.

(2) Excludes variable lease costs, which are immaterial.

Supplemental cash flow information related to leases for the period reported is as follows (in thousands):

	Nine months ended	
	June 30, 2023	July 1, 2022
<b>Cash paid for amounts included in the measurement of lease liabilities:</b>		
Operating cash flows from operating leases <sup>(1)</sup>	\$ 18,209	\$ 19,128
Operating cash flows from finance leases	3,072	2,403
Financing cash flows from finance leases	20,803	21,391
<b>Lease assets obtained in exchange for lease obligations:</b>		
Operating leases	\$ 10,440	\$ 18,185
Finance leases	25,704	17,368

(1) For the nine months ended June 30, 2023, excludes cash paid for variable and short-term lease costs of \$7.5 million and \$6.0 million, respectively, that are not included within the measurement of lease liabilities. For the nine months ended July 1, 2022, excludes cash paid for variable and short-term lease costs of \$6.5 million and \$4.6 million, respectively, that are not included within the measurement of lease liabilities.



Future minimum lease payments under non-cancelable leases as of June 30, 2023 are as follows (in thousands):

	Operating leases	Finance leases	Total
2023 (remaining three months)	\$ 5,973	\$ 7,686	\$ 13,659
2024	21,709	29,367	51,076
2025	16,734	26,592	43,326
2026	11,085	22,502	33,587
2027	7,581	18,247	25,828
Thereafter	13,962	31,575	45,537
Total future minimum lease payments	\$ 77,044	\$ 135,969	\$ 213,013
Less: Interest	(7,865)	(12,909)	(20,774)
Present value of lease liabilities	\$ 69,179	\$ 123,060	\$ 192,239

**NOTE 8. SHARE-BASED COMPENSATION:**

The Company has no share-based compensation plans. Certain employees of the Company have historically participated in Aramark’s Stock Incentive Plan (“Aramark Stock Plan”).

All awards granted under Aramark Stock Plan will settle in shares of Aramark common stock and are approved by Aramark’s Compensation Committee of the Board of Directors or another committee authorized by Aramark’s Board of Directors. As such, all related equity account balances, other than allocations of share-based compensation expense (see Note 4), remain at the Aramark level. The following disclosure represents share-based compensation attributable to the Company based on the awards and terms previously granted to Company employees under Aramark’s share-based payment plans and is representative of only those employees who are dedicated to the Company. Share-based compensation expense allocated to the Company for Aramark corporate employees who are not dedicated to the Company are included as a component of General Corporate Expenses. The allocation of share-based compensation expense for Aramark corporate employees was \$2.9 million and \$3.2 million for the nine months ended June 30, 2023 and July 1, 2022, respectively.

The following table summarizes the share-based compensation expense and related information for Time-Based Options (“TBOs”), Time-Based Restricted Stock Units (“RSUs”), Performance Stock Units (“PSUs”) and Employee Stock Purchase Plan (“ESPP”) classified as “Selling, general and administrative expenses” on the Condensed Combined Statements of Income (in millions).

	Nine months ended	
	June 30, 2023	July 1, 2022
TBOs	\$ 0.9	\$ 0.9
RSUs	6.5	6.6
PSUs	0.7	0.3
ESPP	0.6	1.9
	\$ 8.7	\$ 9.7
Taxes related to share-based compensation	\$ 2.1	\$ 2.0

The below table summarizes the number of shares granted and the weighted-average grant-date fair value per unit during the nine months ended June 30, 2023:

	Shares Granted (in millions)		Weighted-Average Grant-Date Fair Value (dollars per share)
TBOs	0.1	\$	16.93
RSUs	0.2	\$	40.23
PSUs	0.1	\$	48.64
Total	<u>0.4</u>		

**NOTE 9. COMMITMENTS AND CONTINGENCIES:**

From time to time, the Company and its subsidiaries are a party to various legal actions, proceedings and investigations involving claims incidental to the conduct of their business, including actions by customers, employees, government entities and third parties, including under federal, state, international, national, provincial and local employment laws, wage and hour laws, discrimination laws, immigration laws, human health and safety laws, import and export controls and customs laws, environmental laws, false claims or whistleblower statutes, tax codes, antitrust and competition laws, customer protection statutes, procurement regulations, intellectual property laws, supply chain laws, the Foreign Corrupt Practices Act and other anti-corruption laws, lobbying laws, motor carrier safety laws, data privacy and security laws, or alleging negligence and/or breaches of contractual and other obligations. Based on information currently available, advice of counsel, available insurance coverage, established reserves and other resources, the Company does not believe that any such actions are likely to be, individually or in the aggregate, material to its business, financial condition, results of operations or cash flows. However, in the event of unexpected further developments, it is possible that the ultimate resolution of these matters, or other similar matters, if unfavorable, may be materially adverse to the Company’s business, financial condition, results of operations or cash flows.

The Company is involved with environmental investigation and remediation activities at some of its currently and formerly owned sites (including sites which were previously owned and/or operated by businesses acquired by the Company). The Company initially provides for estimated costs of environmental-related activities relating to its past operations and third-party sites for which commitments or clean-up plans have been developed and when such costs can be reasonably estimated based on industry standards and professional judgment. These estimated costs, which are mostly undiscounted, are determined based on currently available facts regarding each site. If the reasonably estimable costs can only be identified as a range and no specific amount within that range can be determined more likely, the minimum of the range is used. The Company continuously assesses its potential liability for investigation and remediation-related activities and adjusts its environmental-related accruals as information becomes available upon which more accurate costs can be reasonably estimated. As of June 30, 2023 and September 30, 2022, the Company has \$7.5 million and \$6.3 million, respectively, recorded as liabilities within “Accrued expenses and other current liabilities” and \$17.7 million and \$18.0 million, respectively, recorded as liabilities within “Other Noncurrent Liabilities” on the Company’s Condensed Combined Balance Sheets.

The Company records the fair value of a liability for an asset retirement obligation both as an asset and a liability when there is a legal obligation associated with the retirement of a tangible long-lived asset and the liability can be reasonably estimated. The Company has identified certain conditional asset retirement obligations at various current and closed facilities. These obligations relate primarily to asbestos abatement, underground storage tank closures and restoration of leased properties to the original condition. Using investigative, remediation and disposal methods that are currently available to the Company, the estimated costs of these obligations were accrued. As of June 30, 2023 and September 30, 2022, the Company has \$12.5 million and \$12.1 million, respectively, recorded as liabilities within “Other Noncurrent Liabilities” on the Company’s Condensed Combined Balance Sheets.

On May 13, 2022, Cake Love Co. (“Cake Love”) commenced a putative class action lawsuit against AmeriPride Services, LLC (“AmeriPride”), a subsidiary of AUS, in the United States District Court for the District of Minnesota. The lawsuit was subsequently updated to add an additional named plaintiff, Q-Mark Manufacturing, Inc. (together with Cake Love, the “Plaintiffs”). Plaintiffs allege that the defendants increased certain pricing charged to

members of the purported class without the proper notice required by service agreements between AmeriPride and members of the purported class. Plaintiffs seek damages on behalf of the purported class representing the amount of the allegedly improperly noticed price increases along with attorneys' fees, interest and costs. The parties are currently engaging in written discovery, and the defendants intend to move for summary judgment. Vestis believes it has numerous defenses and intends to continue to vigorously defend the action. The Company cannot predict the outcome of this legal matter, nor can it predict whether any outcome will have a material adverse effect on the Company's condensed combined statements of income and/or condensed combined statements of cash flows. Accordingly, the Company has made no provisions for this legal matter in its condensed combined financial statements.

**NOTE 10. BUSINESS SEGMENTS:**

The Company manages and evaluates its business activities based on geography and, as a result, determined that its United States and Canada businesses are its operating segments. The United States and Canada operating segments both provide a full range of uniform programs, managed restroom supply services and first-aid and safety products, as well as ancillary items such as floor mats, towels and linens. The Company's operating segments are also its reportable segments. Corporate includes administrative expenses not specifically allocated to an individual segment. The Company evaluates the performance of each operating segment based on several factors of which the primary financial measure is operating income. The accounting policies of the operating segments are the same as those described in Note 1.

Financial information by segment is as follows (in millions):

	Nine months ended	
	June 30, 2023	July 1, 2022
United States	\$ 1,921.1	\$ 1,823.8
Canada	188.3	180.0
	<u>\$ 2,109.4</u>	<u>\$ 2,003.8</u>

	Nine months ended	
	June 30, 2023	July 1, 2022
United States	\$ 216.1	\$ 197.2
Canada	10.2	15.2
Total Segment Operating Income	226.3	212.4
Corporate	(66.2)	(50.7)
Total Operating Income	<u>\$ 160.1</u>	<u>\$ 161.7</u>

	Nine months ended	
	June 30, 2023	July 1, 2022
<b>Reconciliation to Income Before Income Taxes</b>		
Total Operating Income	\$ 160.1	\$ 161.7
Interest Expense and Other, net	(0.3)	2.8
Income Before Income Taxes	<u>\$ 160.4</u>	<u>\$ 158.9</u>

**NOTE 11. SUBSEQUENT EVENTS:**

The Company has evaluated events and transactions that occurred after the date of our accompanying Condensed Combined Balance Sheets through August 15, 2023, the date these Condensed Combined Financial Statements were available for issuance, for potential recognition or disclosure in the Condensed Combined Financial Statements. There were no material recognized or unrecognized subsequent events.

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