UNITED STATES
SECURITIES AND EXCHANGE COMMISSION

Washington, D.C. 20549

FORM 10-K

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

For the fiscal year ended December 31, 2020

or

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

Sabre Corporation

(Exact name of registrant as specified in its charter)

Delaware	**001-36422**	**20-8647322**
(State or other jurisdiction of incorporation or organization)	**(Commission File Number)**	**(I.R.S. Employer Identification No.)**

3150 Sabre Drive
Southlake, TX 76092

(Address, including zip code, of principal executive offices)

(682) 605-1000

(Registrant's telephone number, including area code)

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

Common Stock, $0.01 par value	**SABR**	**The NASDAQ Stock Market LLC**
6.50% Series A Mandatory Convertible Preferred Stock	**SABRP**	**The NASDAQ Stock Market LLC**
(Title of class)	**(Trading symbol)**	**(Name of exchange on which registered)**

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

None

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

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

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

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

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

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

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

Indicate by check mark whether the registrant has filed a report on and attestation to its management’s assessment of the effectiveness of its internal control over financial reporting under Section 404(b) of the Sarbanes-Oxley Act (15 U.S.C. 7262(b)) by the registered public accounting firm that prepared or issued its audit report. Yes ☒ No ☐

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

The aggregate market value of the registrant’s common stock held by non-affiliates, as of June 30, 2020, was $2,217,426,344. As of February 22, 2021, there were 317,327,863 shares of the registrant’s common stock outstanding.

DOCUMENTS INCORPORATED BY REFERENCE

Portions of the registrant’s definitive proxy statement relating to its 2021 annual meeting of stockholders to be held on April 28, 2021, are incorporated by reference in Part III of this Annual Report on Form 10-K.

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FORWARD-LOOKING STATEMENTS

This Annual Report on Form 10-K, including the section "Management's Discussion and Analysis of Financial Condition and Results of Operations" in Part II, Item 7, contains information that may constitute forward-looking statements. Forward-looking statements relate to expectations, beliefs, projections, future plans and strategies, anticipated events or trends and similar expressions concerning matters that are not historical facts, such as statements regarding our future financial condition or results of operations, our prospects and strategies for future growth, the development and introduction of new products, and the implementation of our strategies. In many cases, you can identify forward-looking statements by terms such as "expects," "believes," "will," "intends," "outlook," "provisional," "may," "predicts," "potential," "anticipates," "estimates," "should," "plans" or the negative of these terms or other comparable terminology. The forward-looking statements are based on our current expectations and assumptions regarding our business, the economy and other future conditions and are subject to risks, uncertainties and changes in circumstances that may cause events or our actual activities or results to differ significantly from those expressed in any forward-looking statement. Although we believe that the expectations reflected in the forward-looking statements are reasonable, we cannot guarantee future events, results, actions, levels of activity, performance or achievements. You are cautioned not to place undue reliance on these forward-looking statements. Unless required by law, we undertake no obligation to publicly update or revise any forward-looking statements to reflect circumstances or events after the date they are made. A number of important factors could cause actual results to differ materially from those indicated by the forward-looking statements, including, but not limited to, those factors described in Part I, Item 1A, "Risk Factors," in Part I, Item 7 "Management's Discussion and Analysis of Financial Condition and Results of Operations—Factors Affecting Our Results" and elsewhere in this Annual Report.

In this Annual Report on Form 10-K, references to "Sabre," the "Company," "we," "our," "ours" and "us" refer to Sabre Corporation and its consolidated subsidiaries unless otherwise stated or the context otherwise requires.

PART I

ITEM 1. BUSINESS

Overview

Sabre Corporation is a Delaware corporation formed in December 2006. On March 30, 2007, Sabre Corporation acquired Sabre Holdings Corporation ("Sabre Holdings"), which is the sole subsidiary of Sabre Corporation. Sabre GLBL Inc. ("Sabre GLBL") is the principal operating subsidiary and sole direct subsidiary of Sabre Holdings. Sabre GLBL or its direct or indirect subsidiaries conduct all of our businesses. Our principal executive offices are located at 3150 Sabre Drive, Southlake, Texas 76092.

At Sabre, we make travel happen. We are a software and technology company that powers the global travel industry. We partner with airlines, hoteliers, agencies and other travel partners to retail, distribute and fulfill travel. We connect the world's leading travel suppliers, including airlines, hotels, car rental brands, rail carriers, cruise lines and tour operators, with travel buyers in a comprehensive travel marketplace. We also offer travel suppliers an extensive suite of leading software solutions, ranging from airline and hotel reservations systems to high-value marketing and operations solutions, such as planning airline crew schedules, re-accommodating passengers during irregular flight operations and managing day-to-day hotel operations. We are committed to helping customers operate more efficiently, drive revenue and offer personalized traveler experiences with next-generation technology solutions.

COVID-19 Pandemic

During 2020, the outbreak of the coronavirus ("COVID-19") has caused, and continues to cause, a severe global health crisis resulting in societal disruptions leading to economic downturn and uncertainties. The travel industry continues to be adversely affected by the global health crisis due to the outbreak of COVID-19, as well as by government directives that have been enacted to slow the spread of the virus. The COVID-19 pandemic has caused major shifts in the travel ecosystem resulting in the changing needs of our airline, hotel and agency customers. This pandemic had a material impact to our consolidated financial results for the year ended December 31, 2020, resulting in a material decrease in transaction-based revenue across both of our business units compared to the prior year. Lower global distribution system ("GDS") volumes resulted in a material decline in incentive consideration costs for the year ended December 31, 2020, compared to the prior year.

The reduction in revenues as a result of COVID-19 significantly and adversely affected our liquidity. During 2020, we responded with measures such as suspending common stock dividends and share repurchases, borrowing under our existing revolving credit facility, and completing debt and equity offerings. Additionally, given the market conditions as the result of COVID-19, we responded with cost savings measures during 2020, including the reduction of our workforce through voluntary severance and early retirement programs and a right-sizing of our global organization. We believe the ongoing effects of COVID-19 on our operations and global bookings will continue to have a material negative impact on our financial results and liquidity, and this negative impact may continue well beyond the containment of the outbreak. We believe that we have resources to sufficiently fund our liquidity requirements for at least the next twelve months; however, given the magnitude of travel decline and the unknown duration of the impact of COVID-19, we will continue to monitor our liquidity levels and take additional steps should we determine they are necessary or appropriate.

Business Segments and Products

As discussed above, the COVID-19 pandemic has caused major shifts in the travel ecosystem resulting in the changing needs of our airline, hotel and agency customers. As a result, during 2020, we accelerated the organizational changes we began in 2018 to address the changing travel landscape through a strategic realignment (the "Strategic Realignment") of our airline and agency-focused businesses and to respond to the impacts of the COVID-19 pandemic on our business and cost structure. The organizational changes involve the creation of a functional-oriented structure to further enhance our long-term growth opportunities and help deliver new retailing, distribution and fulfillment solutions to the travel marketplace. As a result of our Strategic Realignment, we now operate our business and present our results through two business segments, effective the third quarter of 2020: (i) Travel Solutions, our global travel solutions for travel suppliers and travel buyers, including a broad portfolio of software technology products and solutions for airlines, and (ii) Hospitality Solutions, an extensive suite of leading software solutions for hoteliers. All revenue and expenses previously assigned to the Travel Network and Airline Solutions business segments have been consolidated into a unified revenue and expense structure now reported as the Travel Solutions business segment. The historical results of the Hospitality Solutions reporting segment have not changed. Financial information about our business segments and geographic areas is provided in Note 18. Segment Information, to our consolidated financial statements in Part II, Item 8 in this Annual Report on Form 10-K.

Travel Solutions

Our Travel Solutions business provides global travel solutions for travel suppliers and travel buyers through a business-to-business travel marketplace consisting of our GDS and a broad set of solutions that integrate with our GDS to add value for travel suppliers and travel buyers. Our GDS facilitates travel by efficiently bringing together travel content such as inventory, prices and availability from a broad array of travel suppliers, including airlines, hotels, car rental brands, rail carriers, cruise lines and tour operators, with a large network of travel buyers, including online travel agencies (“OTAs”), offline travel agencies, travel management companies (“TMCs”), and corporate travel departments.

Additionally, our Travel Solutions business offers a broad portfolio of software technology products and solutions, through software-as-a-service (“SaaS”) and hosted delivery model, to airlines and other travel suppliers and provides industry-leading and comprehensive software solutions that help our customers better market, sell, serve and operate. Our product offerings include reservation systems for full-cost and low-cost carriers, commercial and operations products, agency solutions and data-driven intelligence solutions. Our reservation systems bring together intelligent decision support solutions that enable end-to-end retailing, distribution and fulfillment, and drive operational effectiveness through holistic planning and management of airline, airport and customer operations. Our commercial and operations products offer services to our customers to enable them to better use our products and help optimize their commercial and operations platforms.

Hospitality Solutions

Our Hospitality Solutions business provides software and solutions, through SaaS and hosted delivery models, to hoteliers around the world. Our SaaS solutions empower hotels and hotel chains to manage pricing, reservations, and retail offerings across thousands of distribution channels while improving guest experience throughout the traveler journey. We serve over 42,000 properties in 180 countries.

Growth Strategy

We connect people and places with technology that reimagines the business of travel. The key elements of our growth strategy include:

- Developing innovative technology products through investment of significant resources in next-generation technology solutions that include delivering retailing intelligence to enable personalized traveler experiences in our marketplace and by travel suppliers, evolving the distribution of travel content including the integration of new distribution capability (“NDC”) content into our GDS, expanding our hospitality technology offerings including through our property management system ("PMS"), and continuing to address key customer needs in the areas of retailing, distribution, and fulfillment of travel and related products.
- Transforming the security, stability, and health of our technology by leveraging maneuverability to enhance agility and modernize infrastructure at a global scale, with the goal of connecting people to experiences that enrich their lives.
- Pursuing new customers across all of our product offerings, including customers seeking distribution of content, new agency relationships, as well as corporations representing buyers of content.
- Strengthening relationships with existing customers, including promoting the adoption of our products within and across our existing customers, to help enable them to operate more efficiently, drive revenue, and spur innovation with next-generation technology solutions.

Technology and Operations

Our technology strategy is based on achieving company-wide stability, reliability and performance at the most efficient price point while continuing to innovate and create value for our customers. Significant investment has gone into building a centralized Platform as a Service ("PaaS") architecture with an emphasis on standardization, simplicity, security and scalability. We invest heavily in software development, delivery and operational support capabilities and strive to provide best in class

products for our customers. We operate standardized infrastructure in our data center environments across hardware, operating systems, databases, and other key enabling technologies to minimize costs on non-differentiators. We expect to continue to make significant investments in our information technology infrastructure to modernize our architecture, drive efficiency and quality in development, lower recurring technology costs, further enhance the stability and security of our network, comply with data privacy and accessibility regulations, and enable our shift to service enabled and cloud-based solutions. For this reason, we have included Technology costs as a separate category of cost within our consolidated financial statements and notes contained in Item 8, "Financial Statements and Supplementary Data," of this Annual Report on Form 10-K.

Our architecture has evolved from a mainframe centric transaction processing environment to a secure processing platform that is one of the world's most heavily used and resilient service-oriented architecture ("SOA") environments. A variety of products and services run on this technology infrastructure: high volume air shopping systems; desktop access applications providing continuous, real-time data access to travel agents; airline operations and decision support systems; an array of customized applications available through our Sabre Red 360 application; and web based services that provide an automated interface between us and our travel suppliers and customers. The flexibility and scale of our standardized SOA based technology infrastructure allow us to quickly deliver a broad variety of SaaS and hosted solutions.

Customers

Travel Solutions customers consist of travel suppliers, including airlines, hotels and other lodging providers, car rental brands, rail carriers, cruise lines, tour operators, attractions and services; a large network of travel buyers, including OTAs, offline travel agencies, TMCs and corporate travel departments; and airports, corporate aviation fleets, governments and tourism boards. Airlines served by Travel Solutions vary in size and are located in every region of the world, and include hybrid carriers and low-cost carriers ("LCCs") (collectively, "LCC/hybrids"), global network carriers and regional network carriers. Hospitality Solutions has a global customer base of over 42,000 hotel properties of all sizes.

Sources of Revenue

Transactions—Our Travel Solutions business generates distribution revenue for bookings made through our GDS (e.g., air, car and hotel bookings) and through our partners and generally we are paid directly by the travel supplier. A transaction occurs when a travel agency or corporate travel department books or reserves a travel supplier's product on our GDS, for which we receive a fee. Transaction fees include, but are not limited to, transaction fees paid by travel suppliers for selling their inventory through our GDS and fees paid by travel agency subscribers related to their use of certain solutions integrated with our GDS. We receive revenue from the travel supplier and the travel agency according to the commercial arrangement with each.

SaaS and Hosted—We generate Travel Solutions' IT Solutions revenue and Hospitality Solutions revenue through upfront solution fees and recurring usage-based fees for the use of our software solutions hosted on secure platforms or deployed via SaaS. We maintain our SaaS and hosted software and manage the related infrastructure with the assistance of third-party providers. We collect the implementation fees and recurring usage-based fees pursuant to contracts with terms that typically range between three and ten years and generally include minimum annual volume requirements.

Software Licensing—We generate Travel Solutions' IT Solutions revenue from fees for the installation and use of our software products on premise. Some contracts under this model generate additional revenue for the maintenance of the software product.

Professional Service Fees—We generate Travel Solutions' IT Solutions revenue and Hospitality Solutions revenue through offerings that utilize the SaaS and hosted revenue model which are sometimes sold as part of multiple performance obligation arrangements for which we also provide professional services, including consulting services. Our professional services are primarily focused on helping customers achieve better utilization of and return on their software investment. Often, we provide these services during the implementation phase of our SaaS solutions.

Media—We generate Travel Solutions' IT Solutions revenue from customers that advertise products and purchase preferred placement on our GDS. Additionally, Hospitality Solutions generates revenue from customers that advertise products on our CRS. Advertisers use two types of advertising metrics: (i) display advertising and (ii) action advertising. In display advertising, advertisers generally pay based on the number of customers who view the advertisement, and are charged based on cost-per-thousand impressions. In action advertising, advertisers generally pay based on the number of customers who perform a specific action, such as click on the advertisement, and are charged based on the cost per action. Customers can also purchase preferred placement on hotel shopping displays on travel agency terminals. Customers pay for preferential payment through a subscription fee which is based on the amount of revenue the customer generates through our GDS and geographical market of the customer's property (designated by airport code).

Competition

We operate in highly competitive markets. Travel Solutions competes with several other regional and global travel marketplace providers, including other GDSs, local distribution systems and travel marketplace providers primarily owned by airlines or government entities, as well as with direct distribution by travel suppliers. In addition to other GDSs and direct distributors, there are a number of other competitors in the travel distribution marketplace, including new entrants in the travel space, that offer metasearch capabilities that direct shoppers to supplier websites and/or OTAs, third party aggregators and peer-to-peer options for travel services. Travel Solutions also competes with a variety of providers in a rapidly evolving marketplace

which includes global and regional IT providers, various specialists in selected product areas, service providers and airlines that develop their own in-house technology. Hospitality Solutions operates in a dynamic marketplace that includes large global players, significant new entrants and hotels that develop their own in-house technology.

Intellectual Property

We use software, business processes and proprietary information to carry out our business. These assets and related intellectual property rights are significant assets of our business. We rely on a combination of patent, copyright, trade secret and trademark laws, confidentiality procedures, and contractual provisions to protect these assets and we license software and other intellectual property both to and from third parties. We may seek patent protection on technology, software and business processes relating to our business, and our software and related documentation may also be protected under trade secret and copyright laws where applicable. We may also benefit from both statutory and common law protection of our trademarks.

Although we rely heavily on our brands, associated trademarks, and domain names, we do not believe that our business is dependent on any single item of intellectual property, or that any single item of intellectual property is material to the operation of our business. However, since we consider trademarks to be a valuable asset of our business, we maintain our trademark portfolio throughout the world by filing trademark applications with the relevant trademark offices, renewing appropriate registrations and regularly monitoring potential infringement of our trademarks in certain key markets.

Government Regulation

We are subject to or affected by international, federal, state and local laws, regulations and policies, which are constantly subject to change. These laws, regulations and policies include regulations applicable to the GDS in the European Union (“EU”), Canada, the United States and other locations.

We are subject to the application of data protection and privacy regulations in many of the countries in which we operate, including the General Data Protection Regulation ("GDPR") in the EU and the California Consumer Protection Act ("CCPA"). See "Risk Factors —Our collection, processing, storage, use and transmission of personal data could give rise to liabilities as a result of governmental regulation, conflicting legal requirements, differing views on data privacy or security breaches. "

We are also subject to prohibitions administered by the Office of Foreign Assets Control (the “OFAC rules”), which prohibit U.S. persons from engaging in financial transactions with or relating to the prohibited individual, entity or country, require the blocking of assets in which the individual, entity or country has an interest, and prohibit transfers of property subject to U.S. jurisdiction (including property in the possession or control of U.S. persons) to such individual, entity or country.

Our businesses may also be subject to legislation and regulations affecting issues such as: trade sanctions, exports of technology, antitrust, anticorruption, telecommunications and e-commerce. These regulations may vary among jurisdictions.

See “Risk Factors—Any failure to comply with regulations or any changes in such regulations governing our businesses could adversely affect us.”

Seasonality

Though the travel industry is typically seasonal in nature, seasonality has not significantly impacted our financial results for the year ended December 31, 2020 due to the ongoing impacts of the COVID-19 pandemic on the travel industry. The COVID-19 pandemic severely depressed revenue and resulted in an unprecedented amount of cancellations in 2020. Historically, travel bookings, and the revenue we derive from those bookings were typically seasonally strong in the first and third quarters, but declined significantly each year in the fourth quarter, primarily in December. We recognize air-related revenue at the date of booking, and because, prior to the COVID-19 pandemic, customers generally booked their November and December holiday leisure-related travel earlier in the year and business-related travel declined during the holiday season, revenue resulting from bookings was typically lower in the fourth quarter.

Human Capital

We maintain our SabreNext Strategic Framework that defines areas of focus for our culture and highlights how we enable our people to execute the plans and priorities for our technology, product, financial and customer strategies.

Our People—The significant impact of the COVID-19 pandemic on our business and operations has resulted in significant variances in our human capital metrics for the year ended December 31, 2020 compared to prior years. We have not experienced any work stoppages and consider our relations with our employees to be good. As of December 31, 2020, we had 7,531 employees worldwide, consisting of the following:

	No of Employees	% of Total
United States	2,404	32 %
Europe	1,907	25 %
APAC	2,031	27 %
All Other [(1)]	1,189	16 %
Total	7,531	100 %

[(1)] Includes Canada, Mexico, Latin America, Middle East, and Africa.

Talent Acquisition, Development and Retention—Through our long operating history and experience with technological innovation, we appreciate the importance of retention, growth and development of our employees. We seek to set compensation at competitive levels that help enable us to hire, incentivize, and retain high-caliber employees. During 2020, we launched our Lead the Way program to support the virtual environment and cultivate talent. This program includes a leadership speaker series, leadership skills series and on-demand resources for all leaders, with a particular focus on first-time or first-level managers. Our formal and informal reward, recognition and acknowledgement programs encourage employees to recognize peers, teams and departments to honor their champions and help promote satisfaction and engagement. To assist in retaining key talent in the current highly volatile macro environment, we offer compensation programs to certain key employees, such as long-term performance-based cash incentive awards, performance-based restricted stock unit awards, time-based restricted stock unit awards, and other awards as appropriate. We monitor and evaluate various turnover and attrition metrics throughout our management teams.

Diversity and Inclusion—With 70 offices around the globe, we believe that diversity and inclusion are at the core of our success and that the different backgrounds, experiences, perspectives, and ideas of our employees are critical to spur innovation, drive growth and sustain competitive advantage in our industry. During 2020, a portion of our executive compensation was linked to our diversity and inclusion initiatives and we established an Inclusion and Diversity Council to help define a globally consistent approach to inclusion and diversity as a business imperative and an enabler of our SabreNext strategy.

Health and Wellness—The health and safety of our team members is of the utmost importance. In addition to core health and welfare benefits, our wellness program offers resources to promote physical, emotional, and mental well-being. During 2020, we extended certain assistance programs to continue to support the well-being of our team members during the COVID-19 pandemic. Additionally, to help ensure the safety and wellness of our employees going forward, we have expanded our parental leave program, enhanced our personal time off benefits, and we are in the process of implementing a work-from-anywhere program that will allow our employees additional flexibility in work arrangements and increased opportunities to work remotely.

Corporate Responsibility—We invest globally in our communities by encouraging employee volunteerism on company time. Our employees have donated a significant number of volunteer hours to support our community-oriented and philanthropic culture. Additionally, our Passport to Freedom program has helped fight human trafficking and has provided support to victims and survivors, through increasing awareness and education within the travel industry on human trafficking issues and advocating for legislative change where appropriate.

Available Information

We are subject to the informational requirements of the Securities Exchange Act of 1934, as amended (the “Exchange Act”), and under these requirements, we file reports, proxy and information statements and other information with the Securities and Exchange Commission (“SEC”). Our Annual Report on Form 10-K, Quarterly Reports on Form 10-Q, Current Reports on Form 8-K, and other information to those reports filed or furnished pursuant to Section 13(a) or 15(d) of the Exchange Act are available through the investor relations section of our website at investors.sabre.com. Reports are available free of charge as soon as reasonably practicable after we electronically file them with, or furnish them to, the SEC. The information contained on our website, Twitter account, and other social media channels is not incorporated by reference into this Annual Report on Form 10-K.

We may use our website, our Twitter account (@Sabre_Corp) and other social media channels as additional means of disclosing information to the public. The information disclosed through those channels may be considered to be material and may not be otherwise disseminated by us, so we encourage investors to review our website, Twitter account and other social media channels. The contents of our website or social media channels referenced herein are not incorporated by reference into this Annual Report on Form 10-K.

ITEM 1A. RISK FACTORS

The following risk factors may be important to understanding any statement in this Annual Report on Form 10-K or elsewhere. Our business, financial condition and operating results can be affected by a number of factors, whether currently known or unknown, including but not limited to those described below. Any one or more of these factors could directly or indirectly cause our actual results of operations and financial condition to vary materially from past or anticipated future results of operations and financial condition. Any of these factors, in whole or in part, could materially and adversely affect our business, financial condition, results of operations and stock price.

Risks Related to the COVID-19 Pandemic

The COVID-19 pandemic has had and is expected to continue to have a significant adverse impact on our business, including our financial results and prospects, and the travel suppliers on whom our business relies.

The spread of COVID-19 and the recent developments surrounding the global pandemic are having significantly negative impacts on all aspects of our business. In response to the pandemic, many governments around the world are implementing a variety of measures to reduce the spread of COVID-19, including travel restrictions and bans, instructions to residents to practice social distancing, quarantine advisories, shelter-in-place orders and required closures of non-essential businesses. These government mandates have had a significant negative impact on the travel industry and many of the travel suppliers on whom our business relies, including airlines and hotels, and forced many of them, including airlines, to pursue cost reduction measures and seek financing, including government financing and support, in order to reduce financial distress and continue operating, and to curtail drastically their service offerings. The pandemic has resulted and may continue to result in the restructuring or bankruptcy of certain of those travel suppliers, and renegotiation of the terms of our agreements with them. The pandemic and these measures have significantly adversely affected, and may further affect, consumer sentiment and discretionary spending patterns, economies and financial markets, and our workforce, operations and customers. See "—Our Travel Solutions and Hospitality Solutions businesses depend on maintaining and renewing contracts with their customers and other counterparties."

The COVID-19 pandemic and the resulting economic conditions and government orders have resulted in a material decrease in consumer spending and an unprecedented decline in transaction volumes in the global travel industry. Our financial results and prospects are largely dependent on these transaction volumes. Although it is impossible to accurately predict the ultimate impact of these developments on our business, our financial results for the year ended December 31, 2020 have been significantly and negatively impacted, with a material decline in total revenues, net income, cash flow from operations and Adjusted EBITDA as compared to 2019. This downward trend could continue for an unpredictable period. Due to the uncertain and rapidly evolving nature of current conditions around the world, we are unable to predict accurately the impact that COVID-19 will have on our business going forward. We expect the outbreak and its effects to continue to have a significant adverse impact on our business, financial condition and operating results for the duration of the pandemic and during the subsequent recovery from the pandemic, which could be an extended period of time.

The COVID-19 pandemic may result in potential impairments of goodwill, long-term investments and long-lived assets; increasing provisions for bad debt including risks associated with travel agencies ability to repay us for incentive fees associated with bookings that have now cancelled; and increases in cash outlays to refund travel service providers for cancelled bookings.

We did not record any material impairments in 2020; however, future changes in our expected cash flows or other factors as a result of the COVID-19 pandemic may cause our goodwill or other assets to be impaired, resulting in a non-cash charge. As we cannot predict the duration or scope of the COVID-19 pandemic, the negative financial impact to our consolidated financial statements of potential future impairments cannot be reasonably estimated, but could be material. In addition, given the volatility in global markets and the financial difficulties faced by many of our travel suppliers, we have increased our provisions for bad debt related to certain of our airline providers and, to a lesser extent, car rental providers and hoteliers. We are continuing to closely monitor positions with travel agencies, to identify situations in which cancelled bookings exceed new bookings, resulting in refunds due to us and creating possible additional bad debt exposure. Moreover, due to the high level of cancellations of existing bookings, we have incurred, and may continue to incur, higher than normal cash outlays to refund travel service providers for cancelled bookings. Any material increase in our provisions for bad debt, and any material increase in cash outlays to travel suppliers would have a corresponding effect on our results of operations, liquidity and related cash flows.

The ongoing impact of the COVID-19 outbreak on our business and the impact on our results of operations is highly uncertain.

The extent of the effects of the COVID-19 outbreak on our business, results of operations, cash flows and growth prospects is highly uncertain and will ultimately depend on future developments. These include, but are not limited to, the severity, extent and duration of the global pandemic and its impact on the travel industry and consumer spending more broadly; actions taken by national, state and local governments to contain the disease or treat its impact, including travel restrictions and bans, required closures of non-essential businesses, vaccination levels and aid and economic stimulus efforts; the effect of the changes in hiring levels and remote working arrangements that we have implemented on our operations, including the health, productivity, retention, and morale of management and our employees, and our ability to maintain our financial reporting processes and related controls; the impact on the financial condition on our partners, and any potential restructurings or bankruptcies of our partners; the impact on our contracts with our partners, including force majeure provisions and requests to renegotiate the terms of existing agreements prior to their expiration, including providing temporary concessions regarding contractual minimums; our ability to withstand increased cyberattacks; the speed and extent of the recovery across the broader

travel ecosystem; short- and long-term changes in travel patterns, including business travel; and the duration, timing and severity of the impact on customer spending, including the economic recession resulting from the pandemic. The pandemic may continue to expand in regions that have not yet been affected or have been minimally affected by the COVID-19 outbreak after conditions begin to recover in currently affected regions, which could continue to affect our business. Also, existing restrictions in affected areas could be extended after the virus has been contained in order to avoid relapses, and regions that recover from the outbreak may suffer from a relapse and re-imposition of restrictions. Governmental restrictions and societal norms with respect to travel may change permanently in ways that cannot be predicted and that can change the travel industry in a manner adverse to our business. Additionally, the potential failure of travel service providers and travel agencies (or acquisition of troubled travel service providers or travel agencies) may result in further consolidation of the industry, potentially affecting market dynamics for our services.

Our business is dependent on the ability of consumers to travel, particularly by air. We do not expect economic and operating conditions for our business to improve until consumers are once again willing and able to travel, and our travel suppliers are once again able to serve those consumers. This may not occur until well after the broader global economy begins to improve. Additionally, our business is also dependent on consumer sentiment and discretionary spending patterns. Significant increases in levels of unemployment in the United States and other regions have occurred and are expected to continue due to the adoption of social distancing and other policies to slow the spread of the virus, which have had and are likely to continue to have a negative impact on consumer discretionary spending, including for the travel industry. Even when economic and operating conditions for our business improve, we cannot predict the long-term effects of the pandemic on our business or the travel industry as a whole. If the travel industry is fundamentally changed by the COVID-19 outbreak in ways that are detrimental to our operating model, our business may continue to be adversely affected even as the broader global economy recovers.

To the extent that the COVID-19 outbreak continues to adversely affect our business and financial performance, it may also have the effect of heightening many of the other risks identified in this “Risk Factors” section, such as those relating to our substantial amount of outstanding indebtedness.

Risks Related to Our Business and Industry

Our revenue is highly dependent on transaction volumes in the global travel industry, particularly air travel transaction volumes.

Our Travel Solutions and Hospitality Solutions revenue is largely tied to travel suppliers’ transaction volumes rather than to their unit pricing for an airplane ticket, hotel room or other travel products. This revenue is generally not contractually committed to recur annually under our agreements with our travel suppliers. As a result, our revenue is highly dependent on the global travel industry, particularly air travel from which we derive a substantial amount of our revenue, and directly correlates with global travel, tourism and transportation transaction volumes. Our revenue is therefore highly susceptible to declines in or disruptions to leisure and business travel that may be caused by factors entirely out of our control, and therefore may not recur if these declines or disruptions occur.

Various factors may cause temporary or sustained disruption to leisure and business travel. The impact these disruptions would have on our business depends on the magnitude and duration of such disruption. These factors include, among others: (1) general and local economic conditions; (2) financial instability of travel suppliers and the impact of any fundamental corporate changes to such travel suppliers, such as airline bankruptcies, consolidations, or suspensions of service on the cost and availability of travel content; (3) factors that affect demand for travel such as outbreaks of contagious diseases, including COVID-19, influenza, Zika, Ebola and the MERS virus, increases in fuel prices, government shutdowns, changing attitudes towards the environmental costs of travel, safety concerns and movements toward remote working environments; (4) political events like acts or threats of terrorism, hostilities, and war; (5) inclement weather, natural or man-made disasters; and (6) factors that affect supply of travel, such as travel restrictions, regulatory actions, aircraft groundings, or changes to regulations governing airlines and the travel industry, like government sanctions that do or would prohibit doing business with certain state-owned travel suppliers, work stoppages or labor unrest at any of the major airlines, hotels or airports. Sustained disruptions from COVID-19 have negatively impacted our business, and we expect these negative impacts to continue. See “—The COVID-19 pandemic has had and is expected to continue to have a significant adverse impact on our business, including our financial results and prospects, and the travel suppliers on whom our business relies.”

Our Travel Solutions business is exposed to pricing pressure from travel suppliers.

Travel suppliers continue to look for ways to decrease their costs and to increase their control over distribution. For example, consolidation in the airline industry, the growth of LCC/hybrids and macroeconomic factors, among other things, have driven some airlines to negotiate for lower fees during contract renegotiations, thereby exerting increased pricing pressure on our Travel Solutions business, which, in turn, negatively affects our revenues and margins. In addition, travel suppliers’ use of multiple distribution channels may also adversely affect our contract renegotiations with these suppliers and negatively impact our revenue. For example, as we attempt to renegotiate new GDS agreements with our travel suppliers, they may withhold some or all of their content (fares and associated economic terms) for distribution exclusively through their direct distribution channels (for example, the relevant airline’s website) or offer travelers more attractive terms for content available through those direct channels after their contracts expire. As a result of these sources of negotiating pressure, we may have to decrease our prices to retain their business. If we are unable to renew our contracts with these travel suppliers on similar economic terms or at all, or if our ability to provide this content is similarly impeded, this would also adversely affect the value of our Travel Solutions business as a marketplace due to our more limited content.

Our ability to recruit, train and retain employees, including our key executive officers and technical employees, is critical to our results of operations and future growth.

Our continued ability to compete effectively depends on our ability to recruit new employees and retain and motivate existing employees, particularly professionals with experience in our industry, information technology and systems, as well as our key executive officers. For example, the specialized skills we require can be difficult and time-consuming to acquire and are often in short supply. There is high demand and competition for well-qualified employees on a global basis, such as software engineers, developers and other technology professionals with specialized knowledge in software development, especially expertise in certain programming languages. This competition affects both our ability to retain key employees and to hire new ones. Similarly, uncertainty in the global political environment may adversely affect our ability to hire and retain key employees. Furthermore, the ongoing effects of COVID-19 on our business could adversely affect our ability to retain key employees and hire new employees. See "—The COVID-19 pandemic has had and is expected to continue to have a significant adverse impact on our business, including our financial results and prospects, and the travel suppliers on whom our business relies." Any of our employees may choose to terminate their employment with us at any time, and a lengthy period of time is required to hire and train replacement employees when such skilled individuals leave the company. Furthermore, changes in our employee population, including our executive team, could impact our results of operations and growth. For example, we have announced modifications to our business strategies and increased long-term investment in key areas, such as technology infrastructure, that may continue to have a negative impact in the short term due to expected increases in operating expenses and capital expenditures. If we fail to attract well-qualified employees or to retain or motivate existing employees, our business could be materially hindered by, for example, a delay in our ability to deliver products and services under contract, bring new products and services to market or respond swiftly to customer demands or new offerings from competitors.

Our travel supplier customers may experience financial instability or consolidation, pursue cost reductions, change their distribution model or undergo other changes.

We generate the majority of our revenue and accounts receivable from airlines. We also derive revenue from hotels, car rental brands, rail carriers, cruise lines, tour operators and other suppliers in the travel and tourism industries. Adverse changes in any of these relationships or the inability to enter into new relationships could negatively impact the demand for and competitiveness of our travel products and services. For example, a lack of liquidity in the capital markets or weak economic performance, including as a result of the impacts of COVID-19, may cause our travel suppliers to increase the time they take to pay, or to default, on their payment obligations, which could lead to a higher provision for expected credit losses and negatively affect our results. Any large-scale bankruptcy or other insolvency proceeding of an airline or hospitality supplier could subject our agreements with that customer to rejection or early termination, and, if applicable, result in asset impairments which could be significant. Similarly, any suspension or cessation of operations of an airline or hospitality supplier could negatively affect our results. Because we generally do not require security or collateral from our customers as a condition of sale, our revenues may be subject to credit risk more generally.

Furthermore, supplier consolidation, particularly in the airline industry, could harm our business. Our Travel Solutions business depends on a relatively small number of airlines for a substantial portion of its revenue, and all of our businesses are highly dependent on airline ticket volumes. Consolidation among airlines could result in the loss of an existing customer and the related fee revenue, decreased airline ticket volumes due to capacity restrictions implemented concurrently with the consolidation, and increased airline concentration and bargaining power to negotiate lower transaction fees. See "—Our Travel Solutions business is exposed to pricing pressure from travel suppliers."

We operate in highly competitive, evolving markets, and if we do not continue to innovate and evolve, our business operations and competitiveness may be harmed.

Travel technology is rapidly evolving as travel suppliers seek new or improved means of accessing their customers and increasing value. We must continue to innovate and evolve to respond to the changing needs of travel suppliers and meet intense competition. We face increasing competition as suppliers seek IT solutions that provide the same traveler experience across all channels of distribution, whether indirectly through the GDS or directly through other channels. As travel suppliers adopt innovative solutions that function across channels, our operating results could suffer if we do not foresee the need for new products or services to meet competition either for GDS or for other distribution IT solutions.

Adapting to new technological and marketplace developments may require substantial expenditures and lead time and we cannot guarantee that projected future increases in business volume will actually materialize. We may experience difficulties that could delay or prevent the successful development, marketing and implementation of enhancements, upgrades and additions. Moreover, we may fail to maintain, upgrade or introduce new products, services, technologies and systems as quickly as our competitors or in a cost-effective manner. For example, we must constantly update our GDS with new capabilities to adapt to the changing technological environment and customer needs. However, this process can be costly and time-consuming, and our efforts may not be successful as compared to our competitors. Those that we do develop may not achieve acceptance in the marketplace sufficient to generate material revenue or may be rendered obsolete or non-competitive by our competitors' offerings.

In addition, our competitors are constantly evolving, including increasing their product and service offerings through organic research and development or through strategic acquisitions. As a result, we must continue to invest significant resources in research and development in order to continually improve the speed, accuracy and comprehensiveness of our services and we may be required to make changes to our technology platforms or increase our investment in technology, increase marketing, adjust prices or business models and take other actions, which could affect our financial performance and liquidity.

We depend upon the use of sophisticated information technology and systems. Our competitiveness and future results depend on our ability to maintain and make timely and cost-effective enhancements, upgrades and additions to our products, services, technologies and systems in response to new technological developments, industry standards and trends and customer requirements. As another example, migration of our enterprise applications and platforms to other hosting environments would cause us to incur substantial costs, and could result in instability and business interruptions, which could materially harm our business.

Implementation of software solutions often involves a significant commitment of resources, and any failure to deliver as promised on a significant implementation could adversely affect our business.

In our Travel Solutions and Hospitality Solutions businesses, the implementation of software solutions often involves a significant commitment of resources and is subject to a number of significant risks over which we may or may not have control. These risks include:

- the features of the implemented software may not meet the expectations or fit the business model of the customer;
- our limited pool of trained experts for implementations cannot quickly and easily be augmented for complex implementation projects, such that resources issues, if not planned and managed effectively, could lead to costly project delays;
- customer-specific factors, such as the stability, functionality, interconnection and scalability of the customer's pre-existing information technology infrastructure, as well as financial or other circumstances could destabilize, delay or prevent the completion of the implementation process, which, for airline reservations systems, typically takes 12 to 18 months; and
- customers and their partners may not fully or timely perform the actions required to be performed by them to ensure successful implementation, including measures we recommend to safeguard against technical and business risks.

As a result of these and other risks, some of our customers may incur large, unplanned costs in connection with the purchase and installation of our software products. Also, implementation projects could take longer than planned or fail. We may not be able to reduce or eliminate protracted installation or significant additional costs. Significant delays or unsuccessful customer implementation projects could result in cancellation or renegotiation of existing agreements, claims from customers, harm our reputation and negatively impact our operating results.

Our Travel Solutions business depends on relationships with travel buyers.

Our Travel Solutions business relies on relationships with several large travel buyers, including TMCs and OTAs, to generate a large portion of its revenue through bookings made by these travel companies. This revenue concentration in a relatively small number of travel buyers makes us particularly dependent on factors affecting those companies. For example, if demand for their services decreases, or if a key supplier pulls its content from us, travel buyers may stop utilizing our services or move all or some of their business to competitors or competing channels. Although our contracts with larger travel agencies often increase the incentive consideration when the travel agency processes a certain volume or percentage of its bookings through our GDS, travel buyers are not contractually required to book exclusively through our GDS during the contract term. Travel buyers may shift bookings to other distribution channels for many reasons, including to avoid becoming overly dependent on a single source of travel content or to increase their bargaining power with GDS providers. Additionally, some regulations allow travel buyers to terminate their contracts earlier.

These risks are exacerbated by increased consolidation among travel agencies and TMCs, including as a result of the impacts of COVID-19 on the travel industry, which may ultimately reduce the pool of travel agencies that subscribe to GDSs. We must compete with other GDSs and other competitors for their business by offering competitive upfront incentive consideration, which, due to the strong bargaining power of these large travel buyers, tend to increase in each round of contract renewals. See "Management's Discussion and Analysis of Financial Condition and Results of Operations—Factors Affecting our Results—Increasing travel agency incentive consideration" for more information about our incentive consideration. However, any reduction in transaction fees from travel suppliers due to supplier consolidation or other market forces could limit our ability to increase incentive consideration to travel agencies in a cost-effective manner or otherwise affect our margins.

Our Travel Solutions and Hospitality Solutions businesses depend on maintaining and renewing contracts with their customers and other counterparties.

In our Travel Solutions business, we enter into participating carrier distribution and services agreements with airlines. Our contracts with major carriers typically last for three- to five-year terms and are generally subject to automatic renewal at the end of the term, unless terminated by either party with the required advance notice. Our contracts with smaller airlines generally last for one year and are also subject to automatic renewal at the end of the term, unless terminated by either party with the required advance notice. Airlines are not typically contractually obligated to distribute exclusively through our GDS during the contract term and may terminate their agreements with us upon providing the required advance notice after the expiration of the initial term. We cannot guarantee that we will be able to renew our airline contracts in the future on favorable economic terms or at all. See "—Our Travel Solutions business is exposed to pricing pressure from travel suppliers."

We also enter into contracts with travel buyers. Although most of our travel buyer contracts have terms of one to three years, we typically have non-exclusive, five- to ten-year contracts with our major travel agency customers. We also typically have three- to five-year contracts with corporate travel departments, which generally renew automatically unless terminated with the required advance notice. A meaningful portion of our travel buyer agreements, typically representing approximately 15% to 20%

of our bookings, are up for renewal in any given year. We cannot guarantee that we will be able to renew our travel buyer agreements in the future on favorable economic terms or at all. Similarly, our Travel Solutions and Hospitality Solutions businesses are based on contracts with travel suppliers for a typical duration of three to seven years for airlines and one to five years for hotels, respectively. We cannot guarantee that we will be able to renew our solutions contracts in the future on favorable economic terms or at all. Additionally, we use several third-party distributor partners and equity method investments to extend our GDS services in Europe, the Middle East, and Africa ("EMEA") and Asia-Pacific ("APAC"). The termination of our contractual arrangements with any of these third-party distributor partners and equity method investments could adversely impact our Travel Solutions business in the relevant markets. See “—We rely on third-party distributor partners and equity method investments to extend our GDS services to certain regions, which exposes us to risks associated with lack of direct management control and potential conflicts of interest.” for more information on our relationships with our third-party distributor partners and equity method investments.

Our failure to renew some or all of these agreements on economically favorable terms or at all, or the early termination of these existing contracts, would adversely affect the value of our Travel Solutions business as a marketplace due to our limited content and distribution reach, which could cause some of our subscribers to move to a competing GDS or use other travel technology providers for the solutions we provide and would materially harm our business, reputation and brand. Our business therefore relies on our ability to renew our agreements with our travel buyers, travel suppliers, third-party distributor partners and equity method investments or developing relationships with new travel buyers and travel suppliers to offset any customer losses.

We are subject to a certain degree of revenue concentration among a portion of our customer base. Because of this concentration among a small number of customers, if an event were to adversely affect one of these customers, it could have a material impact on our business.

We are exposed to risks associated with PCI compliance.

The PCI Data Security Standard (“PCI DSS”) is a specific set of comprehensive security standards required by credit card brands for enhancing payment account data security, including but not limited to requirements for security management, policies, procedures, network architecture, and software design. PCI DSS compliance is required in order to maintain credit card processing services. The cost of compliance with PCI DSS is significant and may increase as the requirements change. We are tested periodically for assurance and successfully completed our last annual assessment in December 2020. Compliance does not guarantee a completely secure environment and notwithstanding the results of this assessment there can be no assurance that payment card brands will not request further compliance assessments or set forth additional requirements to maintain access to credit card processing services. See “—Security breaches could expose us to liability and damage our reputation and our business.” Compliance is an ongoing effort and the requirements evolve as new threats are identified. In the event that we were to lose PCI DSS compliance status (or fail to renew compliance under a future version of the PCI DSS), we could be exposed to increased operating costs, fines and penalties and, in extreme circumstances, may have our credit card processing privileges revoked, which would have a material adverse effect on our business.

Our collection, processing, storage, use and transmission of personal data could give rise to liabilities as a result of governmental regulation, conflicting legal requirements, differing views on data privacy or security breaches.

We collect, process, store, use and transmit a large volume of personal data on a daily basis, including, for example, to process travel transactions for our customers and to deliver other travel-related products and services. Personal data is increasingly subject to legal and regulatory protections around the world, which vary widely in approach and which possibly conflict with one another. In recent years, for example, U.S. legislators and regulatory agencies, such as the Federal Trade Commission, as well as U.S. states, have increased their focus on protecting personal data by law and regulation, and have increased enforcement actions for violations of privacy and data protection requirements. The GDPR, a data protection law adopted by the European Commission, went into effect on May 25, 2018, the California Consumer Protection Act ("CCPA") went into effect on January 1, 2020, and the California Privacy Rights Act ("CPRA") is scheduled to go into effect on January 1, 2023. These data protection laws and regulations are intended to protect the privacy and security of personal data, including credit card information that is collected, processed and transmitted in or from the relevant jurisdiction. Implementation of and compliance with these laws and regulations may be more costly or take longer than we anticipate, or could otherwise adversely affect our business operations, which could negatively impact our financial position or cash flows. Additionally, media coverage of data breaches has escalated, in part because of the increased number of enforcement actions, investigations and lawsuits. As this focus and attention on privacy and data protection increases, we also risk exposure to potential liabilities and costs or face reputational risks resulting from the compliance with, or any failure to comply with applicable legal requirements, conflicts among these legal requirements or differences in approaches to privacy and security of travel data. Furthermore, various countries, including Russia, have implemented legislation requiring the storage of travel or other personal data locally. Our business could be materially adversely affected by our inability, or the inability of our vendors who receive personal data from us, to comply with legal obligations regarding the use of personal data, new data handling or localization requirements that conflict with or negatively impact our business practices. In addition, our agreements with customers may also require that we indemnify the customer for liability arising from data breaches under the terms of our agreements with these customers. These indemnification obligations could be significant and may exceed the limits of any applicable insurance policy we maintain. See “—Security breaches could expose us to liability and damage our reputation and our business.

We are involved in various legal proceedings which may cause us to incur significant fees, costs and expenses and may result in unfavorable outcomes.

We are involved in various legal proceedings that involve claims for substantial amounts of money or which involve how we conduct our business. See Note 17. Commitments and Contingencies, to our consolidated financial statements. For example, we are involved in antitrust litigation with US Airways. If we cannot resolve this matter favorably, we could be subject to monetary damages, including treble damages under the antitrust laws and payment of reasonable attorneys' fees and costs; depending on the amount of any such judgment, if we do not have sufficient cash on hand, we may be required to seek financing from private or public financing. Other parties might likewise seek to benefit from any unfavorable outcome by threatening to bring or actually bringing their own claims against us on the same or similar grounds or utilizing the litigation to seek more favorable contract terms.

In addition, the U.K. Competition and Markets Authority ("CMA") blocked our proposed acquisition of Farelogix, and we have appealed the CMA's decision to the U.K. Competition Appeal Tribunal. We are also subject to a U.S. Department of Justice ("DOJ") antitrust investigation from 2011 relating to the pricing and conduct of the airline distribution industry. We, like other companies in the travel industry, received a civil investigation demand ("CID") from the DOJ and we are fully cooperating. Based on its findings in the investigation, the DOJ may (i) close the file, (ii) seek a consent decree to remedy issues it believes violate the antitrust laws, or (iii) file suit against us for violating the antitrust laws, seeking injunctive relief. In addition, the European Commission's Directorate-General for Competition ("EC") has opened an investigation to assess whether our and Amadeus' respective agreements with airlines and travel agents may restrict competition in breach of E.U. antitrust rules. There is no legal deadline for the EC to bring an antitrust investigation to an end, and the duration of the investigation is unknown. Depending on the outcome of any of these matters, and the scope of the outcome, the manner in which our airline distribution business is operated could be affected and could potentially force changes to the existing airline distribution business model.

The defense of these actions, as well as any of the other actions described under Note 17. Commitments and Contingencies, to our consolidated financial statements or elsewhere in this Annual Report on Form 10-K, and any other actions brought against us in the future, is time consuming and diverts management's attention. Even if we are ultimately successful in defending ourselves in such matters, we are likely to incur significant fees, costs and expenses as long as they are ongoing. Any of these consequences could have a material adverse effect on our business, financial condition and results of operations.

Any failure to comply with regulations or any changes in such regulations governing our businesses could adversely affect us.

Parts of our business operate in regulated industries and could be adversely affected by unfavorable changes in or the enactment of new laws, rules or regulations applicable to us, which could decrease demand for our products and services, increase costs or subject us to additional liabilities. Moreover, regulatory authorities have relatively broad discretion to grant, renew and revoke licenses and approvals and to implement or interpret regulations. Accordingly, these regulatory authorities could prevent or temporarily suspend us from carrying on some or all of our activities or otherwise penalize us if our practices were found not to comply with the applicable regulatory or licensing requirements or any interpretation of such requirements by the regulatory authority. In addition, we are subject to or affected by international, federal, state and local laws, regulations and policies, which are constantly subject to change. These include data protection and privacy legislation and regulations, as well as legislation and regulations affecting issues such as: trade sanctions, exports of technology, antitrust, anticorruption, telecommunications and e-commerce. Our failure to comply with any of these requirements, interpretations, legislation or regulations could have a material adverse effect on our operations.

Further, the United States has imposed economic sanctions, and could impose further sanctions in the future, that affect transactions with designated countries, including but not limited to, Cuba, Iran, Crimea region, North Korea and Syria, and nationals and others of those countries, and certain specifically targeted individuals and entities engaged in conduct detrimental to U.S. national security interests. These sanctions are administered by OFAC and are typically known as the OFAC regulations. These regulations are extensive and complex, and they differ from one sanctions regime to another. Failure to comply with these regulations could subject us to legal and reputational consequences, including civil and criminal penalties.

We have GDS contracts with carriers that fly to Cuba, Iran, Crimea region, North Korea and Syria but are based outside of those countries and are not owned by those governments or nationals of those governments. With respect to Iran, Sudan, North Korea and Syria we believe that our activities are designed to comply with certain information and travel-related exemptions. With respect to Cuba, we have advised OFAC that customers outside the United States we display on the Sabre GDS flight information for, and support booking and ticketing of, services of non-Cuban airlines that offer service to Cuba. Based on advice of counsel, we believe these activities to fall under an exemption from OFAC regulations applicable to the transmission of information and informational materials and transactions related thereto. We believe that our activities with respect to these countries are known to OFAC. We note, however, that OFAC regulations and related interpretive guidance are complex and subject to varying interpretations. Due to this complexity, OFAC's interpretation of its own regulations and guidance vary on a case to case basis. As a result, we cannot provide any guarantees that OFAC will not challenge any of our activities in the future, which could have a material adverse effect on our results of operations.

In Europe, GDS regulations or interpretations thereof may increase our cost of doing business or lower our revenues, limit our ability to sell marketing data, impact relationships with travel buyers, airlines, rail carriers or others, impair the enforceability of existing agreements with travel buyers and other users of our system, prohibit or limit us from offering services or products, or limit our ability to establish or change fees. Although regulations specifically governing GDSs have been lifted in the United States, they remain subject to general regulation regarding unfair trade practices by the U.S. Department of Transportation

("DOT"). In addition, continued regulation of GDSs in the E.U. and elsewhere could also create the operational challenge of supporting different products, services and business practices to conform to the different regulatory regimes. We do not currently maintain a central database of all regulatory requirements affecting our worldwide operations and, as a result, the risk of non-compliance with the laws and regulations described above is heightened. Our failure to comply with these laws and regulations may subject us to fines, penalties and potential criminal violations. Any changes to these laws or regulations or any new laws or regulations may make it more difficult for us to operate our business.

We are exposed to risks associated with acquiring or divesting businesses or business operations.

We have acquired, and, as part of our growth strategy, may in the future acquire, businesses or business operations. We may not be able to identify suitable candidates for additional business combinations and strategic investments, obtain financing on acceptable terms for such transactions, obtain necessary regulatory approvals or otherwise consummate such transactions on acceptable terms, or at all. For example, we previously announced that we had entered into an agreement to acquire Farelogix, which was subject to customary closing conditions and regulatory approvals. On August 20, 2019, the DOJ filed a complaint in federal court in the District of Delaware, seeking a permanent injunction to prevent Sabre from acquiring Farelogix. Although the trial court did not grant the DOJ's request, the U.S. Court of Appeals for the Third Circuit granted the DOJ's motion to vacate the judgment as moot, following the termination of the acquisition agreement as described below. In addition, the CMA has blocked our acquisition of Farelogix. We have appealed the CMA's decision to the U.K. Competition Appeal Tribunal. Sabre and Farelogix agreed to terminate the acquisition agreement on May 1, 2020 and we paid Farelogix aggregate termination fees of $21 million in the second quarter of 2020 pursuant to the acquisition agreement.

Any acquisitions that we are able to identify and complete may also involve a number of risks, including our inability to successfully or profitably integrate, operate, maintain and manage our newly acquired operations or employees; the diversion of our management's attention from our existing business to integrate operations and personnel; possible material adverse effects on our results of operations during the integration process; becoming subject to contingent or other liabilities, including liabilities arising from events or conduct predating the acquisition that were not known to us at the time of the acquisition; and our possible inability to achieve the intended objectives of the acquisition, including the inability to achieve anticipated business or financial results, cost savings and synergies. Acquisitions may also have unanticipated tax, regulatory and accounting ramifications, including recording goodwill and nonamortizable intangible assets that are subject to impairment testing on a regular basis and potential periodic impairment charges and incurring amortization expenses related to certain intangible assets. To consummate any of these acquisitions, we may need to raise external funds through the sale of equity or the issuance of debt in the capital markets or through private placements, which may affect our liquidity and may dilute the value of our common stock. See "—We have a significant amount of indebtedness, which could adversely affect our cash flow and our ability to operate our business and to fulfill our obligations under our indebtedness."

We have also divested, and may in the future divest, businesses or business operations. Any divestitures may involve a number of risks, including the diversion of management's attention, significant costs and expenses, the loss of customer relationships and cash flow, and the disruption of the affected business or business operations. Failure to timely complete or to consummate a divestiture may negatively affect the valuation of the affected business or business operations or result in restructuring charges.

We rely on the value of our brands, which may be damaged by a number of factors, some of which are out of our control.

We believe that maintaining and expanding our portfolio of product and service brands are important aspects of our efforts to attract and expand our customer base. Our brands may be negatively impacted by, among other things, unreliable service levels from third-party providers, customers' inability to properly interface their applications with our technology, the loss or unauthorized disclosure of personal data, including payment card industry data ("PCI") or personally identifiable information ("PII"), or other bad publicity due to litigation, regulatory concerns or otherwise relating to our business. See "—Security breaches could expose us to liability and damage our reputation and our business." Any inability to maintain or enhance awareness of our brands among our existing and target customers could negatively affect our current and future business prospects.

We rely on third-party distributor partners and equity method investments to extend our GDS services to certain regions, which exposes us to risks associated with lack of direct management control and potential conflicts of interest.

Our Travel Solutions business utilizes third-party distributor partners and equity method investments to extend our GDS services in EMEA and APAC. We work with these partners to establish and maintain commercial and customer service relationships with both travel suppliers and travel buyers. Since, in many cases, we do not exercise full management control over their day-to-day operations, the success of their marketing efforts and the quality of the services they provide are beyond our control. If these partners do not meet our standards for distribution, our reputation may suffer materially, and sales in those regions could decline significantly. Any interruption in these third-party services, deterioration in their performance or termination of our contractual arrangements with them could negatively impact our ability to extend our GDS services in the relevant markets. In addition, our business may be harmed due to potential conflicts of interest with our equity method investments.

Risks Related to Technology and Intellectual Property

Our success depends on maintaining the integrity of our systems and infrastructure, which may suffer from failures, capacity constraints, business interruptions and forces outside of our control.

We may be unable to maintain and improve the efficiency, reliability and integrity of our systems. Unexpected increases in the volume of our business could exceed system capacity, resulting in service interruptions, outages and delays. These constraints can also lead to the deterioration of our services or impair our ability to process transactions. We occasionally experience system interruptions that make certain of our systems unavailable including, but not limited to, our GDS and the services that our Travel Solutions and Hospitality Solutions businesses provide to airlines and hotels. In addition, we have experienced in the past and may in the future occasionally experience system interruptions as we execute our technology strategy, including our cloud migration and mainframe offload activities. System interruptions prevent us from efficiently providing services to customers or other third parties, causing damage to our reputation and resulting in our losing customers and revenues or causing us to incur litigation and liabilities. Although we have contractually limited our liability for damages caused by outages of our GDS (other than damages caused by our gross negligence or willful misconduct), we cannot guarantee that we will not be subject to lawsuits or other claims for compensation from our customers in connection with such outages for which we may not be indemnified or compensated.

Our systems are also susceptible to external damage or disruption. Much of the computer and communications hardware upon which we depend is located across multiple data center facilities in a single geographic region. Our systems have in the past been and in the future could be damaged or disrupted by events such as power, hardware, software or telecommunication failures, human errors, natural events including floods, hurricanes, fires, winter storms, earthquakes and tornadoes, terrorism, break-ins, hostilities, war or similar events. Computer viruses, malware, denial of service attacks, attacks on hardware or software vulnerabilities, physical or electronic break-ins, cybersecurity incidents or other security breaches, and similar disruptions affecting the Internet, telecommunication services or our systems have caused in the past and could in the future cause service interruptions or the loss of critical data, preventing us from providing timely services. See “—Security breaches could expose us to liability and damage our reputation and our business.” Failure to efficiently provide services to customers or other third parties could cause damage to our reputation and result in the loss of customers and revenues, asset impairments, significant recovery costs or litigation and liabilities. Moreover, such risks are likely to increase as we expand our business and as the tools and techniques involved become more sophisticated.

Although we have implemented measures intended to protect certain systems and critical data and provide comprehensive disaster recovery and contingency plans for certain customers that purchase this additional protection, these protections and plans are not in place for all systems. Furthermore, several of our existing critical backup systems are located in the same metropolitan area as our primary systems and we may not have sufficient disaster recovery tools or resources available, depending on the type or size of the disruption. Disasters affecting our facilities, systems or personnel might be expensive to remedy and could significantly diminish our reputation and our brands, and we may not have adequate insurance to cover such costs.

Customers and other end-users who rely on our software products and services, including our SaaS and hosted offerings, for applications that are integral to their businesses may have a greater sensitivity to product errors and security vulnerabilities than customers for software products generally. Additionally, security breaches that affect third parties upon which we rely, such as travel suppliers, may further expose us to negative publicity, possible liability or regulatory penalties. Events outside our control could cause interruptions in our IT systems, which could have a material adverse effect on our business operations and harm our reputation.

Security breaches could expose us to liability and damage our reputation and our business.

We process, store, and transmit large amounts of data, including PII and PCI of our customers, and it is critical to our business strategy that our facilities and infrastructure, including those provided by DXC Technology ("DXC") or other vendors, remain secure and are perceived by the marketplace to be secure. Our infrastructure may be vulnerable to physical or electronic break-ins, computer viruses, or similar disruptive problems.

In addition, we, like most technology companies, are the target of cybercriminals who attempt to compromise our systems. We are subject to and experience threats and intrusions that have to be identified and remediated to protect sensitive information along with our intellectual property and our overall business. To address these threats and intrusions, we have a team of experienced security experts and support from firms that specialize in data security and cybersecurity. We are periodically subject to these threats and intrusions, and sensitive or material information has in the past been, and could in the future be, compromised as a result. The costs of investigation of such incidents, as well as remediation related to these incidents, may be material. As previously disclosed, we became aware of an incident involving unauthorized access to payment information contained in a subset of hotel reservations processed through the Sabre Hospitality Solutions SynXis Central Reservation System (the "HS Central Reservation System"). In December 2020, we entered into settlement agreements with certain state Attorneys General to resolve their investigation into this incident. As part of these agreements, we paid $2 million to the states represented by the Attorneys General in the first quarter of 2021 and agreed to implement certain security controls and processes. See Note 17. Commitments and Contingencies, to our consolidated financial statements for additional information. The costs related to these incidents, including any additional associated penalties assessed by any other governmental authority or payment card brand or indemnification obligations to our customers, as well as any other impacts or remediation related to them, may be material.

Any computer viruses, malware, denial of service attacks, ransomware attacks, on hardware or software vulnerabilities, physical or electronic break-ins, cybersecurity incidents, such as the items described above, or other security breach or compromise of the information handled by us or our service providers may jeopardize the security or integrity of information in our computer systems and networks or those of our customers and cause significant interruptions in our and our customers' operations.

Any systems and processes that we have developed that are designed to protect customer information and prevent data loss and other security breaches cannot provide absolute security. In addition, we may not successfully implement remediation plans to address all potential exposures. It is possible that we may have to expend additional financial and other resources to address these problems. Failure to prevent or mitigate data loss or other security breaches could expose us or our customers to a risk of loss or misuse of such information, cause customers to lose confidence in our data protection measures, damage our reputation, adversely affect our operating results or result in litigation or potential liability for us. While we maintain insurance coverage that may, subject to policy terms and conditions, cover certain aspects of cyber risks, this insurance coverage is subject to a retention amount and may not be applicable to a particular incident or otherwise may be insufficient to cover all our losses beyond any retention. Similarly, we expect to continue to make significant investments in our information technology infrastructure. The implementation of these investments may be more costly or take longer than we anticipate, or could otherwise adversely affect our business operations, which could negatively impact our financial position, results of operations or cash flows.

We rely on the availability and performance of information technology services provided by third parties, including DXC, which manages a significant portion of our systems.

Our businesses are largely dependent on the computer data centers and network systems operated for us by DXC, and its third-party providers, including AT&T, to which DXC outsources certain network services. We also rely on other developers and service providers to maintain and support our global telecommunications infrastructure, including to connect our computer data center and call centers to end-users. Moreover, we outsourced our global enterprise resource planning system to a third-party provider, and any disruption to that outsourced system may negatively impact our business.

Our success is dependent on our ability to maintain effective relationships with these third-party technology and service providers. Some of our agreements with third-party technology and service providers are terminable for cause on short notice and often provide limited recourse for service interruptions. For example, our agreement with DXC provides us with limited indemnification rights. We could face significant additional cost or business disruption if:

- Any of these providers fail to enable us to provide our customers and suppliers with reliable, real-time access to our systems. For example, in 2013, we experienced a significant outage of the Sabre platform due to a failure on the part of one of our service providers. This outage, which affected our Travel Solutions business, lasted several hours and caused significant problems for our customers. Any such future outages could cause damage to our reputation, customer loss and require us to pay compensation to affected customers for which we may not be indemnified or compensated.
- Our arrangements with such providers are terminated or impaired and we cannot find alternative sources of technology or systems support on commercially reasonable terms or on a timely basis. For example, our substantial dependence on DXC for many of our systems makes it difficult for us to switch vendors and makes us more sensitive to changes in DXC's pricing for its services.

Intellectual property infringement actions against us could be costly and time consuming to defend and may result in business harm if we are unsuccessful in our defense

Third parties may assert, including by means of counterclaims against us as a result of the assertion of our intellectual property rights, that our products, services or technology, or the operation of our business, violate their intellectual property rights. We are currently subject to such assertions, including patent infringement claims, and may be subject to such assertions in the future. These assertions may also be made against our customers who may seek indemnification from us. In the ordinary course of business, we enter into agreements that contain indemnity obligations whereby we are required to indemnify our customers against these assertions arising from our customers' usage of our products, services or technology. As the competition in our industry increases and the functionality of technology offerings further overlaps, these claims and counterclaims could become more common. We cannot be certain that we do not or will not infringe third parties' intellectual property rights.

Legal proceedings involving intellectual property rights are highly uncertain and can involve complex legal and scientific questions. Any intellectual property claim against us, regardless of its merit, could result in significant liabilities to our business, and can be expensive and time consuming to defend. Depending on the nature of such claims, our businesses may be disrupted, our management's attention and other company resources may be diverted and we may be required to redesign, reengineer or rebrand our products and services, if feasible, to stop offering certain products and services or to enter into royalty or licensing agreements in order to obtain the rights to use necessary technologies, which may not be available on terms acceptable to us, if at all, and may result in a decrease of our capabilities. Our failure to prevail in such matters could result in loss of intellectual property rights, judgments awarding substantial damages, including possible treble damages and attorneys' fees, and injunctive or other equitable relief against us. If we are held liable, we may be unable to use some or all of our intellectual property rights or technology. Even if we are not held liable, we may choose to settle claims by making a monetary payment or by granting a license to intellectual property rights that we otherwise would not license. Further, judgments may result in loss of reputation, may force us to take costly remediation actions, delay selling our products and offering our services, reduce

features or functionality in our services or products, or cease such activities altogether. Insurance may not cover or be insufficient for any such claim.

We may not be able to protect our intellectual property effectively, which may allow competitors to duplicate our products and services.

Our success and competitiveness depend, in part, upon our technologies and other intellectual property, including our brands. Among our significant assets are our proprietary and licensed software and other proprietary information and intellectual property rights. We rely on a combination of copyright, trademark and patent laws, laws protecting trade secrets, confidentiality procedures and contractual provisions to protect these assets both in the United States and in foreign countries. The laws of some jurisdictions may provide less protection for our technologies and other intellectual property assets than the laws of the United States.

There is no certainty that our intellectual property rights will provide us with substantial protection or commercial benefit. Despite our efforts to protect our intellectual property, some of our innovations may not be protectable, and our intellectual property rights may offer insufficient protection from competition or unauthorized use, lapse or expire, be challenged, narrowed, invalidated, or misappropriated by third parties, or be deemed unenforceable or abandoned, which could have a material adverse effect on our business, financial condition and results of operations and the legal remedies available to us may not adequately compensate us. We cannot be certain that others will not independently develop, design around, or otherwise acquire equivalent or superior technology or intellectual property rights.

- While we take reasonable steps to protect our brands and trademarks, we may not be successful in maintaining or defending our brands or preventing third parties from adopting similar brands. If our competitors infringe our principal trademarks, our brands may become diluted or if our competitors introduce brands or products that cause confusion with our brands or products in the marketplace, the value that our consumers associate with our brands may become diminished, which could negatively impact revenue.
- Our patent applications may not be granted, and the patents we own could be challenged, invalidated, narrowed or circumvented by others and may not be of sufficient scope or strength to provide us with any meaningful protection or commercial advantage. Once our patents expire, or if they are invalidated, narrowed or circumvented, our competitors may be able to utilize the technology protected by our patents which may adversely affect our business.
- Although we rely on copyright laws to protect the works of authorship created by us, we do not generally register the copyrights in our copyrightable works where such registration is permitted. Copyrights of U.S. origin must be registered before the copyright owner may bring an infringement suit in the United States. Accordingly, if one of our unregistered copyrights of U.S. origin is infringed by a third party, we will need to register the copyright before we can file an infringement suit in the United States, and our remedies in any such infringement suit may be limited.
- We use reasonable efforts to protect our trade secrets. However, protecting trade secrets can be difficult and our efforts may provide inadequate protection to prevent unauthorized use, misappropriation, or disclosure of our trade secrets, know how, or other proprietary information.
- We also rely on our domain names to conduct our online businesses. While we use reasonable efforts to protect and maintain our domain names, if we fail to do so the domain names may become available to others. Further, the regulatory bodies that oversee domain name registration may change their regulations in a way that adversely affects our ability to register and use certain domain names.

We license software and other intellectual property from third parties. These licensors may breach or otherwise fail to perform their obligations or claim that we have breached or otherwise attempt to terminate their license agreements with us. We also rely on license agreements to allow third parties to use our intellectual property rights, including our software, but there is no guarantee that our licensees will abide by the terms of our license agreements or that the terms of our agreements will always be enforceable. In addition, policing unauthorized use of and enforcing intellectual property can be difficult and expensive. The fact that we have intellectual property rights, including registered intellectual property rights, may not guarantee success in our attempts to enforce these rights against third parties. Besides general litigation risks, changes in, or interpretations of, intellectual property laws may compromise our ability to enforce our rights. We may not be aware of infringement or misappropriation or elect not to seek to prevent it. Our decisions may be based on a variety of factors, such as costs and benefits of taking action, and contextual business, legal, and other issues. Any inability to adequately protect our intellectual property on a cost-effective basis could harm our business.

We use open source software in our solutions that may subject our software solutions to general release or require us to re-engineer our solutions.

We use open source software in our solutions and may use more open source software in the future. From time to time, there have been claims by companies claiming ownership of software that was previously thought to be open source and that was incorporated by other companies into their products. As a result, we could be subject to suits by parties claiming ownership of what we believe to be open source software. Some open source licenses contain requirements that we make available source code for modifications or derivative works we create based upon the open source software and that we license these modifications or derivative works under the terms of a particular open source license or other license granting third parties certain rights of further use. If we combine or, in some cases, link our proprietary software solutions with or to open source software in a certain manner, we could, under certain of the open source licenses, be required to release the source code of our proprietary

software solutions or license such proprietary solutions under the terms of a particular open source license or other license granting third parties certain rights of further use. In addition to risks related to license requirements, usage of open source software can lead to greater risks than use of third-party commercial software, as open source licensors generally do not provide warranties or controls on origin of the software. In addition, open source license terms may be ambiguous and many of the risks associated with usage of open source cannot be eliminated, and could, if not properly addressed, negatively affect our business. If we were found to have inappropriately used open source software, we may be required to seek licenses from third parties in order to continue offering our software, to re-engineer our solutions, to discontinue the sale of our solutions in the event re-engineering cannot be accomplished on a timely basis or take other remedial action that may divert resources away from our development efforts, any of which could adversely affect our business, operating results and financial condition.

Risks Related to Economic, Political and Global Conditions

Our business could be harmed by adverse global and regional economic and political conditions.

Travel expenditures are sensitive to personal and business discretionary spending levels and grow more slowly or decline during economic downturns. We derive the majority of our revenue from the United States and Europe, and we have expanded Travel Solutions' presence in APAC. Our geographic concentration in the United States and Europe, as well as our expanded focus in APAC, makes our business potentially vulnerable to economic and political conditions that adversely affect business and leisure travel originating in or traveling to these regions.

The COVID-19 outbreak has significantly and negatively impacted the global economy, including increased unemployment, reduced financial capacity of both business and leisure travelers, diminished liquidity and credit availability, declines in consumer confidence and discretionary income and general uncertainty about economic stability. Furthermore, recent changes in the U.S. political environment have resulted in additional uncertainties with respect to travel restrictions, and the regulatory, tax and economic environment in the United States, which could adversely impact travel demand, our business operations or our financial results. We cannot predict the magnitude, length or recurrence of these impacts to the global economy, which have impacted, and may continue to impact, demand for travel and lead to reduced spending on the services we provide.

We derive the remainder of our revenues from Latin America, the Middle East and Africa and APAC. Any unfavorable economic, political or regulatory developments in these regions could negatively affect our business, such as delays in payment or non-payment of contracts, delays in contract implementation or signing, carrier control issues and increased costs from regulatory changes particularly as parts of our growth strategy involve expanding our presence in these emerging markets. For example, markets that have traditionally had a high level of exports to China, or that have commodities-based economies, have continued to experience slowing or deteriorating economic conditions. These adverse economic conditions may negatively impact our business results in those regions.

Voters in the U.K. have approved the exit of that country from the E.U. (“Brexit”), which became effective as of January 31, 2020, and was in a transition period through December 31, 2020. Brexit and related processes have created significant economic uncertainty in the U.K. and in EMEA, which may negatively impact our business results in those regions. In addition, the terms of the U.K.’s withdrawal from the E.U., once negotiated during the transition period, if at all, could potentially disrupt the markets we serve and the tax jurisdictions in which we operate and adversely change tax benefits or liabilities in these or other jurisdictions, including our ability to obtain Value Added Tax ("VAT") refunds on transactions between the U.K. and the E.U., and may cause us to lose customers, suppliers, and employees. In addition, Brexit could lead to legal uncertainty and potentially divergent national laws and regulations as the U.K. determines which E.U. laws to replace or replicate.

We operate a global business that exposes us to risks associated with international activities.

Our international operations involve risks that are not generally encountered when doing business in the United States. These risks include, but are not limited to:

- business, political and economic instability in foreign locations, including actual or threatened terrorist activities, and military action;
- adverse laws and regulatory requirements, including more comprehensive regulation in the E.U. and the possible effects of Brexit;
- changes in foreign currency exchange rates and financial risk arising from transactions in multiple currencies;
- difficulty in developing, managing and staffing international operations because of distance, language and cultural differences;
- disruptions to or delays in the development of communication and transportation services and infrastructure;
- more restrictive data privacy requirements, including the GDPR;
- consumer attitudes, including the preference of customers for local providers;
- increasing labor costs due to high wage inflation in foreign locations, differences in general employment conditions and regulations, and the degree of employee unionization and activism;
- export or trade restrictions or currency controls;

- governmental policies or actions, such as consumer, labor and trade protection measures and travel restrictions;
- taxes, restrictions on foreign investment and limits on the repatriation of funds;
- diminished ability to legally enforce our contractual rights; and
- decreased protection for intellectual property.

Any of the foregoing risks may adversely affect our ability to conduct and grow our business internationally.

Risks Related to Our Indebtedness, Financial Condition and Common Stock

We have a significant amount of indebtedness, which could adversely affect our cash flow and our ability to operate our business and to fulfill our obligations under our indebtedness.

We have a significant amount of indebtedness. As of December 31, 2020, we had $4.7 billion of indebtedness outstanding. Our substantial level of indebtedness increases the possibility that we may not generate enough cash flow from operations to pay, when due, the principal of, interest on or other amounts due in respect of, these obligations. Other risks relating to our long-term indebtedness include: (1) increased vulnerability to general adverse economic and industry conditions; (2) higher interest expense if interest rates increase on our floating rate borrowings and our hedging strategies do not effectively mitigate the effects of these increases; (3) need to divert a significant portion of our cash flow from operations to payments on our indebtedness, thereby reducing the availability of cash to fund working capital, capital expenditures, acquisitions, investments and other general corporate purposes; (4) limited ability to obtain additional financing, on terms we find acceptable, if needed, for working capital, capital expenditures, expansion plans and other investments, which may adversely affect our ability to implement our business strategy; (5) limited flexibility in planning for, or reacting to, changes in our businesses and the markets in which we operate or to take advantage of market opportunities; and (6) a competitive disadvantage compared to our competitors that have less debt.

In addition, it is possible that we may need to incur additional indebtedness in the future in the ordinary course of business. The terms of our Amended and Restated Credit Agreement allow us to incur additional debt subject to certain limitations. If new debt is added to current debt levels, the risks described above could intensify. In addition, our inability to maintain certain leverage ratios could result in acceleration of a portion of our debt obligations and could cause us to be in default if we are unable to repay the accelerated obligations.

The terms of our debt covenants could limit our discretion in operating our business and any failure to comply with such covenants could result in the default of all of our debt

The agreements governing our indebtedness contain and the agreements governing our future indebtedness will likely contain various covenants, including those that restrict our or our subsidiaries' ability to, among other things: (1) incur liens on our property, assets and revenue; (2) borrow money, and guarantee or provide other support for the indebtedness of third parties; (3) pay dividends or make other distributions on, redeem or repurchase our capital stock; (4) prepay, redeem or repurchase certain of our indebtedness; (5) enter into certain change of control transactions; (6) make investments in entities that we do not control, including equity method investments and joint ventures; (7) enter into certain asset sale transactions, including divestiture of certain company assets and divestiture of capital stock of wholly-owned subsidiaries; (8) enter into certain transactions with affiliates; (9) enter into secured financing arrangements; (10) enter into sale and leaseback transactions; (11) change our fiscal year; and (12) enter into substantially different lines of business. These covenants may limit our ability to effectively operate our businesses or maximize stockholder value. In addition, our Amended and Restated Credit Agreement requires that we meet certain financial tests, including the maintenance of a leverage ratio and a minimum net worth, as well as maintain certain minimum liquidity levels during any covenant suspension resulting from a "Material Travel Event Disruption." See Liquidity and Capital Resources. Our ability to satisfy these tests may be affected by factors and events beyond our control, and we may be unable to meet such tests in the future. Any failure to comply with the restrictions of our Amended and Restated Credit Agreement or any agreement governing our other indebtedness may result in an event of default under those agreements. Such default may allow the creditors to accelerate the related debt, which may trigger cross-acceleration or cross-default provisions in other debt. In addition, lenders may be able to terminate any commitments they had made to supply us with further funds.

We may require more cash than we generate in our operating activities, and additional funding on reasonable terms or at all may not be available.

We cannot guarantee that our business will generate sufficient cash flow from operations to fund our capital investment requirements or other liquidity needs, particularly following the COVID-19 outbreak. See "—The COVID-19 pandemic has had and is expected to continue to have a significant adverse impact on our business, including our financial results and prospects, and the travel suppliers on whom our business relies." Moreover, because we are a holding company with no material direct operations, we depend on loans, dividends and other payments from our subsidiaries to generate the funds necessary to meet our financial obligations. Our subsidiaries are legally distinct from us and may be prohibited or restricted from paying dividends or otherwise making funds available to us under certain conditions. As a result, we may be required to finance our cash needs through bank loans, additional debt financing, public or private equity offerings or otherwise. Our ability to arrange financing and the cost of such financing are dependent on numerous factors, including but not limited to general economic and capital market conditions, the availability of credit from banks or other lenders, investor confidence in us, and our results of operations.

There can be no assurance that financing will be available on terms favorable to us or at all, which could force us to delay, reduce or abandon our growth strategy, increase our financing costs, or both. Additional funding from debt financings may make it more difficult for us to operate our business because a portion of our cash generated from internal operations would be used to make principal and interest payments on the indebtedness and we may be obligated to abide by restrictive covenants contained in the debt financing agreements, which may, among other things, limit our ability to make business decisions and further limit our ability to pay dividends. In addition, any downgrade of our debt ratings by Standard & Poor's, Moody's Investor Service or similar ratings agencies, increases in general interest rate levels and credit spreads or overall weakening in the credit markets could increase our cost of capital. Furthermore, raising capital through public or private sales of equity to finance acquisitions or expansion could cause earnings or ownership dilution to your shareholding interests in our company.

We are exposed to interest rate fluctuations.

Our floating rate indebtedness exposes us to fluctuations in prevailing interest rates. To reduce the impact of large fluctuations in interest rates, we typically hedge a portion of our interest rate risk by entering into derivative agreements with financial institutions. Our exposure to interest rates relates primarily to our borrowings under the Amended and Restated Credit Agreement.

The derivative agreements that we use to manage the risk associated with fluctuations in interest rates may not be able to eliminate the exposure to these changes. Interest rates are sensitive to numerous factors outside of our control, such as government and central bank monetary policy in the jurisdictions in which we operate. Depending on the size of the exposures and the relative movements of interest rates, if we choose not to hedge or fail to effectively hedge our exposure, we could experience a material adverse effect on our results of operations and financial condition.

As of December 31, 2020, we had outstanding approximately $2.8 billion of variable debt that is indexed to the London Interbank Offered Rate ("LIBOR"). It is not possible to predict the effect of any changes in the methods by which LIBOR is determined or regulatory activity related to LIBOR's phaseout. Any of these developments could cause LIBOR to perform differently than in the past or cease to exist. If a published U.S. dollar LIBOR rate is unavailable, the interest rates on our debt indexed to LIBOR will be determined using various alternative methods set forth in our Amended and Restated Credit Agreement, any of which could result in interest obligations that are more than or that do not otherwise correlate over time with the payments that would have been made on this debt if U.S. dollar LIBOR were available in its current form. Any of these proposals or consequences could have a material adverse effect on our financing costs. Moreover, our interest rate swap agreements designated in a hedging relationship utilize one-month LIBOR and have maturities that extend through 2021. See Note 10. Derivatives, to our consolidated financial statements.

The market price of our common stock could decline due to the large number of outstanding shares of our common stock eligible for future sale.

Sales of substantial amounts of our common stock in the public market in future offerings, or the perception that these sales could occur, could cause the market price of our common stock to decline. These sales could also make it more difficult for us to sell equity or equity-related securities in the future, at a time and price that we deem appropriate. In addition, the additional sale of our common stock by our officers or directors in the public market, or the perception that these sales may occur, could cause the market price of our common stock to decline. We may issue shares of our common stock or other securities from time to time as consideration for, or to finance, future acquisitions and investments or for other capital needs. We cannot predict the size of future issuances of our shares or the effect, if any, that future sales and issuances of shares would have on the market price of our common stock. If any such acquisition or investment is significant, the number of shares of common stock or the number or aggregate principal amount, as the case may be, of other securities that we may issue may in turn be substantial and may result in additional dilution to our stockholders. We may also grant registration rights covering shares of our common stock or other securities that we may issue in connection with any such acquisitions and investments. To the extent that any of us, our executive officers or directors sell, or indicate an intent to sell, substantial amounts of our common stock in the public market, the trading price of our common stock could decline significantly.

We may recognize impairments on long-lived assets, including goodwill and other intangible assets, or recognize impairments on our equity method investments.

Our consolidated balance sheet at December 31, 2020 contained goodwill and intangible assets, net totaling $3.1 billion. Future acquisitions that result in the recognition of additional goodwill and intangible assets would cause an increase in these types of assets. We do not amortize goodwill and intangible assets that are determined to have indefinite useful lives, but we amortize definite-lived intangible assets on a straight-line basis over their useful economic lives, which range from four to thirty years, depending on classification. We evaluate goodwill for impairment on an annual basis or earlier if impairment indicators exist and we evaluate definite-lived intangible assets for impairment whenever events or changes in circumstances indicate that the carrying amount of definite-lived intangible assets used in combination to generate cash flows largely independent of other assets may not be recoverable. We record an impairment charge whenever the estimated fair value of our reporting units or of such intangible assets is less than its carrying value. The fair values used in our impairment evaluation are estimated using a combined approach based upon discounted future cash flow projections and observed market multiples for comparable businesses. Changes in estimates based on changes in risk-adjusted discount rates, future booking and transaction volume levels, travel supplier capacity and load factors, future price levels, rates of growth including long-term growth rates, rates of increase in operating expenses, cost of revenue and taxes, and changes in realization of estimated cost-saving initiatives could result in material impairment charges.

Maintaining and improving our financial controls and the requirements of being a public company may strain our resources, divert management's attention and affect our ability to attract and retain qualified board members.

As a public company, we are subject to the reporting requirements of the Exchange Act, the Sarbanes-Oxley Act of 2002 (the "Sarbanes-Oxley Act"), the Dodd-Frank Wall Street Reform and Consumer Protection Act of 2010 (the "Dodd-Frank Act") and The NASDAQ Stock Market ("NASDAQ") rules. The requirements of these rules and regulations have increased and will continue to significantly increase our legal and financial compliance costs, including costs associated with the hiring of additional personnel, making some activities more difficult, time-consuming or costly, and may also place undue strain on our personnel, systems and resources. The Exchange Act requires, among other things, that we file annual, quarterly and current reports with respect to our business and financial condition. The Sarbanes-Oxley Act requires, among other things, that we maintain disclosure controls and procedures and internal control over financial reporting. Ensuring that we have adequate internal financial and accounting controls and procedures in place, as well as maintaining these controls and procedures, is a costly and time-consuming effort that needs to be re-evaluated frequently. Section 404 of the Sarbanes-Oxley Act ("Section 404") requires that we annually evaluate our internal control over financial reporting to enable management to report on, and our independent auditors to audit as of the end of each fiscal year the effectiveness of those controls. In connection with the Section 404 requirements, both we and our independent registered public accounting firm test our internal controls and could, as part of that documentation and testing, identify material weaknesses, significant deficiencies or other areas for further attention or improvement.

Implementing any appropriate changes to our internal controls may require specific compliance training for our directors, officers and employees, require the hiring of additional finance, accounting and other personnel, entail substantial costs to modify our existing accounting systems, or any manual systems or processes, and take a significant period of time to complete. These changes may not, however, be effective in maintaining the adequacy of our internal controls, and any failure to maintain that adequacy, or consequent inability to produce accurate financial statements on a timely basis, could increase our operating costs and could materially impair our ability to operate our business. Moreover, adequate internal controls are necessary for us to produce reliable financial reports and are important to help prevent fraud. As a result, our failure to satisfy the requirements of Section 404 on a timely basis could result in the loss of investor confidence in the reliability of our financial statements, which in turn could cause the market value of our common stock to decline. Various rules and regulations applicable to public companies make it more difficult and more expensive for us to maintain directors' and officers' liability insurance, and we may be required to accept reduced coverage or incur substantially higher costs to maintain coverage. If we are unable to maintain adequate directors' and officers' liability insurance, our ability to recruit and retain qualified officers and directors, especially those directors who may be deemed independent for purposes of the NASDAQ rules, will be significantly curtailed.

We may have higher than anticipated tax liabilities.

We are subject to a variety of taxes in many jurisdictions globally, including income taxes in the United States at the federal, state and local levels, and in many other countries. Significant judgment is required in determining our worldwide provision for income taxes. In the ordinary course of our business, there are many transactions and calculations where the ultimate tax determination is uncertain. We operate in numerous countries where our income tax returns are subject to audit and adjustment by local tax authorities. Because we operate globally, the nature of the uncertain tax positions is often very complex and subject to change, and the amounts at issue can be substantial. It is inherently difficult and subjective to estimate such amounts, as we have to determine the probability of various possible outcomes. We re-evaluate uncertain tax positions on a quarterly basis. This evaluation is based on factors including, but not limited to, changes in facts or circumstances, changes in tax law, effectively settled issues under audit and new audit activity. Although we believe our tax estimates are reasonable, the final determination of tax audits could be materially different from our historical income tax provisions and accruals. Our effective tax rate may change from year to year based on changes in the mix of activities and income allocated or earned among various jurisdictions, tax laws in these jurisdictions, tax treaties between countries, our eligibility for benefits under those tax treaties, and the estimated values of deferred tax assets and liabilities, including the estimation of valuation allowances. Such changes could result in an increase or decrease in the effective tax rate applicable to all or a portion of our income or losses which would impact our profitability. We consider the undistributed capital investments in our foreign subsidiaries to be indefinitely reinvested as of December 31, 2020 and, accordingly, have not provided deferred taxes on any outside basis differences.

We establish reserves for our potential liability for U.S. and non-U.S. taxes, including sales, occupancy and VAT, consistent with applicable accounting principles and in light of all current facts and circumstances. We also establish reserves when required relating to the collection of refunds related to value-added taxes, which are subject to audit and collection risks in various countries. Historically our right to recover certain value-added tax receivables associated with our European businesses has been questioned by tax authorities. These reserves represent our best estimate of our contingent liability for taxes. The interpretation of tax laws and the determination of any potential liability under those laws are complex, and the amount of our liability may exceed our established reserves.

New tax laws, statutes, rules, regulations or ordinances could be enacted at any time and existing tax laws, statutes, rules, regulations and ordinances could be interpreted, changed, modified or applied adversely to us. These events could require us to pay additional tax amounts on a prospective or retroactive basis, as well as require us to pay fees, penalties or interest for past amounts deemed to be due. New, changed, modified or newly interpreted or applied laws could also increase our compliance, operating and other costs, as well as the costs of our products and services. Several countries, primarily in Europe, and the European Commission have proposed or adopted taxes on revenue earned by multinational corporations in certain "digital economy" sectors from activities linked to the user-based activity of their residents. These proposals have generally been

labeled as "digital services taxes" ("DSTs"). We continue to evaluate the potential effects that the DST may have on our operations, cash flows and results of operations. The future impact of the DST, including on our global operations, is uncertain, and our business and financial condition could be adversely affected.

Our pension plan obligations are currently unfunded, and we may have to make significant cash contributions to our plans, which could reduce the cash available for our business.

Our pension plans in the aggregate are estimated to be unfunded by $124 million as of December 31, 2020. With approximately 4,600 participants in our pension plans, we incur substantial costs relating to pension benefits, which can vary substantially as a result of changes in healthcare laws and costs, volatility in investment returns on pension plan assets and changes in discount rates used to calculate related liabilities. Our estimates of liabilities and expenses for pension benefits require the use of assumptions, including assumptions relating to the rate used to discount the future estimated liability, the rate of return on plan assets, inflation and several assumptions relating to the employee workforce (medical costs, retirement age and mortality). Actual results may differ, which may have a material adverse effect on our business, prospects, financial condition or results of operations. Future volatility and disruption in the stock markets could cause a decline in the asset values of our pension plans. In addition, a decrease in the discount rate used to determine minimum funding requirements could result in increased future contributions. If either occurs, we may need to make additional pension contributions above what is currently estimated, which could reduce the cash available for our businesses.

We may not have sufficient insurance to cover our liability in pending litigation claims and future claims either due to coverage limits or as a result of insurance carriers seeking to deny coverage of such claims, which in either case could expose us to significant liabilities.

We maintain third-party insurance coverage against various liability risks, including securities, stockholders, derivative, ERISA, and product liability claims, as well as other claims that form the basis of litigation matters pending against us. We believe these insurance programs are an effective way to protect our assets against liability risks. However, the potential liabilities associated with litigation matters pending against us, or that could arise in the future, could exceed the coverage provided by such programs. In addition, our insurance carriers have in the past sought or may in the future seek to rescind or deny coverage with respect to pending claims or lawsuits, completed investigations or pending or future investigations and other legal actions against us. If we do not have sufficient coverage under our policies, or if the insurance companies are successful in rescinding or denying coverage, we may be required to make material payments in connection with third-party claims.

Defects in our products may subject us to significant warranty liabilities or product liability claims and we may have insufficient product liability insurance to pay material uninsured claims.

Our business exposes us to the risk of product liability claims that are inherent in software development. We may inadvertently create defective software or supply our customers with defective software or software components that we acquire from third parties, which could result in personal injury, property damage or other liabilities, and may result in warranty or product liability claims brought against us, our travel supplier customers or third parties. Under our customer agreements, we generally must indemnify our customers for liability arising from intellectual property infringement claims with respect to our software. These indemnifications could be significant and we may not have adequate insurance coverage to protect us against all claims. The combination of our insurance coverage, cash flows and reserves may not be adequate to satisfy product liabilities we may incur in the future. Even meritless claims could subject us to adverse publicity, hinder us from securing insurance coverage in the future, require us to incur significant legal fees, decrease demand for any products that we successfully develop, divert management’s attention, and force us to limit or forgo further development and commercialization of these products. The cost of any product liability litigation or other proceedings, even if resolved in our favor, could be substantial.

ITEM 1B. UNRESOLVED STAFF COMMENTS

Not applicable.

ITEM 2. PROPERTIES

As a company with global operations, we operate in many countries with a variety of sales, administrative, product development and customer service roles provided in these offices.

Americas: Our corporate and business unit headquarters and domestic operations are located in two buildings in Southlake, Texas, which we sold and leased back in the fourth quarter of 2020, as well as in two leased offices located in Westlake, Texas. There are six additional offices across North America and three offices across Latin America that serve in various sales, administration, software development and customer service capacities for all our business segments. All of these offices are leased.

EMEA: We maintain our regional headquarters for Europe, the Middle East, and Africa ("EMEA") in London, United Kingdom. There are 17 additional offices across EMEA that serve in various sales, administration, software development and customer service capacities. All of these offices are leased.

APAC: We maintain our Asia-Pacific ("APAC") regional operations headquarters in Singapore. There are 19 additional offices across APAC that serve in various sales, administration, software development and customer service capacities. All of the offices are leased.

ITEM 3. LEGAL PROCEEDINGS

The Company and its subsidiaries are from time to time engaged in routine legal proceedings incidental to our business. For a description of our material legal proceedings, see Note 17. Commitments and Contingencies, to our consolidated financial statements included in Item 8 of this Annual Report on Form 10-K, which is incorporated herein by reference. While certain legal proceedings and related indemnification obligations to which we are a party specify the amounts claimed, these claims may not represent reasonably possible losses. Given the inherent uncertainties of litigation, the ultimate outcome of these matters cannot be predicted at this time, nor can the amount of possible loss or range of loss, if any, be reasonably estimated, except in circumstances where an aggregate litigation accrual has been recorded for probable and reasonably estimable loss contingencies. A determination of the amount of accrual required, if any, for these contingencies is made after careful analysis of each matter. The required accrual may change in the future due to new information or developments in each matter or changes in approach such as a change in settlement strategy in dealing with these matters. See “Risk Factors —"We are involved in various legal proceedings which may cause us to incur significant fees, costs and expenses and may result in unfavorable outcomes.”

ITEM 4. MINE SAFETY DISCLOSURES

Not applicable.

INFORMATION ABOUT OUR EXECUTIVE OFFICERS

The names and ages of our executive officers as of February 25, 2021, together with certain biographical information, are as follows:

Name	Age	Position
Sean Menke	52	Chief Executive Officer, President and Director, Sabre
Douglas Barnett	61	Executive Vice President and Chief Financial Officer, Sabre
David Shirk	54	Executive Vice President, Sabre and President, Travel Solutions
Scott Wilson	52	Executive Vice President, Sabre and President, Hospitality Solutions
Wade Jones	55	Executive Vice President and Chief Product Officer
Roshan Mendis	48	Executive Vice President and Chief Commercial Officer
David Moore	58	Executive Vice President and Chief Technology Officer
Cem Tanyel	52	Executive Vice President and Chief Services Officer
Shawn Williams	48	Executive Vice President and Chief People Officer

Sean Menke was elected president and CEO effective December 31, 2016. Prior to that, he served as executive vice president of Sabre and president of Travel Network. Before joining Sabre in October 2015, Mr. Menke served as executive vice president and chief operating officer of Hawaiian Airlines from October 2014 to October 2015. From 2013 to 2014, he was executive vice president of resources at IHS Inc., a global information technology company. He served as managing partner of Vista Strategic Group, LLC, a consulting firm, from 2012 to 2013 and from 2010 to 2011. From 2011 to 2012, he served as president and chief executive officer of Pinnacle Airlines, and from 2007 to 2010 as president and chief executive officer of Frontier Airlines. Frontier Airlines and Pinnacle Airlines filed for bankruptcy protection under Chapter 11 of the United States Bankruptcy Code in 2008 and 2012, respectively. Mr. Menke earned an executive MBA from the University of Denver and dual bachelor of science degrees in Economics and Aviation Management from Ohio State University.

Douglas Barnett is executive vice president and chief financial officer. Prior to joining Sabre in June 2018, Mr. Barnett served as executive vice president and chief financial officer of Informatica LLC, a global leader in enterprise cloud data management, since 2016. While there, he was responsible for a number of areas of Informatica's business, including finance, legal, information technology, human resources and corporate development. From 2013 to 2016, Mr. Barnett served as executive vice president and chief financial officer of TriZetto Corporation, a health care IT company, where he was responsible for all finance-related functions, including accounting, internal audit, banking, investor relations, cash management, internal and external reporting, tax and treasury, as well as human resources, facilities and IT. From 2007 to 2013, Mr. Barnett was managing director, chief financial officer and chief administrative officer of AlixPartners LLP, a global business-advisory firm, where he was responsible for most non-client facing functions at the firm, including accounting, finance, treasury, HR, facilities, internal audit, tax, IT and other operations for 16 global locations. Prior to that, he held financial leadership roles at UGS Corporation, Colfax Corporation and Giddings & Lewis, Inc. Mr. Barnett is a current board member of ECI Software Solutions. Mr. Barnett received a Masters of Management degree from the J.L. Kellogg Graduate School of Management at Northwestern University and his Bachelor of Science degree from the University of Illinois.

David Shirk is executive vice president of Sabre and president of Travel Solutions. Mr. Shirk previously served as executive vice president of Sabre and president of Airline Solutions from June 2017 to July 2018. Prior to joining Sabre, Mr. Shirk served as president at Kony, Inc., an industry leader in mobile application development. He previously served as general manager and vice president at Computer Services Corp. (CSC), where he led the company's software, services, and business process outsourcing division. Prior to joining CSC, Mr. Shirk was senior vice president of industry solutions and chief marketing officer for the Enterprise Business division of HP. He holds a bachelor's degree in business administration and management from The Ohio State University.

Scott Wilson is executive vice president of Sabre and president of Hospitality Solutions. Prior to joining Sabre in September 2020, Mr. Wilson served as Executive Vice President and Chief Commercial Officer of Great Wolf Resorts, the largest family of indoor water park resorts in North America, since 2017. While there, he was responsible for a number of areas of Great Wolf's business, including sales, marketing, digital, revenue management, data and analytics, contact centers, and merchandising. From 2010 to 2017, Mr. Wilson served as Vice President, e-Commerce and Merchandising, at United Airlines, Inc. one of the largest global airlines. In addition to e-commerce and merchandising functions, he was also responsible for distribution and commercial analytics. From 2007 to 2010, Mr. Wilson was Vice President, Digital Marketing, at Marriott International, Inc. with responsibility for all performance and social media marketing across Marriott's full portfolio of brands. Prior to that, he held digital, marketing, and strategy leadership roles at BCG, America Online, Netscape, and American Airlines. Mr. Wilson is a current board member of Alliant Credit Union. Mr. Wilson received an MBA from the Tepper School of Business at Carnegie Mellon University and his Bachelor of Arts degree from the University of California, Berkeley.

Wade Jones is executive vice president and chief product officer. Mr. Jones previously served as executive vice president of Sabre and president of Travel Network from 2017 to 2020. He joined Sabre in 2015 in the product, marketing and strategy role for Travel Solutions globally. From April of 2012 to September of 2014 he was senior vice president and general manager of Deem's syndicated commerce business. From 2011 to 2012, Mr. Jones served as a founder and chief executive officer of Haystack Ventures, LLC, which filed for bankruptcy protection under Chapter 7 of the United States Bankruptcy Code in 2012. Prior to joining Sabre, Mr. Jones spent more than 10 years with Barclaycard, leading the company's U.K partnership business that provides, co-branded credit card, and loyalty programs for other companies across the travel, retail, financial services, and

other industries. He received his master’s degree in business administration from the Kellogg School of Management at Northwestern University and his undergraduate degree from Texas Christian University.

Roshan Mendis has served as executive vice president and chief commercial officer since 2020. Mr. Mendis previously served as chief commercial officer for the Travel Network business from 2018 to 2020, and prior to that served as senior vice president of international markets for Sabre from 2017 to 2018. From 2015 to 2017, Mr. Mendis served as senior vice president of Asia Pacific for Sabre. Mr. Mendis has also served as president of Travelocity and Zuji, consumer-facing brands that were part of the Sabre portfolio. He completed his undergraduate studies at Chaminade University of Honolulu and University of Cambridge (UK) and later earned his MBA at the Rice University.

David Moore has served as executive vice president and chief technology officer since 2020. Mr. Moore previously served as a senior vice president in Sabre's Travel Network and Travel Solutions businesses from 2016 to 2020, where he led product management and development, and subsequently a series of increasing roles leading global technology teams. Prior to that, he served as chief technology officer and senior vice president of global engineering at Digital River, which builds and operates online B2B marketplace and online channels for global clients, and chief technology officer and chief innovation officer at Keane (now NTT).

Cem Tanyel is executive vice president and chief services officer. Mr. Tanyel previously served as executive vice president of Sabre and president of Airline Solutions from 2018 to 2020. Prior to joining Sabre in September 2018, Mr. Tanyel served as executive vice president and general manager, Global Services at Kony from October 2016 to October 2018. From 2015 to 2016, he was chief services officer and senior vice president, consulting and service delivery of Trizetto Corp. Mr. Tanyel served as Vice president and general manager, healthcare and life sciences global solutions at CSC Corp. from 2012 to 2015, and he served as senior vice president, research and development, health systems enterprise solutions at McKesson Corp. from 2010 to 2012.

Shawn Williams has served as executive vice president and chief people officer since 2020. Prior to joining Sabre in 2020, Mr. Williams served as chief human resources officer of Scientific Games, a global technology gaming company, from 2017 to 2020. From 2016 to 2017, he served as senior vice president and chief administrative officer of LeEco Holdings North America, a consumer electronics business. Prior to that, Mr. Williams served as senior vice president and chief administrative officer of Samsung Electronics America, an electronics and telecommunications company. He holds a bachelor’s degree in business administration from the University of Houston.

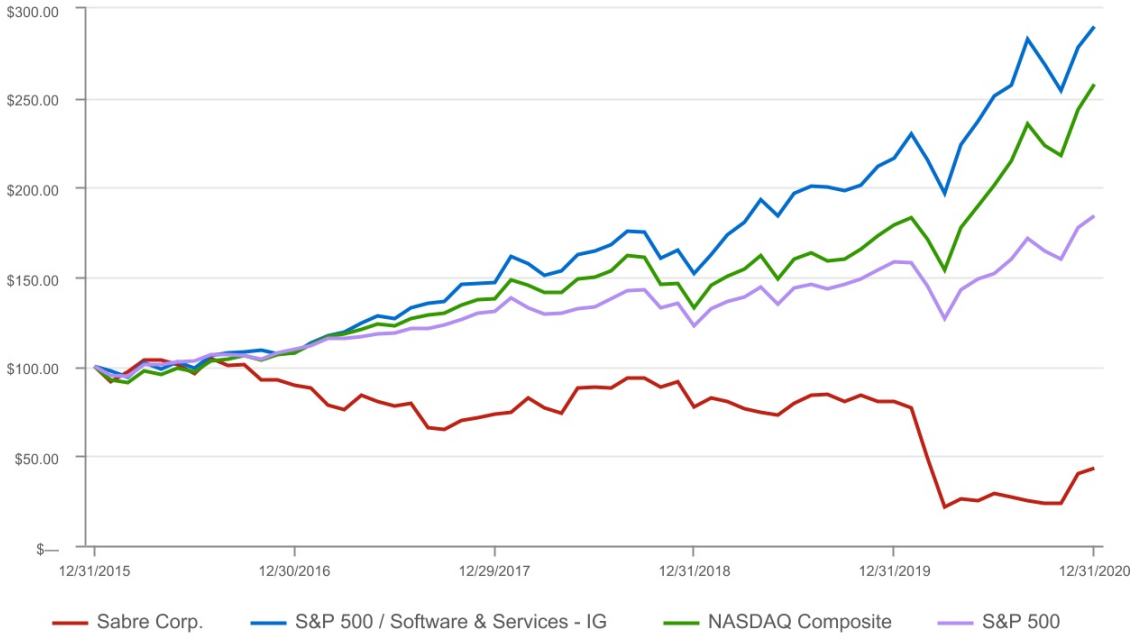
PART II

ITEM 5. MARKET FOR REGISTRANT'S COMMON EQUITY, RELATED STOCKHOLDER MATTERS AND ISSUER PURCHASES OF EQUITY SECURITIES

Our common stock is listed on the NASDAQ Global Select Market under the symbol "SABR." As of February 22, 2021, there were 104 stockholders of record of our common stock. We have suspended the payment of quarterly cash dividends on our common stock, effective with respect to the dividends occurring after the March 30, 2020 payment. The amount of future cash dividends on our common stock, if any, will depend upon, among other things, our future operations and earnings, capital requirements and surplus, general financial condition, contractual restrictions, number of shares of common stock outstanding and other factors the board of directors may deem relevant. The timing and amount of future dividend payments will be at the discretion of our board of directors. See Item 7, "Management's Discussion and Analysis of Financial Condition and Results of Operations—Liquidity and Capital Resources—Dividends." There were no shares repurchased during the fourth quarter of 2020. See Item 7, "Management's Discussion and Analysis of Financial Condition and Results of Operations—Liquidity and Capital Resources—*Recent Events Impacting Our Liquidity and Capital Resources*—Share Repurchase Program."

Stock Performance Graph

The following graph shows a comparison from December 31, 2015 through December 31, 2020 of the cumulative total return for our common stock, the Nasdaq Composite Index ("NASDAQ Composite"), the Standard & Poor's 500 Stock Index ("S&P 500") and the Standard & Poor's Software and Services Index ("S&P 500/Software & Services") (collectively, the "Indices"). The graph assumes that $100 was invested at the market close on December 31, 2015 in the common stock of Sabre Corporation and the Indices as well as reinvestments of dividends. The stock price performance of the following graph is not necessarily indicative of future stock price performance.



The stock price performance depicted in the above graph is not necessarily indicative of future price performance. The stock performance graph shall not be deemed "soliciting material" or to be "filed" with the SEC, nor shall such information be incorporated by reference into any future filing by us under the Securities Act or the Exchange Act, except to the extent that we specifically incorporate the graph by reference in such filing.

ITEM 6. SELECTED FINANCIAL DATA

The following selected financial data should be read in conjunction with Item 7, "Management's Discussion and Analysis of Financial Condition and Results of Operations," and our consolidated financial statements and notes thereto contained in Item 8, "Financial Statements and Supplementary Data," of this Annual Report on Form 10-K. Pursuant to the early adoption of the changes to Item 301 of Regulation S-K, we have elected to present three years of selected financial data, which we believe represents relevant historical periods and information for our readers in light of our Strategic Realignment.

The consolidated statements of operations data and consolidated statements of cash flows data for the years ended December 31, 2020, 2019 and 2018 and the consolidated balance sheet data as of December 31, 2020 and 2019 are derived from our audited consolidated financial statements contained in Item 8, "Financial Statements and Supplementary Data," of this Annual Report on Form 10-K. The consolidated balance sheet data as of December 31, 2018 is derived from audited consolidated financial statements not included in this Annual Report on Form 10-K. Our historical results are not necessarily indicative of the results to be expected in the future. All amounts presented below are in thousands, except per share amounts.

	Year Ended December 31,		
	2020	2019	2018
Consolidated Statements of Operations Data:			
Revenue	$ 1,334,100	$ 3,974,988	$ 3,866,956
Operating (loss) income	(988,039)	363,417	562,016
(Loss) income from continuing operations	(1,274,332)	164,312	340,921
Income (loss) from discontinued operations, net of tax	2,788	(1,766)	1,739
Net (loss) income attributable to common stockholders	(1,280,403)	158,592	337,531
Net (loss) income per share attributable to common stockholders:			
Basic	$ (4.42)	$ 0.57	$ 1.23
Diluted	$ (4.42)	$ 0.57	$ 1.22
Weighted-average common shares outstanding:			
Basic	289,855	274,168	275,235
Diluted	289,855	276,217	277,518
Consolidated Statements of Cash Flows Data:			
Cash (used in) provided by operating activities	$ (770,245)	$ 581,260	$ 724,797
Cash (used in) provided by investing activities	(1,291)	(243,026)	(275,259)
Cash provided by (used in) financing activities	1,837,741	(409,721)	(306,506)
Additions to property and equipment	65,420	115,166	283,940
Cash payments for interest	186,235	157,648	156,041
Other Financial Data:			
Adjusted Operating (Loss) Income	$ (745,274)	$ 513,408	$ 701,432
Adjusted Net (Loss) Income	(922,321)	279,215	427,570
Adjusted EBITDA	(372,852)	946,360	1,124,390
Free Cash Flow	(835,665)	466,094	440,857
Key Metrics:			
Travel Solutions			
Direct Billable Bookings - Air	103,331	499,111	491,820
Direct Billable Bookings - Lodging, Ground and Sea	21,353	67,197	66,454
Distribution Total Direct Billable Bookings	124,684	566,308	558,274
IT Solutions Passengers Boarded	322,714	741,107	752,548
Hospitality Solutions			
Central Reservations System Transactions	67,046	108,482	88,655

	As of December 31,		
	2020	2019	2018
Consolidated Balance Sheet Data:			
Cash and cash equivalents	$ 1,499,665	$ 436,176	$ 509,265
Total assets[1] [2]	6,077,722	5,689,957	5,806,381
Long-term debt	4,639,782	3,261,821	3,337,467
Working capital surplus[2]	1,266,162	96,377	169,235
Noncontrolling interest	7,028	8,588	7,205
Total stockholders' equity[2]	362,632	947,669	974,271

(1) In the first quarter of 2019, we adopted new lease accounting guidance on a modified retrospective basis in accordance with Accounting Standards Codification (" ASC") 842, Leases. See Note 12. Leases, to our consolidated financial statements.

(2) In the first quarter of 2020, we adopted the comprehensive update for the measurement of credit losses, ASC 326, on a modified retrospective basis. See Note 8. Credit Losses, to our consolidated financial statements.

Non-GAAP Financial Measures

The following table sets forth the reconciliation of Net (Loss) Income attributable to common stockholders to Adjusted Net (Loss) Income from continuing operations, Operating (Loss) Income to Adjusted Operating (Loss) Income, and (Loss) Income from continuing operations to Adjusted EBITDA (in thousands):

	Year Ended December 31,		
	2020	2019	2018
Net (loss) income attributable to common stockholders	$ (1,280,403)	$ 158,592	$ 337,531
(Income) loss from discontinued operations, net of tax	(2,788)	1,766	(1,739)
Net income attributable to non-controlling interests[1]	1,200	3,954	5,129
Preferred stock dividends	7,659	—	—
(Loss) Income from continuing operations	(1,274,332)	164,312	340,921
Adjustments:			
Impairment and related charges[2]	8,684	—	—
Acquisition-related amortization[3a]	65,998	64,604	68,008
Restructuring and other costs[6]	85,797	—	—
Loss on extinguishment of debt	21,626	—	633
Other, net[5]	66,961	9,432	8,509
Acquisition-related costs[7]	16,787	41,037	3,266
Litigation costs, net[8]	(1,919)	(24,579)	8,323
Stock-based compensation	69,946	66,885	57,263
Tax impact of adjustments[9]	18,131	(42,476)	(59,353)
Adjusted Net (Loss) Income from continuing operations	$ (922,321)	$ 279,215	$ 427,570
Adjusted Net (Loss) Income from continuing operations per share	$ (3.18)	$ 1.01	$ 1.54
Diluted weighted-average common shares outstanding	289,855	276,217	277,518
Operating (loss) income	$ (988,039)	$ 363,417	$ 562,016
Add back:			
Equity method (loss) income	(2,528)	2,044	2,556
Impairment and related charges[2]	8,684	—	—
Acquisition-related amortization[3a]	65,998	64,604	68,008
Restructuring and other costs[6]	85,797	—	—
Acquisition-related costs[7]	16,787	41,037	3,266
Litigation costs, net[8]	(1,919)	(24,579)	8,323
Stock-based compensation	69,946	66,885	57,263
Adjusted Operating (Loss) Income	$ (745,274)	$ 513,408	$ 701,432
(Loss) income from continuing operations	$ (1,274,332)	$ 164,312	$ 340,921
Adjustments:			
Depreciation and amortization of property and equipment[3b]	260,651	310,573	303,612
Amortization of capitalized implementation costs[3c]	37,094	39,444	41,724
Acquisition-related amortization[3a]	65,998	64,604	68,008
Impairment and related charges[2]	8,684	—	—
Restructuring and other costs[6]	85,797	—	—
Amortization of upfront incentive consideration[4]	74,677	82,935	77,622
Interest expense, net	235,091	156,391	157,017
Other, net[5]	66,961	9,432	8,509
Loss on extinguishment of debt	21,626	—	633
Acquisition-related costs[7]	16,787	41,037	3,266
Litigation costs, net[8]	(1,919)	(24,579)	8,323
Stock-based compensation	69,946	66,885	57,263
Provision for income taxes	(39,913)	35,326	57,492
Adjusted EBITDA	$ (372,852)	$ 946,360	$ 1,124,390

The following tables set forth the reconciliation of Adjusted Operating (Loss) Income to Operating (Loss) Income in our statement of operations and Adjusted EBITDA to (Loss) Income from Continuing Operations in our statement of operations by business segment (in thousands):

	Year Ended December 31, 2020			
	Travel Solutions	Hospitality Solutions	Corporate	Total
Adjusted Operating Loss	$ (523,122)	$ (63,915)	$ (158,237)	$ (745,274)
Less:				
Equity method loss	(2,528)	—	—	(2,528)
Impairment and related charges[2]	—	—	8,684	8,684
Acquisition-related amortization[3a]	—	—	65,998	65,998
Restructuring and other costs[6]	—	—	85,797	85,797
Acquisition-related costs[7]	—	—	16,787	16,787
Litigation costs, net[8]	—	—	(1,919)	(1,919)
Stock-based compensation	—	—	69,946	69,946
Operating loss	$ (520,594)	$ (63,915)	$ (403,530)	$ (988,039)
Adjusted EBITDA	$ (197,905)	$ (21,126)	$ (153,821)	$ (372,852)
Less:				
Depreciation and amortization of property and equipment[3b]	217,808	38,427	4,416	260,651
Amortization of capitalized implementation costs[3c]	32,732	4,362	—	37,094
Acquisition-related amortization[3a]	—	—	65,998	65,998
Impairment and related charges[2]	—	—	8,684	8,684
Restructuring and other costs[6]	—	—	85,797	85,797
Amortization of upfront incentive consideration[4]	74,677	—	—	74,677
Acquisition-related costs[7]	—	—	16,787	16,787
Litigation costs, net[8]	—	—	(1,919)	(1,919)
Stock-based compensation	—	—	69,946	69,946
Equity method loss	(2,528)	—	—	(2,528)
Operating loss	$ (520,594)	$ (63,915)	$ (403,530)	$ (988,039)
Interest expense, net				(235,091)
Other, net[5]				(66,961)
Loss on extinguishment of debt				(21,626)
Equity method loss				(2,528)
Provision for income taxes				39,913
Loss from continuing operations				$ (1,274,332)

	Year Ended December 31, 2019			
	Travel Solutions	Hospitality Solutions	Corporate	Total
Adjusted Operating Income (Loss)	$ 729,266	$ (21,632)	$ (194,226)	$ 513,408
Less:				
Equity method income	2,044	—	—	2,044
Acquisition-related amortization[3a]	—	—	64,604	64,604
Acquisition-related costs[7]	—	—	41,037	41,037
Litigation costs, net[8]	—	—	(24,579)	(24,579)
Stock-based compensation	—	—	66,885	66,885
Operating income (loss)	$ 727,222	$ (21,632)	$ (342,173)	$ 363,417
Adjusted EBITDA	$ 1,104,298	$ 31,466	$ (189,404)	$ 946,360
Less:				
Depreciation and amortization of property and equipment[3b]	257,390	48,361	4,822	310,573
Amortization of capitalized implementation costs[3c]	34,707	4,737	—	39,444
Acquisition-related amortization[3a]	—	—	64,604	64,604
Amortization of upfront incentive consideration[4]	82,935	—	—	82,935
Acquisition-related costs[7]	—	—	41,037	41,037
Litigation costs, net[8]	—	—	(24,579)	(24,579)
Stock-based compensation	—	—	66,885	66,885
Equity method income	2,044	—	—	2,044
Operating income (loss)	$ 727,222	$ (21,632)	$ (342,173)	$ 363,417
Interest expense, net				(156,391)
Other, net[5]				(9,432)
Equity method income				2,044
Provision for income taxes				(35,326)
Income from continuing operations				$ 164,312

	Year Ended December 31, 2018			
	Travel Solutions	Hospitality Solutions	Corporate	Total
Adjusted Operating Income (Loss)	$ 866,957	$ 12,881	$ (178,406)	$ 701,432
Less:				
Equity method income	2,556	—	—	2,556
Acquisition-related amortization[3a]	—	—	68,008	68,008
Acquisition-related costs[7]	—	—	3,266	3,266
Litigation costs, net[8]	—	—	8,323	8,323
Stock-based compensation	—	—	57,263	57,263
Operating income (loss)	$ 864,401	$ 12,881	$ (315,266)	$ 562,016
Adjusted EBITDA	$ 1,245,286	$ 52,824	$ (173,720)	$ 1,124,390
Less:				
Depreciation and amortization of property and equipment[3b]	262,745	36,181	4,686	303,612
Amortization of capitalized implementation costs[3c]	37,962	3,762	—	41,724
Acquisition-related amortization[3a]	—	—	68,008	68,008
Amortization of upfront incentive consideration[4]	77,622	—	—	77,622
Acquisition-related costs[7]	—	—	3,266	3,266
Litigation costs, net[8]	—	—	8,323	8,323
Stock-based compensation	—	—	57,263	57,263
Equity method income	2,556	—	—	2,556
Operating income (loss)	$ 864,401	$ 12,881	$ (315,266)	$ 562,016
Interest expense, net				(157,017)
Other, net[5]				(8,509)
Loss on extinguishment of debt				(633)
Equity method income				2,556
Provision for income taxes				(57,492)
Income from continuing operations				$ 340,921

The following tables present information from our statements of cash flows and set forth the reconciliation of Free Cash Flow to cash provided by operating activities, the most directly comparable GAAP measure (in thousands):

	Year Ended December 31,		
	2020	2019	2018
Cash (used in) provided by operating activities	$ (770,245)	$ 581,260	$ 724,797
Cash used in investing activities	(1,291)	(243,026)	(275,259)
Cash provided by (used in) financing activities	1,837,741	(409,721)	(306,506)

	Year Ended December 31,		
	2020	2019	2018
Cash provided by operating activities	$ (770,245)	$ 581,260	$ 724,797
Additions to property and equipment	(65,420)	(115,166)	(283,940)
Free Cash Flow	$ (835,665)	$ 466,094	$ 440,857

(1) Net income attributable to non-controlling interests represents an adjustment to include earnings allocated to non-controlling interests held in (i) Sabre Travel Network Middle East of 40% and Sabre Seyahat Dagitim Sistemleri A.S. of 40% for all periods presented, (ii) Sabre Travel Network Lanka (Pte) Ltd of 40% beginning in July 2015, and (iii) Sabre Bulgaria of 40% beginning in November 2017.

(2) Impairment and related charges consists of $5 million associated with software developed for internal use and $4 million associated with capitalized implementation costs related to a specific customer based on our analysis of the recoverability of such amounts.

(3) Depreciation and amortization expenses:
   a. Acquisition-related amortization represents amortization of intangible assets from the take-private transaction in 2007 as well as intangibles associated with acquisitions since that date.
   b. Depreciation and amortization of property and equipment includes software developed for internal use as well as amortization of contract acquisition costs.
   c. Amortization of capitalized implementation costs represents amortization of upfront costs to implement new customer contracts under our SaaS and hosted revenue model.

(4) Our Travel Solutions business at times provides upfront incentive consideration to travel agency subscribers at the inception or modification of a service contract, which are capitalized and amortized to cost of revenue, excluding technology costs over an average expected life of

the service contract, generally over three to ten years. This consideration is made with the objective of increasing the number of clients or to ensure or improve customer loyalty. These service contract terms are established such that the supplier and other fees generated over the life of the contract will exceed the cost of the incentive consideration provided up front. These service contracts with travel agency subscribers require that the customer commit to achieving certain economic objectives and generally have terms requiring repayment of the upfront incentive consideration if those objectives are not met.

(5) Other, net includes a $46 million charge related to termination payments incurred in 2020 in connection with the now-terminated acquisition of Farelogix Inc. ("Farelogix") and a $18 million pension settlement charge recorded in 2020, partially offset by a $10 million gain on sale of our headquarters building in the fourth quarter of 2020. In 2018, we recorded an expense of $5 million related to our liability under the Tax Receivable Agreement ("TRA") and an offsetting gain of $8 million on the sale of an investment. In addition, all periods presented include foreign exchange gains and losses related to the remeasurement of foreign currency denominated balances included in our consolidated balance sheets into the relevant functional currency. See Note 3. Acquisitions to our consolidated financial statements regarding the Farelogix termination and Note 16. Pension and Other Postretirement Benefit Plans to our consolidated financial statements regarding the pension settlements.

(6) Restructuring and other costs represents charges associated with business restructuring and associated changes, including the Strategic Realignment, as well as other measures to support the new organizational structure and to respond to the impacts of the COVID-19 pandemic on our business, facilities and cost structure. See Note 4. Restructuring Activities to our consolidated financial statements for further details.

(7) Acquisition-related costs represent fees and expenses incurred associated with the now-terminated agreement to acquire Farelogix, as well as costs related to the acquisition of Radixx in 2019. See Note 3. Acquisitions to our consolidated financial statements.

(8) Litigation costs, net represent charges associated with antitrust litigation and other foreign non-income tax contingency matters. In 2020, we reversed the previously accrued non-income tax expense of $4 million due to success in our claims. In 2019, we recorded the reversal of our previously accrued loss related to the US Airways legal matter for $32 million. In 2018, we recorded non-income tax expense of $5 million for tax, penalties and interest associated with certain non-income tax claims for historical periods regarding permanent establishment in a foreign jurisdiction. See Note 17. Commitments and Contingencies to our consolidated financial statements.

(9) The tax impact of adjustments includes the tax effect of each separate adjustment based on the statutory tax rate for the jurisdiction(s) in which the adjustment was taxable or deductible, the impact of the adjustments on valuation allowance assessments, and the tax effect of items that relate to tax specific financial transactions, tax law changes, uncertain tax positions, and other items. In 2018, the provision for income taxes includes a benefit of $27 million related to the enactment of the TCJA for deferred taxes and foreign tax effects.

Definitions of Non-GAAP Financial Measures

We have included both financial measures compiled in accordance with GAAP and certain non-GAAP financial measures in this Annual Report on Form 10-K, including Adjusted Operating (Loss) Income, Adjusted Net (Loss) Income from continuing operations ("Adjusted Net (Loss) Income"), Adjusted EBITDA, Free Cash Flow and ratios based on these financial measures. As a result of the Strategic Realignment, we have separated our technology costs from cost of revenue and moved certain expenses previously classified as cost of revenue to selling, general and administrative to provide increased visibility to our technology costs for analytical and decision-making purposes and to align costs with the current leadership and operational organizational structure.

We define Adjusted Operating (Loss) Income as operating (loss) income adjusted for equity method (loss) income, impairment and related charges, acquisition-related amortization, restructuring and other costs, acquisition-related costs, litigation costs, net, and stock-based compensation.

We define Adjusted Net (Loss) Income as net (loss) income attributable to common stockholders adjusted for loss (income) from discontinued operations, net of tax, net income attributable to noncontrolling interests, impairment and related charges, acquisition-related amortization, loss on extinguishment of debt, other, net, restructuring and other costs, acquisition-related costs, litigation costs, net, stock-based compensation, and the tax impact of net income adjustments.

We define Adjusted EBITDA as (Loss) Income from continuing operations adjusted for depreciation and amortization of property and equipment, amortization of capitalized implementation costs, acquisition-related amortization, impairment and related charges, restructuring and other costs, amortization of upfront incentive consideration, interest expense, net, other, net, loss on extinguishment of debt, acquisition-related costs, litigation costs, net, stock-based compensation and the remaining provision for income taxes.

We define Free Cash Flow as cash (used in) provided by operating activities less cash used in additions to property and equipment.

We define Adjusted Net (Loss) Income from continuing operations per share as Adjusted Net (Loss) Income divided by diluted weighted-average common shares outstanding.

These non-GAAP financial measures are key metrics used by management and our board of directors to monitor our ongoing core operations because historical results have been significantly impacted by events that are unrelated to our core operations as a result of changes to our business and the regulatory environment. We believe that these non-GAAP financial measures are used by investors, analysts and other interested parties as measures of financial performance and to evaluate our ability to service debt obligations, fund capital expenditures and meet working capital requirements. We also believe that Adjusted Operating (Loss) Income, Adjusted Net (Loss) Income and Adjusted EBITDA assist investors in company-to-company and period-to-period comparisons by excluding differences caused by variations in capital structures (affecting interest expense), tax positions and the impact of depreciation and amortization expense. In addition, amounts derived from Adjusted EBITDA are a primary component of certain covenants under our senior secured credit facilities.

Adjusted Operating (Loss) Income, Adjusted Net (Loss) Income, Adjusted EBITDA, Free Cash Flow and ratios based on these financial measures are not recognized terms under GAAP. These non-GAAP financial measures and ratios based on them are unaudited and have important limitations as analytical tools, and should not be viewed in isolation and do not purport to be alternatives to net income as indicators of operating performance or cash flows from operating activities as measures of liquidity. These non-GAAP financial measures and ratios based on them exclude some, but not all, items that affect net income or cash flows from operating activities and these measures may vary among companies. Our use of these measures has limitations as an analytical tool, and you should not consider them in isolation or as substitutes for analysis of our results as reported under GAAP. Some of these limitations are:

- these non-GAAP financial measures exclude certain recurring, non-cash charges such as stock-based compensation expense and amortization of acquired intangible assets;
- although depreciation and amortization are non-cash charges, the assets being depreciated and amortized may have to be replaced in the future, and Adjusted EBITDA does not reflect cash requirements for such replacements;
- Adjusted EBITDA does not reflect amortization of upfront incentive consideration or capitalized implementation costs associated with our revenue contracts, which may require future working capital or cash needs in the future;
- Adjusted Operating (Loss) Income, Adjusted Net (Loss) Income and Adjusted EBITDA do not reflect changes in, or cash requirements for, our working capital needs;
- Adjusted EBITDA does not reflect the interest expense or the cash requirements necessary to service interest or principal payments on our indebtedness;
- Adjusted EBITDA does not reflect tax payments that may represent a reduction in cash available to us;
- Free Cash Flow removes the impact of accrual-basis accounting on asset accounts and non-debt liability accounts, and does not reflect the cash requirements necessary to service the principal payments on our indebtedness; and
- other companies, including companies in our industry, may calculate Adjusted Operating (Loss) Income, Adjusted Net (Loss) Income, Adjusted EBITDA or Free Cash Flow differently, which reduces their usefulness as comparative measures.

ITEM 7. MANAGEMENT'S DISCUSSION AND ANALYSIS OF FINANCIAL CONDITION AND RESULTS OF OPERATIONS

The following discussion and analysis has been recast to reflect the Strategic Realignment described in this Form 10-K and should be read in conjunction with our consolidated financial statements and related notes included in Item 8 of this Annual Report on Form 10-K.

Overview

We connect people and places with technology that reimagines the business of travel. The COVID-19 pandemic has caused major shifts in the travel ecosystem resulting in the changing needs of our airline, hotel and agency customers. As a result, in 2020 we accelerated the organizational changes we began in 2018 to address the changing travel landscape through the Strategic Realignment to respond to the impacts of the COVID-19 pandemic on our business and cost structure. The organizational changes involve the creation of a functional-oriented structure to further enhance our long-term growth opportunities and help deliver new retailing, distribution and fulfillment solutions to the travel marketplace. As a result of the Strategic Realignment, we now operate our business and present our results through two business segments effective the third quarter of 2020: (i) Travel Solutions, our global business-to-business travel marketplace for travel suppliers and travel buyers, including a broad portfolio of software technology products and solutions for airlines, and (ii) Hospitality Solutions, an extensive suite of leading software solutions for hoteliers. All revenue and expenses previously assigned to the Travel Network and Airline Solutions business segments have been consolidated into a unified revenue and expense structure now reported as the Travel Solutions business segment. The historical results of the Hospitality Solutions reporting segment have not changed. See Note 18. Segment Information, to our consolidated financial statements for results for the years ended December 31, 2020, 2019 and 2018 by reportable segment.

A significant portion of our revenue is generated through transaction-based fees that we charge to our customers. For Travel Solutions, we generate revenue from our distribution activities through transaction fees for bookings on our GDS, and from our IT solutions through recurring usage-based fees for the use of our SaaS and hosted systems, as well as upfront fees and professional services fees. For Hospitality Solutions, we generate revenue from recurring usage-based fees for the use of our SaaS and hosted systems, as well as upfront fees and professional services fees. Items that are not allocated to our business segments are identified as corporate and primarily include stock-based compensation expense, litigation costs, corporate headcount-related costs and other items that are not identifiable with either of our segments.

Additionally, we have reclassified expenses on our statement of operations to provide additional clarification on our costs by separating technology costs from cost of revenue and realigning certain expenses previously classified as cost of revenue to selling, general and administrative classification, considering how we assess our results of operations in the current organizational structure. Certain historical amounts have been reclassified to align with the current presentation. See Note 1. Summary of Business and Significant Accounting Policies, to our consolidated financial statements for further information.

Recent Developments Affecting our Results of Operations

The travel industry continues to be adversely affected by the global health crisis due to COVID-19, as well as by government directives that have been enacted to slow the spread of the virus. COVID-19 has had a material impact to our consolidated financial results in 2020, resulting in a material decrease in transaction-based revenue across both of our business units over the prior year. Additionally, our mix of transactions has shifted such that domestic bookings now exceed international bookings, negatively impacting revenue. Revenue during the year, particularly in the second quarter, was negatively impacted by increased cancellation activity. We estimate future cancellations at the end of each reporting period based on the number of undeparted bookings, expected cancellations and an estimated rate. The combination of actual cancellation activity and significantly fewer bookings resulted in a reduction in the cancellation reserve for the year ended December 31, 2020 when compared to 2019. Lower GDS volumes resulted in a material decline in incentive consideration costs, which was partially offset by a higher provision for expected credit losses due to the impact of COVID-19 on the global economy and our customers and other general increases in bad debt from aging balances as applied under the newly adopted credit impairment standard. Refer to Note 8. Credit Losses for further information.

Given the impact of COVID-19, as previously disclosed, we have responded with measures to increase our cash position, including the suspension of common stock dividends and share repurchases under our $500 million share repurchase program (the "Share Repurchase Program"), borrowing under our Revolver, implementing cost savings measures, and completing debt and equity offerings. Additionally, during the fourth quarter of 2020, we completed the sale of our two headquarters buildings for an aggregate purchase price, net of closing costs, of $69 million in conjunction with an assessment of our real estate footprint, as well as our work from anywhere initiatives. See Note 12. Leases, to our consolidated financial statements for further information. We also took the following actions with regard to our workforce and compensation programs as cost reduction efforts:

- A temporary reduction in base compensation pay for our US-based salaried workforce, including a 25% reduction for our CEO, from March 16, 2020 through July 5, 2020;
- A temporary reduction in the cash retainer for members of our Board of Directors from March 16, 2020 through June 30, 2020;
- The temporary suspension of our 401(k) match program for US-based employees through December 31, 2020;

- Reductions in third-party contracting, vendor costs and other discretionary spending;
- An offering of voluntary unpaid time off, voluntary severance and a voluntary early retirement program in the first quarter of 2020;
- A temporary furlough of approximately one-third of our workforce during the second quarter of 2020; and
- A right-sizing of our global organization through a reduction in force that impacted approximately 800 team members across 44 office locations. This reduction is in addition to the separation of approximately 400 participants in voluntary severance and voluntary early retirement programs described above.

We substantially completed the Strategic Realignment during the year ended December 31, 2020. In connection with these measures, we recorded a $72 million charge associated with these restructuring activities during the year ended December 31, 2020. See Note 4. Restructuring Activities, to our consolidated financial statements for further details on the costs incurred related to restructuring. Additionally, to retain key talent in this highly volatile macro environment, we have taken the following specific actions related to our compensation programs which have impacted our operating expenses:

- Replaced the revenue and adjusted earnings per share metrics in our 2020 annual incentive program with measures focused on expense management with payout capped at 50% of original targets, paid in December 2020;
- Amended the key strategic initiatives associated with the long-term performance-based cash incentive awards that are payable in March 2022;
- Amended the 2020 performance metrics associated with performance stock awards that vest in March 2021;
- Awarded time-based restricted stock unit awards to executive and certain key employees in June 2020, with 50% of the units vesting on the first and second anniversaries of the grant date; and
- Awarded cash retention bonuses to certain key technology resources in June 2020 in conjunction with our technology transformation initiatives payable upon the completion of two and three years of service.

We believe the ongoing effects of COVID-19 on our operations and global bookings will continue to have a material negative impact on our financial results and liquidity, and such negative impact may continue well beyond the containment of such outbreak.

In March 2020, the Coronavirus Aid, Relief, and Economic Security Act ("CARES Act") was signed into law, which provides over $2 trillion in economic relief in response to the COVID-19 pandemic. The CARES Act also modifies sections of the Internal Revenue Code of 1986, as amended ("IRC"). Certain IRC modifications relax limitations on deductions, which were enacted as part of the Tax Cuts and Jobs Act. We did not participate in the CARES Act loan program during 2020 but did benefit from certain payroll-tax related deferrals and credits. The provisions of the CARES Act did not have a material impact on our consolidated financial statements for the year ended December 31, 2020.

During the year ended December 31, 2020, several of our customers filed for bankruptcy protection in various jurisdictions. Due to our creditor position, we do not expect significant recovery for amounts due to us prior to the customer's filing for bankruptcy protection and have fully reserved for any amounts due; however, we continue to provide services and receive timely payment for post-bankruptcy balances due in most cases.

Factors Affecting our Results

The impacts of COVID-19 on our business as described above are the most significant factors affecting our current results, and they are expected to continue to significantly impact our future results. The following is a discussion of other trends that we believe are additional significant opportunities and challenges currently impacting our business and industry. The discussion also includes management's assessment of the effects these trends have had and are expected to have on our results of continuing operations. This information is not an exhaustive list of all of the factors that could affect our results and should be read in conjunction with the factors referred to in the sections entitled "Risk Factors," "Forward-Looking Statements," and "—Recent Developments Affecting our Results of Operations" included elsewhere in this Annual Report on Form 10-K.

Technology transformation and change in mix of technology spend

We expect to further enable our technology transformation with incremental operational and capital expenditure investments in 2021 and continued investment over the next few years which will have a material impact on our financial results. We expect to continue to make significant investments in our re-platforming efforts to open source and cloud-based solutions, as previously disclosed, with the goal of modernizing our architecture, driving efficiency in development and ongoing technology costs, further enhancing the stability and security of our network, and complying with data privacy regulations, and in next-generation retailing capabilities, including NDC and personalized offers, LCCs and full-service hotel PMS offerings. In 2021, we expect total capital expenditures to range from $60 million to $100 million. Technology costs include the cost of our technology transformation.

Through our technology transformation efforts, we expect to benefit from lower cloud infrastructure costs and higher margins, with material cost savings realized beginning in 2024. We believe that continued investment in our technology will help to provide us the necessary framework and infrastructure for a secure and stable architecture for our customers, grow our

addressable market, provide new revenue opportunities, reduce costs and will help to improve sales of our software solutions. However, there are various risks associated with our technology transformation efforts, including not achieving the amount of anticipated cost savings, not completing the steps during their current projected time frame, or changing the approach leading to, among other things, additional changes in our mix of technology spend between operating expense and capitalization.

Geographic mix of travel bookings

The revenue recognized by our Travel Solutions business is affected by the mix between domestic and international travel reservation bookings and the related varying rates paid by airline suppliers. As a result of the COVID-19 pandemic, our mix of transactions shifted during 2020 such that domestic bookings now exceed international bookings, negatively impacting our revenue. The increase in domestic bookings is also partly due to an increase in leisure bookings over business travel. As business travelers have moved to a remote working environment with travel restrictions, leisure travel has increased impacting the domestic and international mix further. Due to our geographic concentration, our results of operations are particularly sensitive to factors affecting North America, which has been accentuated by the impacts of COVID-19. For example, booking fees per transaction in North America have traditionally been lower than those in Europe. As we continue to invest in our technology and expand the travel content and functionality available in our GDS, we anticipate that we will continue to grow global market share. Booking share in the near term, however, could be impacted by the regional mix of travel bookings during recovery from COVID-19. We invest for sustainable share growth, and in certain parts of Asia-Pacific and Latin America, our share may be impacted by travel agency commercial arrangements we have declined to pursue due to credit risk and unfavorable economics. The geographic mix of our Direct Billable Bookings is summarized below:

	Year Ended December 31,	
	2020	2019
Direct Billable Bookings [(1)]:		
North America	64 %	55 %
APAC	10 %	20 %
EMEA	17 %	16 %
Latin America	9 %	9 %
Total	100 %	100 %

(1) “Direct Billable Bookings” is the primary metric utilized by Travel Solutions to measure operating performance and includes bookings made through our GDS and through our joint venture partners in cases where we are paid directly by the travel supplier.

Recent insolvencies and the impact of COVID-19 on Travel Solutions customers

In 2020, several Travel Solutions customers filed for bankruptcy but continued to operate. In April 2019, a customer of Travel Solutions, Jet Airways suspended flight operations and is now insolvent which negatively impacted our revenue in 2019 and 2020. Additionally, given the uncertainties surrounding the duration and effects of COVID-19 on transaction volumes in the global travel industry, particularly air travel and hotel transaction volumes, including from airlines’ insolvency or suspension of service or aircraft groundings, our provision for expected credit losses increased in 2020 partially due to fully reserving for aged balances related to certain customers and bankruptcy-related reserves. In the future, we may incur additional credit losses if further bankruptcies occur or our customers lack the ability to pay for services performed. Additionally, bankruptcy proceedings may require the renegotiation of contractual terms that may not be favorable. Our revenue has and may continue to be impacted by contracting with our customers, including force majeure provisions and requests to renegotiate the terms of existing agreements prior to their expiration, including providing temporary concessions on contractual minimums. Future revenues may be negatively impacted by, among other things, reduced sales of our software solutions and reduced Passengers Boarded due to delayed or uncertain implementations and insolvencies of airline carriers. See “Risk Factors—Our travel supplier customers may experience financial instability or consolidation, pursue cost reductions, change their distribution model or undergo other changes.”

Increasing travel agency incentive consideration

Travel agency incentive consideration is a large portion of Travel Solutions expenses. The vast majority of incentive consideration is tied to absolute booking volumes based on transactions such as flight segments booked. Incentive consideration, which often increases once a certain volume or percentage of bookings is met, is provided in two ways, according to the terms of the agreement: (i) on a periodic basis over the term of the contract and (ii) in some instances, up front at the inception or modification of contracts, which is capitalized and amortized over the expected life of the contract.

This consideration grew in the double digits on a per booking basis in 2018 due to higher incentives in certain geographical markets and from new customer conversions and reverted to single-digit growth in 2019. Consideration on a per booking basis declined in 2020 as compared to the prior year due the COVID-19 pandemic; however, we remain focused on managing incentive consideration and expect continued single-digit growth in the near term. Although incentive rate increases may continue to impact margins, we expect these increases to be more than offset by growth in Travel Solutions revenue. This

expectation is based in part on our continuing to offer value added services and content to travel buyers, such as the Sabre Red Workspace, a SaaS product that provides a simplified interface and enhanced travel agency workflow and productivity tools.

Travel buyers can shift their bookings to or from our Travel Solutions business

Our Travel Solutions business relies on relationships with several large travel buyers, including TMCs and OTAs, to drive a large portion of its revenue. Although our contracts with larger travel agencies often increase the amount of the incentive consideration when the travel agency processes a certain volume or percentage of its bookings through our GDS, travel buyers are not contractually required to book exclusively through our GDS during the contract term. Travel buyers may shift bookings to other distribution intermediaries for many reasons, including to avoid becoming overly dependent on a single source of travel content and increase their bargaining power with the GDS providers. For example, certain travel agencies have adopted a dual GDS provider strategy and shifted a sizeable portion of their business from our GDS to a competitor GDS, while other agencies have shifted a sizable portion their business to our GDS. Additionally, the impact of COVID-19 on travel buyers has caused them, and may continue to cause them, to select the GDS with the most favorable terms or contractual commitment.

Increasing importance of LCC/hybrids

LCC/hybrids have become a significant segment of the air travel market, stimulating demand for air travel through low fares. LCC/hybrids have traditionally relied on direct distribution for the majority of their bookings. However, as these LCC/hybrids are evolving, many are increasing their distribution through indirect channels to expand their offering into higher yield markets and to higher yield customers, such as business and international travelers. Other LCC/hybrids, especially start up carriers, may choose not to distribute through the GDS until wider distribution is desired. On October 15, 2019, we acquired Radixx, an airline retailing software provider whose signature products are an LCC passenger service system and internet booking engine. We have invested in Radixx to expand its capabilities and expect to make additional investments to address the LCC space and continue to grow upmarket with a more competitive offering.

Shift to SaaS and hosted solutions by airlines and hotels to manage their daily operations

Historically, large travel suppliers built custom in-house software and applications for their business process needs. In response to a desire for more flexible systems given increasingly complex and constantly changing technological requirements, reduced IT budgets and increased focus on cost efficiency, many travel suppliers turned to third party solutions providers for many of their key technologies and began to license software from software providers. We believe that significant revenue opportunity remains in this outsourcing trend, as legacy in-house systems continue to migrate and upgrade to third party systems; however, the impact of COVID-19 on the travel industry may cause delays in these decisions, which may impact new sales during the pandemic and recovery period. The shift from a model with initial license fees to one with recurring monthly fees associated with our SaaS and hosted solutions, has resulted in an ongoing revenue stream based on the number of passengers boarded. However, under the SaaS and hosted solutions revenue model, revenue recognition may be delayed due to longer implementation schedules for larger suppliers. The SaaS and hosted models' centralized deployment also allows us to save time and money by reducing maintenance and implementation tasks and lowering operating costs.

Growing demand for continued technology improvements in the fragmented hotel market

Most of the hospitality industry is highly fragmented. Independent hotels and small to medium sized chains (groups of less than 300 properties) comprise a majority of hotel properties and available hotel rooms, with global and regional chains comprising the balance. Hotels use a number of different technology systems to distribute and market their products and operate efficiently. We offer technology solutions to all segments of the hospitality industry. Our SynXis Central Reservation System integrates critical hospitality systems to optimize distribution, operations, retailing and guest experience via one scalable, flexible and intelligent platform. We believe the impact of COVID-19 on the hospitality industry highlights the benefits of a scalable solution such as our SynXis Central Reservation System. As these markets recover and begin to grow, we believe both independent and enterprise hotel owners and operators will continue to seek increased connectivity and integrated solutions to ensure access to global travelers. We anticipate that this will contribute to the continued growth of Hospitality Solutions, which is ultimately dependent upon these hoteliers accepting and utilizing our products and services.

Impact of customer consolidation in Hospitality Solutions

Growth through acquisition and brand consolidation is emerging as a strategy for enterprise hoteliers. This has resulted, and may continue to result, in customer de-migration as larger hotel chains consolidate acquired brands onto their existing technology platforms. Certain of our Hospitality Solutions customers were acquired by larger hoteliers, and it is possible that additional customer consolidations could occur in the future. We expect these consolidations to adversely impact revenue growth for the Hospitality Solutions business.

Continued focus by travel suppliers on cost cutting and exerting influence over distribution

Travel suppliers continue to look for ways to decrease their costs and to increase their control over distribution. Airline consolidations, pricing pressure during contract renegotiations and the use of direct distribution may continue to subject our business to challenges. The shift from indirect distribution channels, such as our GDS, to direct distribution channels, may result from increased content availability on supplier operated websites or from increased participation of meta search engines, such as Kayak and Google, which direct consumers to supplier operated websites. This trend may adversely affect our Travel Solutions contract renegotiations with suppliers that use alternative distribution channels. For example, airlines may withhold part of their content for distribution exclusively through their own direct distribution channels or offer more attractive terms for content

available through those direct channels. This occurred in 2018 when certain European carriers began to withhold part of their content from our GDS to make use of alternative distribution channels, which may adversely affect our future revenue growth. In 2020, we reached an agreement with one such carrier to provide traditional content while enabling content via NDC. However, in North America, which is our largest region, the rate at which bookings have shifted from indirect to direct distribution channels has been relatively consistent for a number of reasons, including the increased participation of LCC/hybrids in direct channels. Over the last few years, notable carriers that previously only distributed directly, including Lion Air, Norwegian and Interjet, have signed agreements with our GDS. In addition, we signed a number of smaller airlines to new participation agreements in 2020, such as Fly Gangwon, Jazeera Airways and Thai Smile Airways. Other carriers such as Southwest Airlines and EVA Airways have further increased their participation in our GDS. Conversely, Air India fully migrated from our GDS during 2019.

These trends have impacted the revenue of Travel Solutions, which recognizes revenue for airline ticket sales based on transaction volumes. Simultaneously, this focus on cost cutting and direct distribution has also presented opportunities for Travel Solutions. Many airlines have turned to outside providers for key systems, process and industry expertise and other products that assist in their cost cutting initiatives in order to focus on their primary revenue generating activities.

Components of Revenues and Expenses

Revenues

Travel Solutions generates revenues from distribution activities through Direct Billable Bookings processed on our GDS, adjusted for estimated cancellations of those bookings. Travel Solutions also generates revenues from IT solutions activities from its product offerings including reservation systems for full-cost and low-cost carriers, commercial and operations products, agency solutions and booking data. Additionally, Travel Solutions generates revenue through software licensing and maintenance fees. Recognition of license fees upon delivery has previously resulted and will continue to result in periodic fluctuations in revenue recognized. Hospitality Solutions generates revenue through upfront solution fees and recurring usage-based fees for the use of our software solutions hosted on secure platforms or deployed through our SaaS and through other professional service fees including Digital Experience ("DX"). Certain professional service fees are discrete sales opportunities that may have a high degree of variability from period to period, and we cannot guarantee that we will have such fees in the future consistent with prior periods.

Cost of revenue, excluding technology costs

Cost of revenue incurred by Travel Solutions and Hospitality Solutions consists primarily of costs associated with the delivery and distribution of our products and services and includes employee-related costs for our delivery, customer operations and call center teams as well as allocated overhead such as facilities and other support costs. Cost of revenue for Travel Solutions also includes incentive consideration expense representing payments or other consideration to travel agencies for reservations made on our GDS which accrue on a monthly basis. Cost of revenue excludes technology costs, which are presented separately below.

Corporate cost of revenue includes certain expenses such as stock-based compensation, restructuring charges and other items not identifiable with either of our segments.

Depreciation and amortization included in cost of revenue is associated with capitalized implementation costs and intangible assets associated with contracts, supplier and distributor agreements purchased through acquisitions or established with our take private transaction in 2007. Cost of revenue also includes amortization of upfront incentive consideration representing upfront payments or other consideration provided to travel agencies for reservations made on our GDS which are capitalized and amortized over the expected life of the contract.

We have reclassified expenses on our statement of operations to provide additional clarification on our costs and to reflect the Strategic Realignment. For the years ended December 31, 2019 and 2018, we reclassified $1,179 million and $997 million, respectively, from cost of revenue to technology costs and $130 million and $140 million, respectively, from cost of revenue to selling, general, and administrative. As a result, cost of revenue decreased by $1,309 million and $1,137 million for the years ended December 31, 2019 and 2018 respectively.

Technology Costs

Technology costs incurred by Travel Solutions and Hospitality Solutions consist of expenses related to third-party providers and employee-related costs to operate technology operations including hosting, third-party software, and other costs associated with the maintenance and minor enhancement of our technology. Technology costs also include costs associated with our technology transformation efforts. Technology costs are less variable in nature and therefore may not correlate with related changes in revenue.

Depreciation and amortization included in technology costs is associated with software developed for internal use that supports our products, assets supporting our technology platform, businesses and systems and intangible assets for technology purchased through acquisitions or established through the take private transaction in 2007.

We have reclassified expenses on our statement of operations to provide additional clarification on our costs by separately reporting technology costs. For the year ended December 31, 2019, we reclassified $1,179 million from cost of revenue and $106 million from selling, general and administrative to technology costs. For the year ended December 31, 2018, we reclassified $997 million from cost of revenue and $102 million from selling, general and administrative to technology costs.

Selling, General and Administrative Expenses

Selling, general and administrative expenses consist of professional service fees, certain settlement charges or reimbursements, costs to defend legal disputes, provision for expected credit losses, other overhead costs, and personnel-related expenses, including stock-based compensation, for employees engaged in sales, sales support, account management and who administratively support the business in finance, legal, human resources, information technology and communications.

Depreciation and amortization included in selling, general and administrative expenses is associated with property and equipment, acquired customer relationships, trademarks and brand names purchased through acquisitions or established through the take private transaction in 2007.

We have reclassified expenses on our statement of operations to provide additional clarification on our costs and to reflect the Strategic Realignment. For the years ended December 31, 2019 and 2018, we reclassified $130 million and $140 million, respectively, from cost of revenue to selling, general, and administrative and $106 million and $102 million, respectively, from selling, general and administrative to technology costs. As a result, selling, general and administrative expenses increased by $24 million and $38 million for the years ended December 31, 2019 and 2018, respectively.

Intersegment Transactions

We account for significant intersegment transactions as if the transactions were with third parties, that is, at estimated current market prices. Hospitality Solutions pays fees to Travel Solutions for hotel stays booked through our GDS.

Key Metrics

“Direct Billable Bookings” and “Passengers Boarded” are the primary metrics utilized by Travel Solutions to measure operating performance. Travel Solutions generates distribution revenue for each Direct Billable Booking, which includes bookings made through our GDS (e.g., Air, and Lodging, Ground and Sea ("LGS")) and through our equity method investments in cases where we are paid directly by the travel supplier. Air Bookings are presented net of bookings cancelled within the period presented. Travel Solutions also recognizes IT solutions revenue from recurring usage-based fees for Passengers Boarded ("PBs"). The primary metric utilized by Hospitality Solutions is booking transactions processed through the Sabre Hospitality Solutions SynXis Central Reservation System. These key metrics allow management to analyze customer volume over time for each of our product lines to monitor industry trends and analyze performance. We believe that these key metrics are useful for investors and other third parties as indicators of our financial performance and industry trends. While these metrics are based on what we believe to be reasonable estimates of our transaction counts for the applicable period of measurement, there are inherent challenges associated with their measurement. In addition, we are continually seeking to improve our estimates of these metrics, and these estimates may change due to improvements or changes in our methodology.

The following table sets forth these key metrics for the periods indicated (in thousands):

	Year Ended December 31,			Year-over-Year % Change	
	2020	2019	2018	2020	2019
Travel Solutions					
Direct Billable Bookings - Air	103,331	499,111	491,820	(79.3)%	1.5 %
Direct Billable Bookings - LGS	21,353	67,197	66,454	(68.2)%	1.1 %
Distribution Total Direct Billable Bookings	124,684	566,308	558,274	(78.0)%	1.4 %
IT Solutions Passengers Boarded	322,714	741,107	752,548	(56.5)%	(1.5)%
Hospitality Solutions					
Central Reservations System Transactions	67,046	108,482	88,655	(38.2)%	22.4 %

Results of Operations

The following table sets forth our consolidated statement of operations data for each of the periods presented (in thousands):

	Year Ended December 31,		
	2020	2019	2018
Revenue	$ 1,334,100	$ 3,974,988	$ 3,866,956
Cost of revenue, excluding technology costs	579,010	1,726,157	1,654,376
Technology costs	1,156,723	1,285,204	1,098,641
Selling, general and administrative	586,406	600,210	551,923
Operating (loss) income	(988,039)	363,417	562,016
Interest expense, net	(235,091)	(156,391)	(157,017)
Loss on debt extinguishment	(21,626)	—	(633)
Equity method (loss) income	(2,528)	2,044	2,556
Other expense, net	(66,961)	(9,432)	(8,509)
(Loss) income from continuing operations before income taxes	(1,314,245)	199,638	398,413
Provision for income taxes	(39,913)	35,326	57,492
(Loss) Income from continuing operations	$ (1,274,332)	$ 164,312	$ 340,921

Years Ended December 31, 2020 and 2019

Revenue

	Year Ended December 31,		Change	
	2020	2019		
	(Amounts in thousands)			
Travel Solutions	$ 1,176,694	$ 3,723,000	$ (2,546,306)	(68)%
Hospitality Solutions	174,628	292,880	(118,252)	(40)%
Total segment revenue	1,351,322	4,015,880	(2,664,558)	(66)%
Eliminations	(17,222)	(40,892)	23,670	(58)%
Total revenue	$ 1,334,100	$ 3,974,988	$ (2,640,888)	(66)%

Travel Solutions—Revenue decreased $2,546 million, or 68%, for the year ended December 31, 2020 compared to the prior year, primarily due to:

- a $2,149 million, or 79%, decrease in transaction-based distribution revenue due to a 78% decrease in Direct Billable Bookings to 125 million resulting from lower transaction volume primarily as a result of reduced travel caused by the COVID-19 pandemic; and

- a $397 million decrease in IT solutions revenue consisting of a $265 million, or 52%, decrease in reservation revenue primarily due to the impact of the COVID-19 pandemic on our existing customer base and a $28 million decrease in revenue compared to the same period in the prior year due to the transition away from our services by certain customers and Jet Airways' insolvency in April 2019, partially offset by an increase of $12 million driven by the acquisition of Radixx in October 2019. Passengers Boarded, inclusive of Radixx, decreased by 56% to 323 million for the year ended December 31, 2020. Additionally, commercial and operations revenue decreased $132 million primarily due to the impact of the COVID-19 pandemic on our existing customer base.

Hospitality Solutions—Revenue decreased $118 million, or 40%, for the year ended December 31, 2020 compared to the prior year. The decrease was primarily driven by a reduction in SynXis Software and Services revenue due to a decrease in transaction volumes of 38% to 67 million, as a result of the COVID-19 pandemic.

Cost of Revenue, excluding technology costs

	Year Ended December 31,			
	2020	2019	Change	
	(Amounts in thousands)			
Travel Solutions	$ 363,623	$ 1,483,154	$ (1,119,531)	(75)%
Hospitality Solutions	91,149	153,162	(62,013)	(40)%
Eliminations	(17,222)	(40,879)	23,657	(58)%
Total segment cost of revenue, excluding technology costs	437,550	1,595,437	(1,157,887)	(73)%
Corporate	27,867	8,094	19,773	244 %
Depreciation and amortization	38,916	39,691	(775)	(2)%
Amortization of upfront incentive consideration	74,677	82,935	(8,258)	(10)%
Total cost of revenue, excluding technology costs	$ 579,010	$ 1,726,157	$ (1,147,147)	(66)%

Travel Solutions—Cost of revenue decreased $1,120 million, or 75%, for the year ended December 31, 2020 compared to the prior year. The decrease was primarily the result of a $1,078 million decline in incentive consideration in all regions due to lower transaction volumes as a result of the COVID-19 pandemic, as well as a $37 million reduction in labor and professional services costs in connection with our cost reduction measures.

Hospitality Solutions—Cost of revenue decreased $62 million, or 40%, for the year ended December 31, 2020 compared to the prior year. The decrease was primarily driven by $55 million reduction in transaction-related costs due to the decline in transaction volume as a result of the COVID-19 pandemic and a reduction in labor costs in connection with our cost reduction measures.

Corporate—Cost of revenue associated with corporate costs increased $20 million, or 244%, for the year ended December 31, 2020 compared to the prior year. This increase was primarily due to a restructuring charge of $19 million for severance benefits. The increase is partially offset by a reduction in labor costs in connection with our cost reduction measures. See Note 4. Restructuring Activities, to our consolidated financial statements for further details on restructuring activities.

Depreciation and amortization—Depreciation and amortization decreased $1 million, or 2%, for the year ended December 31, 2020 compared to the prior year. The decrease is primarily due to customer implementations that became fully amortized during the year.

Amortization of upfront incentive consideration—Amortization of upfront incentive consideration decreased $8 million, or 10%, for the year ended December 31, 2020 compared to the prior year. The decrease is primarily due to a reduction in upfront consideration provided to travel agencies.

Technology Costs

	Year Ended December 31,			
	2020	2019	Change	
	(Amounts in thousands)			
Technology Costs	$ 1,156,723	$ 1,285,204	$ (128,481)	(10)%

Technology costs decreased by $128 million, or 10%, for the year ended December 31, 2020 compared to the prior year. The decrease is primarily driven by reductions impacting our Travel Solutions and Hospitality Solutions businesses, including a decrease in technology labor of $91 million and $12 million, respectively, in connection with our cost reduction measures, a decrease in depreciation and amortization of $46 million and $10 million, respectively, primarily due to a change in the mix of our technology spend in 2019 resulting in less capitalized internal use software, and a decline in technology costs of $55 million in our Travel Solutions business associated with lower transaction volumes resulting from the COVID-19 pandemic. This decrease is partially offset by a continued decline in the capitalization mix of our technology spend as we implement opensource and cloud-based solutions, resulting in an increase in labor costs of $40 million and $6 million in our Travel Solutions and Hospitality Solutions businesses, respectively. Corporate technology costs increased due to a restructuring charge of $32 million for severance benefits. See Note 4. Restructuring Activities, to our consolidated financial statements for further details on restructuring activities.

Selling, General and Administrative Expenses

	Year Ended December 31,			
	2020	2019	Change	
	(Amounts in thousands)			
Selling, general and administrative	$ 586,406	$ 600,210	$ (13,804)	(2)%

Selling, general and administrative expenses decreased $14 million, or 2%, for the year ended December 31, 2020 compared to the prior year. The decrease is primarily driven by a decrease in labor and professional services costs of $43 million and $3 million in our Travel Solutions and Hospitality Solutions businesses, respectively, and a $29 million decrease in Corporate labor and professional services, each in connection with our cost reduction measures. In addition, other costs declined by approximately $25 million across the company from 2019 primarily in conjunction with our expense management initiatives. Corporate selling, general and administrative costs also declined due to a $27 million decrease in legal costs associated with the now-terminated acquisition of Farelogix. These decreases are substantially offset by an increase in the provision for expected credit losses of $38 million and $8 million in our Travel Solutions and Hospitality Solutions businesses, respectively, primarily related to fully reserving for aged balances related to certain customers, an increase in bankruptcy-related reserves, an increase in our forecasted credit losses due to the impact of the COVID-19 pandemic on the global economy and other general increases in bad debt from aging balances as applied under the newly adopted credit loss standard. Corporate related selling, general and administrative expenses increased as a result of a $20 million charge for severance benefits recorded in the current year, a $14 million abandonment charge associated with the closure of certain office locations in connection with our restructuring activities in the current year, and an increase of $32 million due to the reversal of a previously accrued loss in the prior year related to the US Airways legal matter. See Note 4. Restructuring Activities, to our consolidated financial statements for further details on restructuring activities.

Interest expense, net

	Year Ended December 31,			
	2020	2019	Change	
	(Amounts in thousands)			
Interest expense, net	$ 235,091	$ 156,391	$ 78,700	50 %

Interest expense increased $79 million, or 50%, for the year ended December 31, 2020 compared to the same period in the prior year primarily due to additional borrowings under the 9.250% senior secured notes due 2025 and the 4.000% senior exchangeable notes due 2025 entered into during the second quarter of 2020, and the 7.375% senior secured notes due 2025 entered into in the third quarter of 2020. See Note 9. Debt for further details these debt transactions**.**

Loss on Extinguishment of Debt

	Year Ended December 31,			
	2020	2019	Change	
	(Amounts in thousands)			
Loss on extinguishment of debt	$ 21,626	$ —	$ 21,626	**

****** not meaningful

As a result of the debt refinancing transactions during the year ended December 31, 2020, we recognized a loss on extinguishment of $22 million. In connection with the extinguishment in August 2020 of our 5.375% senior secured notes due April 2023, we recognized a loss on extinguishment of debt of $10 million which consisted of a redemption premium of $7 million and the write-off of unamortized debt issuance costs of $3 million. In connection with our extinguishment of our 5.25% senior secured notes due November 2023 and our Term Loan A in December 2020, we recognized a loss on extinguishment of debt of $11 million which consisted of a redemption premium of $6 million and the write-off of unamortized debt issuance costs of $5 million. See Note 9. Debt, to our consolidated financial statements for further details regarding these debt transactions**.**

Other expense, net

	Year Ended December 31,			
	2020	2019	Change	
	(Amounts in thousands)			
Other expense, net	$ 66,961	$ 9,432	$ 57,529	**

****** not meaningful

Other expense, net increased $58 million for the year ended December 31, 2020 compared to the same period in the prior year primarily due to a $46 million charge related to termination payments in connection with our proposed acquisition of Farelogix, a pension plan settlement charge of $18 million, and a benefit recognized in the prior year associated with a reduction to our TRA liability due to the settlement of an audit. The increase is partially offset by a $10 million gain resulting from the sale of our headquarters buildings in the fourth quarter of 2020. See Note 3. Acquisitions, to our consolidated financial statements for

further detail regarding the Farelogix acquisition and Note 12. Leases, to our consolidated financial statements for further details regarding the sale and leaseback transaction.

Provision for Income Taxes

	Year Ended December 31,		Change	
	2020	2019		
	(Amounts in thousands)			
Provision for income taxes	$ (39,913)	$ 35,326	$ (75,239)	(213)%

Our effective tax rate for the year ended December 31, 2020 and 2019 was 3.0% and 17.7%, respectively. The decrease in the effective tax rate for the year ended December 31, 2020 as compared to the same period in 2019 was primarily due to a $202 million valuation allowance recorded on tax losses generated in the current tax year related to the impact of COVID-19 on our results of operations and various discrete items recorded in each of the respective periods.

The differences between our effective tax rate and the U.S. federal statutory income tax rate primarily resulted from our geographic mix of taxable income in various tax jurisdictions, tax permanent differences, valuation allowances, and tax credits.

Years Ended December 31, 2019 and 2018

Revenue

	Year Ended December 31,		Change	
	2019	2018		
	(Amounts in thousands)			
Travel Solutions	$ 3,723,000	$ 3,628,941	$ 94,059	3 %
Hospitality Solutions	292,880	273,079	19,801	7 %
Total segment revenue	4,015,880	3,902,020	113,860	3 %
Eliminations	(40,892)	(35,064)	(5,828)	17 %
Total revenue	$ 3,974,988	$ 3,866,956	$ 108,032	3 %

Travel Solutions—Revenue increased $94 million, or 3%, for the year ended December 31, 2019 compared to the prior year, primarily due to:

- a $79 million, or 3% increase in transaction-based distribution revenue primarily due to a 1% increase in Direct Billable Bookings to 566 million and growth in the average booking fee rate during the year ended December 31, 2019 due to a discrete shift in the distribution pricing structure for specific European carriers and favorable mix primarily resulting from growth in hotel bookings which have a higher rate; and
- a $15 million increase in IT solutions revenue primarily due to a $10 million increase in commercial and operations revenue driven by license fee revenue from new implementations recognized upon delivery to the customer as well as an increase in revenue related to services and new implementations. Additionally, reservation revenue increased $5 million for the year ended December 31, 2019 compared to the prior year primarily driven by the acquisition of Radixx and organic growth in our existing customer base despite the decline in Passengers Boarded which was driven by the demigration of the certain customers as well as the impact of Jet Airways' insolvency and the impact of the 737 Max incident on a particular customer.

Hospitality Solutions—Revenue increased $20 million, or 7%, for the year ended December 31, 2019 compared to the prior year. The increase was primarily driven by growth in SynXis Software and Services revenue of $17 million, or 7%, due to an increase in transaction volumes of 22% to 108 million, which includes the migration of certain brands of Wyndham Hotels over the first half of 2018 and early 2019. The migration of these enterprise hotel brands reduced the average rate of our transaction revenue for the year ended December 31, 2019 versus the prior year. Additionally, DX service revenue increased $3 million.

Cost of Revenue, excluding technology costs

	Year Ended December 31,			
	2019	2018	Change	
	(Amounts in thousands)			
Travel Solutions	$ 1,483,154	$ 1,425,084	$ 58,070	4 %
Hospitality Solutions	153,162	137,957	15,205	11 %
Eliminations	(40,879)	(35,064)	(5,815)	17 %
Total segment cost of revenue, excluding technology costs	1,595,437	1,527,977	67,460	4 %
Corporate	8,094	5,787	2,307	40 %
Depreciation and amortization	39,691	42,990	(3,299)	(8)%
Amortization of upfront incentive consideration	82,935	77,622	5,313	7 %
Total cost of revenue, excluding technology costs	$ 1,726,157	$ 1,654,376	$ 71,781	4 %

Travel Solutions—Cost of revenue increased $58 million, or 4%, for the year ended December 31, 2019 compared to the prior year, partially as a result of a $71 million increase in incentive consideration primarily due to volume growth in North America bookings as well as rate increases across all regions. The increase is offset by a reduction in labor and professional services costs of $14 million.

Hospitality Solutions—Cost of revenue increased $15 million, or 11%, for the year ended December 31, 2019 compared to the prior year. The increase was primarily driven by a $14 million increase in transaction-related costs to support the growth of our business.

Corporate—Cost of revenue associated with corporate costs increased $2 million, or 40%, for the year ended December 31, 2019 compared to the prior year. This increase was primarily driven by an increase in headcount-related expenses.

Depreciation and amortization—Depreciation and amortization decreased $3 million, or 8% for the year ended December 31, 2019 compared to the prior year. The decrease was primarily due to customer implementations that became fully amortized during the year.

Amortization of upfront incentive consideration—Amortization of upfront incentive consideration increased $5 million, or 7%, for the year ended December 31, 2019 compared to the prior year primarily due to an increase in upfront consideration provided to travel agencies.

Technology Costs

	Year Ended December 31,			
	2019	2018	Change	
	(Amounts in thousands)			
Technology Costs	$ 1,285,204	$ 1,098,641	$ 186,563	17 %

Technology costs increased $187 million, or 17%, for the year ended December 31, 2019 compared to the prior year. The increase in both our Travel Solutions and Hospitality Solutions businesses is primarily driven by the decline in the capitalization mix of our technology spend as we implement opensource and cloud-based solutions, resulting in an increase in labor costs of $124 million and $29 million, respectively. Investments pertaining to the modernization, stability, and security of our technology platforms resulted in increased technology costs of $32 million and $4 million in our Travel Solutions and Hospitality Solutions businesses, respectively. Depreciation and amortization increased $11 million compared to the prior year related to our Hospitality Solutions business, primarily due to the completion of software developed for internal use. This increase was partially offset by a decrease in labor-related costs in both our Travel Solutions and Hospitality Solutions businesses of $9 million and $8 million, respectively.

Selling, General and Administrative Expenses

	Year Ended December 31,			
	2019	2018	Change	
	(Amounts in thousands)			
Selling, general and administrative	$ 600,210	$ 551,923	$ 48,287	9 %

Selling, general and administrative expenses increased by $48 million, or 9%, for the year ended December 31, 2019 compared to the prior year, primarily driven by an increase in labor costs of $13 million and $2 million in our Travel Solutions and Hospitality Solutions businesses, respectively, and an increase in the provision for expected credit losses of $13 million in our Travel Solutions business. Corporate selling, general and administrative expenses increased due to an increase in legal costs associated with the now-terminated acquisition of Farelogix of $41 million, an increase in labor costs of $9 million, and an increase in other antitrust litigation expenses of $3 million. The increase was partially offset by the reversal of our previously accrued loss related to the US Airways legal matter for $32 million. See Note 17. Commitments and Contingencies, to our consolidated financial statements for further information.

Provision for Income Taxes

	Year Ended December 31,			
	2019	2018	Change	
	(Amounts in thousands)			
Provision for income taxes	$ 35,326	$ 57,492	$ (22,166)	(39)%

Our effective tax rate for the year ended December 31, 2019 and 2018 was 17.7% and 14.4%, respectively. The increase in the effective tax rate for the year ended December 31, 2019 as compared to the same period in 2018 was primarily due to the impact of 2018 adjustments related to the enactment of the TCJA for deferred taxes and foreign tax effects of $27 million and, in 2019, an unfavorable impact of our geographic mix of taxable income, partially offset by an increase in net favorable U.S. tax permanent differences and certain tax credits and incentives.

The differences between our effective tax rate and the U.S. federal statutory income tax rate primarily resulted from our geographic mix of taxable income in various tax jurisdictions, tax permanent differences and tax credits.

Liquidity and Capital Resources

In the current environment, our current principal sources of liquidity is our cash and cash equivalents on hand. As a result of the significant adverse impact of the COVID-19 pandemic on our financial results and liquidity, we took the following actions in 2020:

- Raised $1.1 billion from the issuance of senior secured and exchangeable notes;
- Raised $598 million in net proceeds from our common stock and mandatory convertible preferred offerings;
- Drew down on our Revolver in the amount of $375 million;
- Reduced our real estate footprint with the sale and leaseback of our headquarters buildings, resulting in net proceeds of $69 million;
- Implemented cost-savings actions as described in "—Recent Developments Affecting our Results of Operations";
- Refinanced over $2 billion of debt;
- Extended our debt maturities to 2023 for the Revolver and 2024 and beyond for our remaining debt maturities; and
- Suspended common stock dividends and share repurchases under our Share Repurchase Program.

Our ending cash balance as of December 31, 2020 was $1.5 billion. See "—Recent Events Impacting Our Liquidity and Capital Resources" for further information.

As of December 31, 2020 and 2019, our cash and cash equivalents, Revolver and outstanding letters of credit were as follows (in thousands):

	As of December 31,	
	2020	2019
Cash and cash equivalents	$ 1,499,665	$ 436,176
Available balance under the Revolver	15,326	388,396
Reductions to the Revolver:		
Revolver outstanding balance	375,000	—
Outstanding letters of credit	9,674	11,604

On March 17, 2020, we drew $375 million under the Revolver to supplement our liquidity needs. We had $375 million outstanding under the Revolver as of December 31, 2020 and no balance outstanding as of December 31, 2019. Borrowing availability under our Revolver is reduced by our outstanding letters of credit and restricted cash collateral. We had outstanding letters of credit totaling $10 million and $12 million as of December 31, 2020 and 2019, respectively, which reduced our overall credit capacity under the Revolver. Our Revolver matures on November 23, 2023 at the earliest and February 22, 2024 at the latest, depending on certain "springing" maturity conditions. See “—Senior Secured Credit Facilities .”

We consider cash equivalents to be highly liquid investments that are readily convertible into cash. Securities with contractual maturities of three months or less, when purchased, are considered cash equivalents. We record changes in a book overdraft position, in which our bank account is not overdrawn but recently issued and outstanding checks result in a negative general ledger balance, as cash flows from financing activities. We invest in a money market fund which is classified as cash and cash equivalents in our consolidated balance sheets and statements of cash flows. We held no short-term investments as of December 31, 2020 and 2019.

We do not consider the undistributed earnings to be indefinitely reinvested as of December 31, 2020, with certain limited exceptions. We consider the undistributed capital investments in our foreign subsidiaries to be indefinitely reinvested as of December 31, 2020, and, accordingly, have not provided deferred taxes on any outside basis differences. Our cash, cash equivalents and marketable securities held by our foreign subsidiaries are available to satisfy domestic liquidity needs arising in the ordinary course of business, including liquidity needs associated with our domestic debt service requirements.

Liquidity Outlook

Given the magnitude of travel decline and the uncertain duration of the COVID-19 impact, we continue to monitor travel activity and take additional steps should we determine they are necessary to support our liquidity position. During the fourth quarter of 2020, in conjunction with a refinancing transaction, we reduced the minimum liquidity requirement under our Senior Secured Credit Facilities from $450 million to $300 million, which remains in place as long as the covenant suspension resulting from a "Material Travel Event Disruption" (See "—Senior Secured Credit Facilities ″ below) remains in effect. Through our refinancing efforts, with the exception of the Revolver as described above, we also extended our debt maturity profile to 2024 such that we have no significant near-term debt maturities.

We believe that approximately two-thirds of our cost structure is adjustable in the near-term, comprised largely of incentive expenses that decline generally in line with bookings and including other variable expenses that are subject to our cost savings measures. A significant amount of variable expense has declined in line with the overall reduction in travel volumes resulting from the COVID-19 pandemic. Our technology costs are less variable in nature than other transaction-based costs and include costs associated with our technology transformation. Technology costs represent a significant portion of our cost base that is not considered adjustable in the near term. As noted above, we implemented cost-savings actions, to manage our ongoing cost structure. See "—Recent Developments Affecting our Results of Operations" for further information.

We utilize cash and cash equivalents, supplemented by our Revolver, primarily to pay our operating expenses, make capital expenditures, invest in our information technology infrastructure, products and offerings, pay taxes, pay quarterly dividends on our Preferred Stock (as defined below) when declared, and service our debt and other long-term liabilities. We have suspended share repurchases under our Share Repurchase Program as well as the payment of quarterly cash dividends on our common stock, effective with respect to the dividends occurring after the March 30, 2020 payment.

Due to the significant adverse impact of the COVID-19 pandemic on our business, we have generated significant net operating losses in the current year. As a result, we do not expect to be a U.S. federal cash taxpayer in 2021.

Given the near-term risks around transaction volumes in the global travel industry, particularly air travel transaction volumes, including from airlines’ insolvency or suspension of service or aircraft groundings, we cannot provide assurance that the assumptions used to estimate our liquidity requirements will be accurate. However, based on our assumptions and estimates with respect to our financial condition and expected transaction volumes, we believe that we have resources to sufficiently fund our liquidity requirements over at least the next twelve months. We may conduct additional debt or equity offerings to provide additional liquidity, pay down debt or support future strategic investments. See “—Recent Events Impacting Our Liquidity and Capital Resources.”

The ongoing effects of COVID-19 on our operations and global bookings have had, and we believe they will continue to have, a material negative impact on our financial results and liquidity, and this negative impact may continue well beyond the

containment of the outbreak. On an ongoing basis, we will evaluate and consider strategic acquisitions, divestitures, joint ventures, equity method investments, or outstanding debt obligations in open market or in privately negotiated transactions, as well as other transactions we believe may create stockholder value, improve our liquidity position, enhance financial performance, or support future strategic investments. These transactions may require cash expenditures or generate proceeds and, to the extent they require cash expenditures, may be funded through a combination of cash on hand, debt or equity offerings, or utilization of our Revolver.

Our ability to generate cash depends on many factors beyond our control, and any failure to meet our debt service obligations could harm our business, financial condition and results of operations. Our ability to make payments on and to refinance our indebtedness, and to fund working capital needs and planned capital expenditures will depend on our ability to generate cash in the future, which is subject to general economic, financial, competitive, business, legislative, regulatory and other factors that are beyond our control, including the impacts of COVID-19. See “Risk Factors—The ongoing impact of the COVID-19 outbreak on our business and the impact on our results of operations is highly uncertain" and "—We may require more cash than we generate in our operating activities, and additional funding on reasonable terms or at all may not be available.”

Recent Events Impacting Our Liquidity and Capital Resources

Debt Agreements

On December 17, 2020, Sabre GLBL entered into a Sixth Term A Loan Refinancing and Incremental Amendment extending debt maturities to 2027. Refer to "*—Senior Secured Credit Facilities"* below for further information.

On August 27, 2020, Sabre GLBL entered into a new debt agreement consisting of $850 million aggregate principal amount of the 7.375% senior secured notes due 2025 (the "September 2025 Notes"). The September 2025 Notes are jointly and severally, irrevocably and unconditionally guaranteed by Sabre Holdings and all of Sabre GLBL’s restricted subsidiaries that guarantee Sabre GLBL’s credit facility. The September 2025 Notes bear interest at a rate of 7.375% per annum and interest payments are due semi-annually in arrears on March 1 and September 1 of each year, beginning on March 1, 2021. The September 2025 Notes mature on September 1, 2025. The net proceeds received from the sale of the September 2025 Notes, net of underwriting fees and commissions, plus cash on hand, were used to: (1) repay approximately $319 million principal amount of debt under the Term Loan A; (2) redeem all of the $530 million outstanding 5.375% senior secured notes due 2023; and (3) repay approximately $3 million principal amount of debt under the Term Loan B. See Note 9. Debt, to our consolidated financial statements for further information.

On April 17, 2020, Sabre GLBL entered into two new debt agreements consisting of the following: (1) $775 million aggregate principal amount of 9.25% senior secured notes due 2025 (the "Secured Notes") and (2) $345 million aggregate principal amount of 4.000% senior exchangeable notes due 2025 (the "Exchangeable Notes," and together with the Secured Notes, the "Notes"). See Note 9. Debt, to our consolidated financial statements for further information.

The Secured Notes are jointly and severally, irrevocably and unconditionally guaranteed by Sabre Holdings and all of Sabre GLBL’s restricted subsidiaries that guarantee the Issuer’s credit facility. The Secured Notes bear interest at a rate of 9.250% per annum and interest payments are due semi-annually on April 15 and October 15 of each year, beginning with October 15, 2020. The Secured Notes mature on April 15, 2025.

The Exchangeable Notes are senior, unsecured obligations of Sabre GLBL, accrue interest payable semi-annually in arrears and mature on April 15, 2025, unless earlier repurchased or exchanged. The Exchangeable Notes are exchangeable at their holders’ election, under specified circumstances, into consideration based on Sabre common stock. This consideration consists of shares of Sabre common stock, cash, or a mixture of the two at Sabre GLBL’s election. Upon any future occurrence of a “fundamental change” (as defined in the indenture governing the Exchangeable Notes), holders may require Sabre GLBL to repurchase their Exchangeable Notes at a price equal to principal amount plus accrued and unpaid interest. The Exchangeable Notes bear interest at a rate of 4.00% per annum and interest payments are due semi-annually on April 15 and October 15 of each year, beginning with October 15, 2020. The Exchangeable Notes are guaranteed on a senior unsecured basis by Sabre and Sabre Holdings. The net proceeds from the sales of the Notes are being used for general corporate purposes.

Equity Offerings

On August 24, 2020, we completed concurrent offerings of (1) 3,340,000 shares of our 6.50% Series A Mandatory Convertible Preferred Stock (the "Preferred Stock") which generated net proceeds of approximately $323 million and (2) 41,071,429 shares of common stock which generated net proceeds of approximately $275 million.

Unless previously converted, each share of Preferred Stock will automatically convert, for settlement on the mandatory conversion date, which is expected to be September 1, 2023 into between 11.9048 and 14.2857 shares of the Company’s common stock, subject to customary anti-dilution adjustments. The number of shares of the Company’s common stock issuable upon conversion will be determined based on the average volume-weighted average price per share of the Company’s common stock over the 20 consecutive trading day period beginning on, and including, the 21st scheduled trading day immediately before September 1, 2023. Holders of the Preferred Stock will have the right to convert all or any portion of their shares of their Preferred Stock at any time until the close of business on the mandatory conversion date. Early conversions that are not in connection with a “make-whole fundamental change” (as defined in Certificate of Designations governing the Preferred Stock) will be settled at the minimum conversion rate. In addition, the conversion rate applicable to such an early conversion may in certain circumstances be increased to compensate holders of the Preferred Stock for certain unpaid accumulated dividends. If a

make-whole fundamental change occurs, then holders of the Preferred Stock will, in certain circumstances, be entitled to convert their Preferred Stock at an increased conversion rate for a specified period of time and receive an amount to compensate them for certain unpaid accumulated dividends and any remaining future scheduled dividend payments. The Preferred Stock is not subject to redemption at the Company's option. If the Company liquidates, dissolves or winds up, whether voluntarily or involuntarily, then, subject to the rights of any of the Company's creditors or holders of any outstanding liquidation senior stock, each share of Preferred Stock will entitle the holder thereof to receive payment for the following amount out of the Company's assets or funds legally available for distribution to its stockholders, before any such assets or funds are distributed to, or set aside for the benefit of, any liquidation junior stock: (1) the liquidation preference per share of Preferred Stock, which is equal to $100.00 per share; and (2) all unpaid dividends that will have accumulated on such share to, but excluding, the date of such payment.

Dividends on Preferred Stock

The Preferred Stock accumulates cumulative dividends at a rate per annum equal to 6.50% and dividends are payable when, as and if declared by our board of directors, out of funds legally available for their payment to the extent paid in cash, quarterly in arrears on March 1, June 1, September 1 and December 1 of each year, beginning on December 1, 2020 and ending on, and including, September 1, 2023. Declared dividends on the Preferred Stock will be payable, at our election, in cash, shares of our common stock or a combination of cash and shares of our common stock. We recorded $8 million of preferred stock dividends in our consolidated results of operations for the year ended December 31, 2020. During the year ended December 31, 2020, we paid cash dividends on our preferred stock of $6 million. In February 2021, the Board of Directors declared a dividend of $1.625 per share on Preferred Stock payable on March 1, 2021 to holders of record of the Preferred Stock on February 15, 2021. Subject to certain exceptions, so long as any share of Preferred Stock remains outstanding, no dividends or distributions will be declared or paid on shares of the Company's common stock or any other class or series of stock ranking junior to the Preferred Stock, and no common stock or any other class or series stock ranking junior to the Preferred Stock will be purchased, redeemed or otherwise acquired for value by the Company or any of its subsidiaries unless, in each case, all accumulated and unpaid dividends for all prior completed dividend periods, if any, have been paid in full. In addition, if (i) less than all accumulated and unpaid dividends on the outstanding Preferred Stock have been declared and paid as of any dividend payment date or (ii) the board of directors declares a dividend on the Preferred Stock that is less than the total amount of unpaid dividends on the outstanding preferred stock that would accumulate to, but excluding, any dividend payment date, no dividends may be declared or paid on any parity stock, unless dividends are declared on the shares of Preferred Stock on a pro rata basis. If accumulated dividends on the outstanding Preferred Stock have not been declared and paid in an aggregate amount corresponding to six or more dividend periods, whether or not consecutive, then, subject to the other provisions of the Preferred Stock, the authorized number of the Company's directors will automatically increase by two and the holders of the Preferred Stock, voting together as a single class with the holders of each class or series of voting parity stock, if any, will have the right to elect two directors to fill such two new directorships at the Company's next annual meeting of stockholders (or, if earlier, at a special meeting of the Company's stockholders called for such purpose).

Dividends on Common Stock

During the year ended December 31, 2020, we paid a quarterly cash dividend of $0.14 per share of our common stock totaling $39 million. As a result of the significant adverse impact of the COVID-19 pandemic on our financial results and liquidity, on March 16, 2020, we announced the suspension of the payment of quarterly cash dividends on our common stock, effective with respect to the dividends occurring after the March 30, 2020 payment. Future cash dividends, if any, will be at the discretion of our board of directors and the amount of cash dividends per share will depend upon, among other things, our future operations and earnings, capital requirements and surplus, general financial condition, contractual restrictions, number of shares of common stock outstanding and other factors the board of directors may deem relevant. The timing and amount of future dividend payments will be at the discretion of our board of directors.

Share Repurchase Program

In February 2017, we announced the approval of a multi-year share repurchase program (the "Share Repurchase Program") to purchase up to $500 million of Sabre's common stock outstanding. Repurchases under the Share Repurchase Program may take place in the open market or privately negotiated transactions. For the year ended December 31, 2020, we did not repurchase any shares pursuant to the Share Repurchase Program. On March 16, 2020, we announced the suspension of share repurchases under the Share Repurchase Program in conjunction with certain cash management measures we are undertaking as a result of the market conditions caused by COVID-19. Approximately $287 million remains authorized for repurchase under the Share Repurchase Program as of December 31, 2020.

Senior Secured Credit Facilities

On December 17, 2020, Sabre GLBL entered into a Sixth Term A Loan Refinancing and Incremental Amendment to our Amended and Restated Credit Agreement, resulting in additional Term Loan B borrowings of $637 million ("Other Term B Loans") due December 17, 2027. The applicable interest rate margins for the Other Term B Loans is 4.00% per annum for Eurocurrency rate loans and 3.00% per annum for base rate loans, with a floor of 0.75% for the Eurocurrency rate, and 1.75% for the base bate, respectively. The net proceeds from the issuance were used to fully redeem both the $500 million outstanding 5.25% senior secured notes due November 2023 and the $134 million outstanding Term Loan A. Additionally, on December 17, 2020, Sabre GLBL entered into "an Amendment No. 3 to the Amended and Restated Credit Agreement (the "Pro Rata Amendment and the Refinancing Amendment")" which reduced the minimum liquidity requirement in the financial performance described outlined

below from $450 million to $300 million. We incurred no material additional indebtedness as a result of these transactions, other than amounts covering certain interest, fees and expenses.

On August 27, 2020, Sabre GLBL entered into a Third Revolving Facility Refinancing Amendment to the Amended and Restated Credit Agreement (the "Third Revolving Refinancing Amendment") and the First Term A Loan Extension Amendment to the Amended and Restated Credit Agreement (the "Term A Loan Extension Amendment" and, together with the Third Revolving Refinancing Amendment, the "2020 Refinancing"), which extended the maturity of the Revolver from July 1, 2022 to November 23, 2023 at the earliest and February 22, 2024 at the latest, depending on certain "springing" maturity conditions as described in the Third Revolving Refinancing Amendment. In the event that, as of November 23, 2023, the maturity date of the Term Loan B has not been extended or refinanced to a date after August 20, 2024, the extension is subject to an earlier "springing" maturity date of November 23, 2023. In addition to extending the maturity date of the Revolver, the 2020 Refinancing also provides that, during any covenant suspension resulting from a "Material Travel Event Disruption" (as defined in the Amended and Restated Credit Agreement and discussed further below), including during the current covenant suspension period, we must maintain liquidity of at least $450 million on a monthly basis (reduced to $300 million pursuant to the refinancing in December 2020 as discussed above). In addition, during this covenant suspension, the 2020 Refinancing limits certain payments to equity holders, certain investments, certain prepayments of unsecured debt and the ability of certain subsidiaries to incur additional debt. The applicable margins for the Revolver are between 2.50% and 1.75% per annum for Eurocurrency rate loans and between 1.50% and 0.75% per annum for base rate loans, with the applicable margin for any quarter reduced by 25 basis points (up to 75 basis points total) if the Senior Secured First-Lien Net Leverage Ratio (as defined in the Amended and Restated Credit Agreement) is less than 3.75 to 1.0, 3.00 to 1.0, or 2.25 to 1.0, respectively. These interest rate spreads for the Revolver were increased by 0.25%, during covenant suspension, in connection with the 2020 Refinancing.

The applicable margins for the Term Loan B are 2.00% per annum for Eurocurrency rate loans and 1.00% per annum for base rate loans. The maturity date of Term Loan B is February 22, 2024.

Under the Amended and Restated Credit Agreement, the loan parties are subject to certain customary non-financial covenants, including certain restrictions on incurring certain types of indebtedness, creation of liens on certain assets, making of certain investments, and payment of dividends, as well as a maximum leverage ratio. Pursuant to Credit Agreement Amendments, effective July 18, 2016, the maximum leverage ratio has been adjusted to be based on the Total Net Leverage Ratio (as defined in the Amended and Restated Credit Agreement) and we are required, at all times (no longer solely when a threshold amount of revolving loans or letters of credit were outstanding), to maintain a Total Net Leverage Ratio of less than 4.5 to 1.0.

Under the terms of the Amended and Restated Credit Agreement, the financial covenant related to our leverage ratio is suspended for a limited time if a “Material Travel Event Disruption” has occurred. As defined in the Amended and Restated Credit Agreement, a “Material Travel Event Disruption” means, in any given calendar month, a decrease of 10% or more in the number of “domestic revenue passenger enplanements” (determined by reference to the monthly “Air Traffic Statistics” published by the Bureau of Transportation Statistics) has occurred as a result of or in connection with a Travel Event (as defined in the Amended and Restated Credit Agreement) as compared to the number of “domestic revenue passenger enplanements” (determined by reference to the monthly “Air Traffic Statistics” published by the Bureau of Transportation Statistics) occurring in the corresponding month during the prior year or, if a Material Travel Event Disruption existed during such month, the most recent corresponding month in which no Material Travel Event Disruption occurred/existed.

As of December 31, 2020, the capacity reductions by domestic airlines in response to the COVID-19 outbreak and related decreases in domestic passenger enplanements, and a recent sharp decline in GDS bookings, has led to a finding that a Material Travel Event Disruption has occurred. As such, the leverage ratio covenant has been suspended for at least the fourth quarter of 2020 and first quarter of 2021.

We are also required to pay down the Term Loan B by an amount equal to 50% of annual excess cash flow, as defined in the Amended and Restated Credit Agreement. This percentage requirement may decrease or be eliminated if certain leverage ratios are achieved. Based on our results for the year ended December 31, 2019, we were not required to make an excess cash flow payment in 2020, and no excess cash flow payment is required in 2021 with respect to our results for the year ended December 31, 2020. We are further required to pay down the term loan with proceeds from certain asset sales or borrowings as defined in the Amended and Restated Credit Agreement.

The Eurocurrency rate is based on LIBOR. In July 2017, the Financial Conduct Authority announced its intention to phase out LIBOR by the end of 2021, and subsequently extended the phase-out date to June 30, 2023. If a published U.S. dollar LIBOR rate is unavailable, the interest rates on our debt indexed to LIBOR will be determined using various alternative methods set forth in our Amended and Restated Credit Agreement, any of which could result in interest obligations that are more than or that do not otherwise correlate over time with the payments that would have been made on this debt if U.S. dollar LIBOR were available in its current form. See “Risk Factors—We are exposed to interest rate fluctuations.” We anticipate amending our Amended and Restated Credit Agreement prior to the phaseout of LIBOR to provide for a Eurocurrency rate alternative to LIBOR.

Tax Receivable Agreement

Immediately prior to the closing of our initial public offering in April 2014, we entered into the Tax Receivable Agreement (the "TRA"), which provides the right to receive future payments from us to stockholders and equity award holders that were our stockholders and equity award holders, respectively, immediately prior to the closing of our initial public offering (collectively, the

"Pre-IPO Existing Stockholders"). In connection with the TRA, we made payments, including interest, of $72 million in January 2020, $105 million in 2019, and $60 million in 2018, respectively. In December 2019, we exercised our right under the terms of the TRA to accelerate our remaining payments under the TRA and make an early termination payment of $1 million, to the Pre-IPO Existing Shareholders, which was included in the January 2020 payment of $72 million described above. As a result, no future payments are required to be made to the Pre-IPO Existing Stockholders under the TRA.

Cash Flows

Operating Activities

Cash used in operating activities totaled $770 million for the year ended December 31, 2020. The $1.4 billion decrease in operating cash flow from 2019 is primarily due to the impact of COVID-19 on the travel industry and on our results of operations during 2020, severance payments of $48 million related to restructuring activities during 2020, additional interest payments of $29 million resulting from debt refinancing activities during 2020, acquisition termination fees paid in 2020 of $21 million, and net cash outflows to carriers resulting from the cancellations of previous bookings. This decrease in operating cash flow was partially offset by a $44 million decrease in upfront incentive consideration payments and a $31 million decrease in tax payments.

We expect our cash burn rate to improve sequentially during 2021. We expect the first quarter of 2021 to be negatively impacted by the timing of significant working capital items relative to other quarters in 2021, including the payment of a significant portion of our remaining $23 million severance liability.

Cash provided by operating activities totaled $581 million for the year ended December 31, 2019. The $144 million decrease in cash flow provided by operating activities from 2018 is primarily due to the increase in technology expenditures, driven by the execution of our technology strategy, including cloud migration, mainframe offload and utilization of agile development methods, which increases the expensed portion of our total technology spend and reduces net income.

Investing Activities

For the year ended December 31, 2020, we had $69 million provided by proceeds from the sale of our two headquarter buildings. Cash provided from the sale was offset by cash used of $65 million on capital expenditures, including $41 million related to software developed for internal use.

For the year ended December 31, 2019, we used cash of $243 million in investing activities, including $107 million used in the acquisition of Radixx, net of cash acquired, and $89 million related to software developed for internal use. Additionally, we used cash of $20 million as an advance of purchase price to Farelogix for certain attorneys' fees. Refer to Note 3. Acquisitions for additional information on the now-terminated Farelogix acquisition agreement.

Financing Activities

For the year ended December 31, 2020, we used $1,838 million for financing activities. Significant highlights of our financing activities included:

- proceeds from borrowings under the Notes of $1,970 million;
- proceeds from issuance of stock of $598 million;
- proceeds from borrowings under the Revolver of $375 million;
- payment of $1,030 million on senior secured notes due 2023;
- payment of $503 million on Term Loan A and Term Loan B;
- fourth and final annual payment on the TRA liability for $72 million , excluding interest;
- payment of $78 million on debt issuance costs;
- payment of $39 million in dividends on our common stock;
- net payments of $6 million from the settlement of employee stock-option awards, including payments of $6 million in income tax withholdings associated with the settlement of employee restricted-stock awards; and
- payment of $5 million on our capital leases.

For the year ended December 31, 2019, we used $410 million for financing activities. Significant highlights of our financing activities included:

- payment of $154 million in dividends on our common stock;
- payment of $45 million on our revolving credit facility and $62 million ion our Term Loan A and Term Loan B, offset by proceeds of $45 million from borrowings on our revolving credit facility;
- annual payment on the TRA liability for $101 million, excluding interest;
- repurchase of 3,673,768 shares of our common stock outstanding totaling $78 million; and

- net payments of $6 million from the settlement of employee stock-option awards, including $7 million in proceeds from the exercise of employee stock options, net of payments for $13 million in income tax withholdings associated with the settlement of employee stock-based awards.

Discontinued Travelocity Business

Cash flows used in discontinued operating activities were $3 million and $2 million for the years ended December 31, 2020 and 2019, respectively. The cash flows used by discontinued operations for the year ended December 31, 2020 and 2019 primarily resulted from expenses associated with legal contingencies related to hotel occupancy taxes.

Contractual Obligations

As of December 31, 2020, our contractual obligations were as follows (in thousands):

	Payments Due by Period						
	2021	2022	2023	2024	2025	Thereafter	Total
Total debt[1]	$ 296,081	$ 278,424	$ 645,639	$ 1,959,950	$ 2,071,939	$ 664,817	$ 5,916,850
Operating lease obligations[2]	40,426	22,746	17,591	15,862	11,115	60,670	168,410
IT outsourcing agreement[3]	216,200	251,350	254,246	285,120	290,073	1,348,982	2,645,971
Purchase obligations[4]	134,074	41,257	22,577	12,001	12,000	24,000	245,909
Letters of credit[5]	5,656	3,536	—	135	347	—	9,674
Unrecognized tax benefits[6]	—	—	—	—	—	95,716	95,716
Total contractual cash obligations[7]	$ 692,437	$ 597,313	$ 940,053	$ 2,273,068	$ 2,385,474	$ 2,194,185	$ 9,082,530

(1) Includes all interest and principal of borrowings under our senior secured credit facilities, senior secured notes due 2025, senior exchangeable notes due 2025 and finance lease obligations. Under certain circumstances, we are required to pay a percentage of the excess cash flow, if any, generated each year to our lenders which obligation is not reflected in the table above. Interest on the term loan is based on the LIBOR rate plus a base margin and includes the effect of interest rate swaps. For purposes of this table, we have used projected LIBOR rates for all future periods. See Note 9. Debt, to our consolidated financial statements.

(2) We lease approximately 1.3 million square feet of office space in 70 locations in 38 countries. Lease payment escalations are based on fixed annual increases, local consumer price index changes or market rental reviews. We have renewal options of various term lengths in approximately 50 leases. We have no purchase options and no restrictions imposed by our leases concerning dividends or additional debt. See Note 12. Leases, to our consolidated financial statements.

(3) Represents minimum amounts due to DXC under the terms of an outsourcing agreement through which DXC manages a significant portion of our information technology systems. Also reflects minimum amounts due under other information technology agreements that contain minimum committed spend. Actual payments may vary significantly from the minimum amounts presented.

(4) Purchase obligations represent an estimate of all open purchase orders and contractual obligations in the ordinary course of business for which we have not received the goods or services as of December 31, 2020. Although open purchase orders are considered enforceable and legally binding, the terms generally allow us the option to cancel, reschedule and adjust our requirements based on our business needs prior to the delivery of goods or performance of services.

(5) Our letters of credit consist of stand-by letters of credit, underwritten by a group of lenders, which we primarily issue in the normal course of business. The contractual expiration dates of these letters of credit are shown in the table above. There were no claims made against any standby letters of credit during the years ended December 31, 2020, 2019 and 2018.

(6) Unrecognized tax benefits include associated interest and penalties. The timing of related cash payments for substantially all of these liabilities is inherently uncertain because the ultimate amount and timing of such liabilities is affected by factors which are variable and outside our control.

(7) Excludes pension obligations, see Note 16. Pension and Other Postretirement Benefit Plans, to our consolidated financial statements.

Off Balance Sheet Arrangements

We had no off balance sheet arrangements during the years ended December 31, 2020, 2019 and 2018.

Recent Accounting Pronouncements

Information related to Recent Accounting Pronouncements is included in Note 1. Summary of Business and Significant Accounting Policies, to our consolidated financial statements included in Part II, Item 8 in this Annual Report on Form 10-K, which is incorporated herein by reference.

Critical Accounting Estimates

This discussion and analysis of our financial condition and results of operations is based on our consolidated financial statements, which have been prepared in accordance with GAAP. The preparation of these financial statements requires us to make estimates and judgments that affect our reported assets and liabilities, revenues and expenses and other financial information. Actual results may differ significantly from these estimates, and our reported financial condition and results of operations could vary under different assumptions and conditions. In addition, our reported financial condition and results of operations could vary due to a change in the application of a particular accounting standard.

Our accounting policies that include significant estimates and assumptions include: (i) estimation for revenue recognition and multiple performance obligation arrangements, (ii) determination of the fair value of assets and liabilities acquired in a business combination, (iii) the evaluation of the recoverability of the carrying value of long-lived assets and goodwill, (iv) assumptions utilized to test recoverability of capitalized implementation costs, (v) judgments in capitalization of software developed for internal use, and (vi) the evaluation of uncertainties surrounding the calculation of our tax assets and liabilities. We regard an accounting estimate underlying our financial statements as a “critical accounting estimate” if the accounting estimate requires us to make assumptions about matters that are uncertain at the time of estimation and if changes in the estimate are reasonably likely to occur and could have a material effect on the presentation of financial condition, changes in financial condition, or results of operations.

We have included below a discussion of the accounting policies involving material estimates and assumptions that we believe are most critical to the preparation of our financial statements, how we apply such policies and how results differing from our estimates and assumptions would affect the amounts presented in our financial statements. We have discussed the development, selection and disclosure of these accounting policies with our Audit Committee. Although we believe these policies to be the most critical, other accounting policies also have a significant effect on our financial statements and certain of these policies also require the use of estimates and assumptions. For further information about our significant accounting policies, see Note 1. Summary of Business and Significant Accounting Policies, to our consolidated financial statements.

Revenue Recognition and Multiple Performance Obligation Arrangements

Our agreements with customers of our Travel Solutions business may have multiple performance obligations which generally include software solutions through SaaS and hosted delivery, professional service fees and implementation services. In addition, from time to time, we enter into agreements with customers to provide access to Travel Solutions' GDS and, at or near the same time, enter into a separate agreement to provide IT solutions through SaaS and hosted delivery. These multiple performance obligation arrangements involve judgments, including estimates of the selling prices of goods and services, attribution of variable consideration, assessments of the likelihood of nonpayment and estimates of total costs and costs to complete a project.

Revenue recognition from our IT Solutions products requires significant judgments such as identifying distinct performance obligations including material rights within an agreement, estimating the total contract consideration and allocating amounts to each distinct performance obligation, determining whether variable pricing within a contract meets the allocation objective, and forecasting future volumes. For a small subset of our contracts, we are required to forecast volumes as a result of pricing variability within the contract in order to calculate the rate for revenue recognition. Any changes in these judgments and estimates could have an impact on the revenue recognized in future periods. Our forecasted volumes were significantly impacted in 2020 due to the impacts of COVID-19 on our customers which had, and will continue to have, a significant impact on our current and future revenues.

We evaluate revenue recognition for agreements with customers which generally are represented by individual contracts but could include groups of contracts if the contracts are executed at or near the same time. Typically, access to our GDS and our professional service fees are separated from the implementation and software services. We account for separate performance obligations on an individual basis with value assigned to each performance obligation based on our best estimate of relative standalone selling price ("SSP"). Judgment is required to determine the SSP for each distinct performance obligation. SSP is assessed annually using a historical analysis of contracts with customers executed in the most recently completed calendar year to determine the range of selling prices applicable to a distinct good or service. In making these judgments, we analyze various factors, including discounting practices, price lists, contract prices, value differentiators, customer segmentation and overall market and economic conditions. Based on these results, the estimated SSP is set for each distinct product or service delivered to customers. As our market strategies evolve, we may modify pricing practices in the future which could result in changes to SSP.

Deferred customer advances and discounts are amortized against revenue in future periods as the related revenue is earned. Our contract assets include revenue recognized for services already transferred to a customer, for which the fulfillment of another contractual performance obligation is required, before we have the unconditional right to bill and collect based on contract terms. Contract assets are reviewed for recoverability on a periodic basis based on a review of impairment indicators. Deferred customer advances and discounts are reviewed for recoverability based on future contracted revenues and estimated direct costs of the contract when a significant event occurs that could impact the recoverability of the assets, such as a significant contract modification or early renewal of contract terms. For the year ended December 31, 2020, we did not impair any of these assets as a result of the related contracts becoming uncollectable, modified or canceled. Contracts are priced to generate total revenues over the life of the contract that exceed any discounts or advances provided and any upfront costs incurred to implement the customer contract.

Air Booking Cancellation Reserve

Transaction revenue for airline travel reservations is recognized by Travel Solutions at the time of the booking of the reservation, net of estimated future cancellations. Cancellations prior to the day of departure are estimated based on the historical level of cancellation rates, adjusted to take into account any recent factors which could cause a change in those rates. In circumstances where expected cancellation rates or booking behavior changes, our estimates are revised, and in these circumstances, future cancellation rates could vary materially, with a corresponding variation in revenue net of estimated future cancellations. Factors that could have a significant effect on our estimates include global security issues, epidemics or pandemics (such as that experienced in the current year as a result of COVID-19), natural disasters, general economic conditions, the financial condition of travel suppliers, and travel related accidents. Our cancellation reserve is highly sensitive to our estimate of bookings that we expect will eventually travel, as well as to the mix of those bookings between domestic and international, given the varying rates paid by airline suppliers. The air booking cancellation reserve was $18 million as of December 31, 2020. If international cancellations increased by 10% on the same estimated base of cancelled bookings, the reserve as of December 31, 2020 would increase by $1 million. If total bookings expected to cancel increased by 10%, the reserve as of December 31, 2020 would increase by $2 million.

Allowance for Credit Losses

We develop and document our methodology used in determining the allowance for credit losses at the portfolio segment level. Within the travel portfolio segment, we identify airlines, hoteliers and travel agencies as each presenting unique risk characteristics associated with historical credit loss patterns unique to each and we determine the adequacy of our allowance for credit loss by assessing the risks and losses inherent in our receivables related to each.

We evaluate the collectability of our receivables based on a combination of factors. In circumstances where we are aware of a specific customer's inability to meet its financial obligations to us, such as bankruptcy filings or failure to pay amounts due to us or others, we specifically provide for credit losses against amounts due to reduce the recorded receivable to the amount we reasonably believe will be collected. For all other customers, we record reserves for receivables, including unbilled receivables and contract assets, based on historical experience and the length of time the receivables are past due. The estimate of credit losses is developed by analyzing historical twelve-month collection rates and adjusting for current customer-specific factors indicating financial instability and other macroeconomic factors that correlate with the expected collectability of our receivables. All receivables aged over twelve months are fully reserved. Macro economic factors, including the economic downtown, lack of liquidity in the capital markets resulting from the COVID-19 pandemic and lack of additional government funding, can have a significant effect on additions to the allowance as the pandemic may result in the restructuring or bankruptcy of additional customers. Given the uncertainties surrounding the duration and effects of COVID-19, we cannot provide assurance that the assumptions used in our estimates will be accurate and actual write-offs may vary from our estimates, resulting in a material impact to our results of operations. See Note 8. Credit Losses, to our consolidated financial statements for further considerations involved in the development of this estimate.

Business Combinations

Authoritative guidance for business combinations requires us to recognize separately from goodwill the assets acquired and the liabilities assumed at their acquisition date fair values. Goodwill as of the acquisition date is measured as the excess of consideration transferred over the net of the acquisition date fair values of the assets acquired and the liabilities assumed. While we use our best estimates and assumptions to accurately value assets acquired and liabilities assumed at the acquisition date as well as contingent consideration, where applicable, our estimates are inherently uncertain and, as a result, actual results may differ from estimates.

Accounting for business combinations requires our management to make significant estimates and assumptions, especially at the acquisition date including our estimates for intangible assets, contractual obligations assumed, pre-acquisition contingencies, contingent consideration, where applicable, and previously-held investment interests. Although we believe the assumptions and estimates we have made in the past have been reasonable and appropriate, they are based in part on historical experience and information obtained from the management of the acquired companies and are inherently uncertain.

Examples of critical estimates in valuing certain of the intangible assets we have acquired include, but are not limited to: future expected cash flows, support agreements, consulting contracts, other customer contracts, acquired developed technologies and patents; the acquired company's brand and competitive position, as well as assumptions about the period of time the acquired brand will continue to be used in the combined company's product portfolio; and discount rates. Unanticipated events and circumstances may occur that may affect the accuracy or validity of such assumptions, estimates or actual results.

For a given acquisition, we may identify certain pre-acquisition contingencies as of the acquisition date and may extend our review and evaluation of these pre-acquisition contingencies throughout the measurement period in order to obtain sufficient information to assess whether we include these contingencies as a part of the fair value estimates of assets acquired and liabilities assumed and, if so, to determine their estimated amounts. If we cannot reasonably determine the fair value of a pre-acquisition contingency (non-income tax related) by the end of the measurement period, which is generally the case given the nature of such matters, we will recognize an asset or a liability for such pre-acquisition contingency if: (i) it is probable that an asset existed or a liability had been incurred at the acquisition date and (ii) the amount of the asset or liability can be reasonably

estimated. Subsequent to the measurement period, changes in our estimates of such contingencies will affect earnings and could have a material effect on our results of operations and financial position.

Depending on the circumstances, the fair value of contingent consideration is determined based on management's best estimate of fair value given the specific facts and circumstances of the contractual arrangement, considering the likelihood of payment, payment terms and management's best estimates of future performance results on the acquisition date, if applicable.

In addition, uncertain tax positions and tax related valuation allowances assumed in connection with a business combination are initially estimated as of the acquisition date. We reevaluate these items quarterly based upon facts and circumstances that existed as of the acquisition date with any adjustments to our preliminary estimates being recorded to goodwill if identified within the measurement period. Subsequent to the measurement period or our final determination of the tax allowance's or contingency's estimated value, whichever comes first, changes to these uncertain tax positions and tax-related valuation allowances will affect our provision for income taxes in our consolidated statement of operations and could have a material impact on our results of operations and financial position.

Goodwill and Long-Lived Assets

We have two reporting units associated with our continuing operations: Travel Solutions and Hospitality Solutions. As a result of the Strategic Realignment, our historical Travel Network and Airline Solutions business segments have been combined into a new business segment, Travel Solutions. In connection with this reorganization, the historical Travel Network and Airline Solutions reporting units and their related goodwill were combined into a single Travel Solutions reporting unit, thereby requiring no reallocation of goodwill based on fair values. There was no change to our historical Hospitality Solutions reporting unit. Goodwill related to our reporting units totaled $2.6 billion as of December 31, 2020.

Due to triggering events related to the COVID-19 pandemic, we performed a quantitative assessment, as of March 31, 2020. This assessment was based on our current projections and was subject to various risks, uncertainties and estimates including: (1) forecasted revenues, expenses and cash flows, including future travel supplier capacity and load factors on those estimates and technology costs, (2) the duration and extent of the impact of the COVID-19 pandemic on our business and our customers, (3) current discount and long-term growth rates, (4) the reduction in our market capitalization, (5) current market transaction trends and (6) changes to the regulatory environment impacting our industry. See Note 11. Fair Value Measurements, to our consolidated financial statements. In estimating fair value, we considered current estimates of recovery in global passenger traffic volume to pre-COVID-19 levels. Should a significant change in the estimated recovery period elongate further than our expectations, it could have a material impact on our estimates of fair value. Additionally, we increased discount rates to account for increased risk within our business and estimates. Our interim quantitative impairment assessment as of March 31, 2020 determined that our goodwill was not impaired.

We updated our goodwill assessment quarterly on a qualitative basis during 2020 and determined that our goodwill was not impaired at any reporting date in 2020. Our qualitative assessments considered recent information available regarding the anticipated duration of the recovery period which we believe to be a key assumption, including information as of November 2020 from the International Air Transport Association (IATA) that forecast in its base-case scenario that global passenger traffic is not expected to return to pre-COVID-19 levels until 2024. As of December 31, 2020, based on a qualitative analysis, the fair value exceeded the carrying value for each of our two reporting units by more than 20%. Additionally, we did not record any goodwill impairment charges for the years ended December 31, 2019 and 2018.

Definite-lived intangible assets are assigned depreciable lives of two to thirty years, depending on classification, and are evaluated for impairment whenever events or changes in circumstances indicate that the carrying amount of definite-lived intangible assets used in combination to generate cash flows largely independent of other assets may not be recoverable. If impairment indicators exist for definite-lived intangible assets, the undiscounted future cash flows associated with the expected service potential of the assets are compared to the carrying value of the assets. If our projection of undiscounted future cash flows is in excess of the carrying value of the intangible assets, no impairment charge is recorded. If our projection of undiscounted cash flows is less than the carrying value, the intangible assets are then measured at fair value and an impairment charge is recorded based on the excess of the carrying value of the assets over its fair value. We also evaluate the need for additional impairment disclosures based on our Level 3 inputs. For fair value measurements categorized within Level 3 of the fair value hierarchy, we disclose the valuation processes used by the reporting entity. We did not record material intangible asset impairment charges for the years ended December 31, 2020, 2019 and 2018.

Capitalized Implementation Costs

Capitalized implementation costs represents upfront costs to implement new customer contracts under our SaaS and hosted revenue model. Capitalized implementation costs are amortized on a straight-line basis over the related contract term, ranging from three to ten years, as they are recoverable through deferred or future revenues associated with the relevant contract. These assets are reviewed for recoverability on a periodic basis or when an event occurs that could impact the recoverability of the assets, such as the impact of COVID-19 on a particular customer, a significant contract modification or early renewal of contract terms. Recoverability is measured based on the future estimated revenue and direct costs of the contract compared to the capitalized implementation costs. During 2020, we considered current estimates of recovery from the COVID-19 pandemic to 2019 levels, which we believe to be a key assumption in our assessment of recoverability. We record an impairment charge for the portion of the asset considered unrecoverable in the period identified, while considering the uncertainties associated with these types of contracts and judgments made in estimating revenue and direct costs. For the year ended December 31, 2020, we recorded $10 million in impairments associated with unrecoverable amounts in capitalized

implementation costs. During the year ended December 31, 2019, we recorded $2 million in impairments associated with unrecoverable amounts in capitalized implementation costs.

Capitalized Software Developed for Internal Use

We capitalize certain costs related to our infrastructure, software applications and reservation systems under authoritative guidance on software developed for internal use during the application development stage. Costs related to preliminary and post project development activities are expensed as incurred. When determining whether applicable costs qualify for capitalization, we use judgment in distinguishing between the preliminary project and application development stages of the project and in determining whether these costs result in additional functionality for existing internal use software. In 2019, our development teams substantially completed the transition to utilizing the agile development methodology, which is characterized by a more dynamic development process with iterative activities that involve planning, design, coding and testing. This methodology requires additional review of the stages to ensure the applicable criteria are met for capitalization and may be less likely to meet the criteria for capitalization. As we expected, this transition towards implementing this methodology reduced our capitalization of certain costs with a corresponding increase in our product and technology operating expenses. Costs that cannot be separated between maintenance of, and relatively minor upgrades and enhancements to, internal use software are also expensed as incurred.

During the years ended December 31, 2020, 2019 and 2018, we capitalized $41 million, $89 million, and $252 million, respectively, related to software developed for internal use. During the year ended December 31, 2020, we recorded an impairment charge of $5 million associated with software developed for internal use based on our analysis of the recoverability of such amounts.

Income and Non-Income Taxes

We recognize deferred tax assets and liabilities based on the temporary differences between the financial statement carrying amounts and the tax bases of assets and liabilities. We regularly review deferred tax assets by jurisdiction to assess their potential realization and establish a valuation allowance for portions of such assets that we believe will not be ultimately realized. In performing this review, we make estimates and assumptions regarding projected future taxable income, the expected timing of the reversals of existing temporary differences and the implementation of tax planning strategies. A change in these assumptions could cause an increase or decrease to the valuation allowance resulting in an increase or decrease in the effective tax rate, which could materially impact our results of operations. The COVID-19 pandemic has caused increased uncertainty in determining certain key assumptions within the assessment of our future taxable income upon which recognition of deferred tax assets is assessed. At year end, we had a valuation allowance on a portion of our deferred tax assets based on our assessment that it is more likely than not that the deferred tax asset will not be realized. We believe that our estimates for the valuation allowances against deferred tax assets are appropriate based on current facts and circumstances.

When assessing the need for a valuation allowance, all positive and negative evidence is analyzed, including our ability to carry back net operating losses ("NOLs") to prior periods, the reversal of deferred tax liabilities, tax planning strategies and projected future taxable income. Significant losses related to COVID-19 resulted in a three-year cumulative loss in certain jurisdictions, which represents significant negative evidence regarding the ability to realize deferred tax assets. As a result, we established a valuation allowance on a portion of our U.S. deferred tax assets of $165 million as of December 31, 2020. We also established and maintained a U.S. state valuation allowance on current year losses and other deferred tax assets of $15 million and $5 million as of December 31, 2020 and 2019, respectively. For non-U.S. deferred tax assets of certain subsidiaries, we established and maintained a valuation allowance on current year losses and other deferred tax assets of $71 million and $33 million as of December 31, 2020 and 2019, respectively. We reassess these assumptions regularly, which could cause an increase or decrease to the valuation allowance resulting in an increase or decrease in the effective tax rate, and could materially impact our results of operations.

We operate in numerous countries where our income tax returns are subject to audit and adjustment by local tax authorities. Because we operate globally, the nature of the uncertain tax positions is often very complex and subject to change, and the amounts at issue can be substantial. It is inherently difficult and subjective to estimate such amounts, as we have to determine the probability of various possible outcomes. We re-evaluate uncertain tax positions on a quarterly basis. This evaluation is based on factors including, but not limited to, changes in facts or circumstances, changes in tax law, effectively settled issues under audit and new audit activity. At December 31, 2020 and 2019, we had a liability, including interest and penalty, of $96 million and $81 million, respectively, for unrecognized tax benefits, of which $77 million and $63 million, respectively, would affect our effective tax rate if recognized. Such a change in recognition or measurement would result in the recognition of a tax benefit or an additional charge to the provision for income taxes from continuing operations.

Loss Contingencies

While certain legal proceedings and related indemnification obligations and certain tax matters to which we are a party specify the amounts claimed, these claims may not represent reasonably possible losses. Given the inherent uncertainties of litigation and tax claims, the ultimate outcome of these matters cannot be predicted, nor can the amount of possible loss or range of loss, if any, be reasonably estimated, except in circumstances where an aggregate litigation accrual has been recorded for probable and reasonably estimable loss contingencies. A determination of the amount of accrual required, if any, for these contingencies is made after careful analysis of each matter. The required accrual may change in the future due to new information or developments in each matter or changes in approach such as a change in settlement strategy in dealing with these matters. Changes in these factors could materially impact our results of operations.

ITEM 7A. QUANTITATIVE AND QUALITATIVE DISCLOSURES ABOUT MARKET RISK

Market Risk Management

Market risk is the potential loss from adverse changes in: (i) prevailing interest rates, (ii) foreign exchange rates, (iii) credit risk and (iv) inflation. Our exposure to market risk relates to interest payments due on our long-term debt, Revolver, derivative instruments, income on cash and cash equivalents, accounts receivable and payable and travel supplier liabilities and related deferred revenue. We manage our exposure to these risks through established policies and procedures. We do not engage in trading, market making or other speculative activities in the derivatives markets. Our objective is to mitigate potential income statement, cash flow and fair value exposures resulting from possible future adverse fluctuations in interest and foreign exchange rates.

Interest Rate Risk

As of December 31, 2020, our exposure to interest rates relates primarily to our interest rate swaps, our senior secured credit facilities and our borrowings on our Revolver. Offsetting some of this exposure is interest income received from our money market funds. The objectives of our investment in money market funds are (i) preservation of principal, (ii) liquidity and (iii) yield. If future short-term interest rates averaged 10% lower than they were during the year ended December 31, 2020, the impact to our interest income from money market funds would not be material. This amount was determined by applying the hypothetical interest rate change to our average money market funds invested.

In connection with the 2017 Term Facility Amendment, we entered into forward starting interest rate swaps effective March 31, 2017 to hedge the interest payments associated with $750 million of the floating-rate 2017 Term Loan B. The total notional amount outstanding of $750 million became effective December 31, 2018 and extended through the full year 2019. In September 2017, we entered into forward starting interest rate swaps to hedge the interest payments associated with $750 million of the floating-rate Term Loan B. The total notional outstanding of $750 million became effective December 31, 2019 and extends through the full year 2020. In April 2018, we entered into forward starting interest rate swaps to hedge the interest payments associated with $600 million, $300 million and $450 million of the floating-rate Term Loan B related to years 2019, 2020 and 2021, respectively. In December 2018, we entered into forward starting interest rate swaps to hedge the interest payments associated with $150 million of the floating-rate Term Loan B for the years 2020 and 2021. We have designated these swaps as cash flow hedges.

Interest rate swaps outstanding at December 31, 2020 and matured during the years ended December 31, 2020, 2019 and 2018 are as follows:

Notional Amount	Interest Rate Received	Interest Rate Paid	Effective Date	Maturity Date
Designated as Hedging Instrument				
$750 million	1 month LIBOR[(1)]	1.65%	December 29, 2017	December 31, 2018
$1,350 million	1 month LIBOR[(1)]	2.27%	December 31, 2018	December 31, 2019
$1,200 million	1 month LIBOR[(1)]	2.19%	December 31, 2019	December 31, 2020
$600 million	1 month LIBOR[(1)]	2.81%	December 31, 2020	December 31, 2021

(1) Subject to a 1% floor.

Since outstanding balances under our senior secured credit facilities incur interest at rates based on LIBOR, subject to a 0% floor, increases in short-term interest rates would impact our interest expense. If our mix of interest rate-sensitive assets and liabilities changes significantly, we may enter into additional derivative transactions to manage our net interest rate exposure. The fair value of these interest rate swaps was a liability of $16 million and $15 million at December 31, 2020 and 2019, respectively.

Foreign Currency Risk

We conduct various operations outside the United States, primarily in Asia Pacific, Europe and Latin America. Our foreign currency risk is primarily associated with operating expenses. During the year ended December 31, 2020, foreign currency operations included $98 million of revenue and $373 million of operating expenses, representing approximately 7% and 16% of our total revenue and operating expenses, respectively. During the year ended December 31, 2019, foreign currency operations included $246 million of revenue and $572 million of operating expenses, representing approximately 6% and 16% of our total revenue and operating expenses, respectively.

The principal foreign currencies involved include the Euro, the Indian Rupee, the British Pound Sterling, the Australian Dollar, the Polish Zloty, and the Singapore Dollar. Our most significant foreign currency denominated operating expenses is in the Euro, which comprised approximately 4% and 7% of our operating expenses for the years ended December 31, 2020 and 2019, respectively. In recent years, exchange rates between foreign currencies and the U.S. dollar have fluctuated significantly and may continue to do so in the future. During times of volatile currency movements, this risk can impact our earnings. To reduce the impact of this earnings volatility, we hedge a portion of our foreign currency exposure in our operating expenses by entering into foreign currency forward contracts on several of our largest exposures, including the Indian Rupee, the British Pound Sterling, the Australian Dollar, the Polish Zloty, the Singaporean Dollar, and the Swedish Krona. Additionally,

approximately 26% of our exposure in foreign currency operating expenses is naturally hedged by foreign currency cash receipts associated with foreign currency revenue.

Our forward contracts represent obligations to purchase foreign currencies at a predetermined exchange rate to fund a portion of our expenses that are denominated in foreign currencies. Due to the uncertainty driven by the COVID-19 pandemic on our foreign currency exposures, we have paused entering into new cash flow hedges of forecasted foreign currency cash flows until we have more clarity regarding the recovery trajectory and its impacts on net exposures. As a result, as of December 31, 2020, we have no unsettled forward contracts and have not entered into any foreign currency forward contracts for 2021.

We are also exposed to foreign currency fluctuations through the translation of the financial condition and results of operations of our foreign operations into U.S. dollars in consolidation. These gains and losses are recognized as a component of accumulated other comprehensive income (loss) and is included in stockholders' equity. We recognized net translation gains in other comprehensive income (loss) of $8 million for the year ended December 31, 2020 and net translation losses of $2 million and $4 million for the years ended December 31, 2019 and 2018, respectively.

Credit Risk

Our customers are primarily located in the United States, Canada, Europe, Latin America and Asia, and are concentrated in the travel industry.

We generate a significant portion of our revenues and corresponding accounts receivable from services provided to the commercial air travel industry. Our other accounts receivable are generally due from other participants in the travel and transportation industry. As of December 31, 2020 and 2019, approximately $183 million, or 74%, and $375 million, or 82%, respectively, of our trade accounts receivable were attributable to services provided to the commercial air travel industry and travel agency customers. Substantially all of our accounts receivable represents trade balances. We generally do not require security or collateral from our customers as a condition of sale. See "Risk Factors—Our travel supplier customers may experience financial instability or consolidation, pursue cost reductions, change their distribution model or undergo other changes."

We regularly monitor the financial condition of the air transportation industry. We believe the credit risk related to the air carriers' difficulties is significantly mitigated by the fact that we collect a significant portion of the receivables from these carriers through the Airline Clearing House ("ACH").

As of December 31, 2020, 2019 and 2018, approximately 52%, 59%, and 61%, respectively, of our air customers make payments through the ACH which accounts for approximately 63%, 89% and 94%, respectively, of our air billings. ACH requires participants to deposit certain balances into their demand deposit accounts by certain deadlines, which facilitates a timely settlement process. For these carriers, we believe the use of ACH mitigates our credit risk with respect to airline bankruptcies. For those carriers from which we do not collect payments through the ACH or other similar clearing houses, our credit risk is higher. We monitor these carriers and account for the related credit risk through our normal reserve policies.

Inflation

Competitive market conditions and the general economic environment have minimized inflation's impact on our results of operations in recent periods. There can be no assurance, however, that our operating results will not be affected by inflation in the future.

ITEM 8. FINANCIAL STATEMENTS AND SUPPLEMENTARY DATA

Index to Financial Statements and Supplementary Data

Report of Independent Registered Public Accounting Firm

To the Stockholders and the Board of Directors of Sabre Corporation

Opinion on the Financial Statements

We have audited the accompanying consolidated balance sheets of Sabre Corporation (the Company) as of December 31, 2020 and 2019, the related consolidated statements of operations, comprehensive (loss) income, stockholders' equity and cash flows for each of the three years in the period ended December 31, 2020, and the related notes and financial statement schedule listed in the Index at Item 15 (collectively referred to as the “consolidated financial statements”). In our opinion, the consolidated financial statements present fairly, in all material respects, the financial position of the Company at December 31, 2020 and 2019, and the results of its operations and its cash flows for each of the three years in the period ended December 31, 2020, in conformity with U.S. generally accepted accounting principles.

We also have audited, in accordance with the standards of the Public Company Accounting Oversight Board (United States) (PCAOB), the Company’s internal control over financial reporting as of December 31, 2020, based on criteria established in Internal Control-Integrated Framework issued by the Committee of Sponsoring Organizations of the Treadway Commission (2013 framework), and our report dated February 25, 2021 expressed an unqualified opinion thereon.

Basis for Opinion

These financial statements are the responsibility of the Company's management. Our responsibility is to express an opinion on the Company’s financial statements based on our audits. We are a public accounting firm registered with the PCAOB and are required to be independent with respect to the Company in accordance with the U.S. federal securities laws and the applicable rules and regulations of the Securities and Exchange Commission and the PCAOB.

We conducted our audits in accordance with the standards of the PCAOB. Those standards require that we plan and perform the audit to obtain reasonable assurance about whether the financial statements are free of material misstatement, whether due to error or fraud. Our audits included performing procedures to assess the risks of material misstatement of the financial statements, whether due to error or fraud, and performing procedures that respond to those risks. Such procedures included examining, on a test basis, evidence regarding the amounts and disclosures in the financial statements. Our audits also included evaluating the accounting principles used and significant estimates made by management, as well as evaluating the overall presentation of the financial statements. We believe that our audits provide a reasonable basis for our opinion.

Critical Audit Matters

The critical audit matters communicated below are matters arising from the current period audit of the financial statements 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 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 consolidated financial statements, taken as a whole, and we are not, by communicating the critical audit matters below, providing separate opinions on the critical audit matters or on the accounts or disclosures to which they relate.

Measurement of IT Solutions Revenue

Description of the Matter

As discussed in Note 2 of the financial statements, the Company recognized $595 million of IT Solutions revenue. IT Solutions customer agreements are long-term contracts that frequently contain multiple performance obligations. Judgment exists in determining which performance obligations are distinct and accounted for separately. These contracts also contain variable consideration in the form of tiered pricing, contractual minimums or discounts. Judgment exists in estimating the total contract consideration and allocating amounts to each distinct performance obligation. Contracts with variable consideration may require forecasts over the term of the contract to determine the appropriate rate used to recognize revenue.

Auditing management’s recognition of IT Solutions revenue was complex and involved a high degree of judgment because of the significant management judgments and estimates required to identify the distinct performance obligations, estimate and allocate contract consideration, and determine the rate used to recognize revenue.

How We Addressed the Matter in Our Audit

We obtained an understanding, evaluated the design, and tested the operating effectiveness of internal controls related to the Company's process for recognizing IT Solutions revenue, including management's review of the significant judgments and estimates used in the identification of distinct performance obligations, the estimation and allocation of amounts to each performance obligation, the estimation of revenue to constrain, and the determination of the rate used to recognize revenue.

Our audit procedures included, among others, testing management's identification of the distinct performance obligations based on terms in the contracts and the Company's policies. Our procedures also included testing the judgments and estimates used to determine the rate to recognize revenue and estimation of revenue to constrain, based on the contractual minimums, tiered pricing and other discounts, current economic conditions and customer concessions. To test the calculation of the amount of consideration allocated to each distinct performance obligation, we performed procedures to test management's judgments and assumptions related to the allocation of consideration to each distinct performance obligation. Our procedures included an evaluation of the significant assumptions and the accuracy and completeness of the underlying data used in management's calculation of revenue recognized. We have also evaluated the adequacy of the Company's IT Solutions revenue disclosures included in Note 2 in relation to these revenue recognition matters.

Uncertain Tax Positions

Description of the Matter

As discussed in Note 7 of the financial statements, the Company operates in the United States and multiple international jurisdictions, and its income tax returns are subject to examination by tax authorities in those jurisdictions who may challenge income tax positions on these returns. Uncertainty in a tax position may arise because tax laws are subject to interpretation. The Company uses significant judgment in (1) determining whether, based on the technical merits, a tax position is more likely than not to be sustained and (2) measuring the amount of tax benefit that qualifies for recognition. As of December 31, 2020, the Company accrued liabilities of $96 million for uncertain tax positions, including penalties and interest.

Auditing management's estimate of the amount of tax benefit that qualifies for recognition involved auditor judgment and use of tax professionals with specialized skills and knowledge to evaluate the Company's interpretation of, and compliance with, tax laws and legal rulings across its multiple subsidiaries located in multiple taxing jurisdictions.

How We Addressed the Matter in Our Audit

We obtained an understanding, evaluated the design, and tested the operating effectiveness of controls over the Company's accounting process for uncertain tax positions. For example, we tested controls over the Company's assessment of the technical merits of tax positions and management's process to measure the benefit of those tax positions.

Among other procedures performed, we involved our tax professionals to assess the technical merits of the Company's tax positions. This included assessing the Company's correspondence with the relevant tax authorities and evaluating income tax opinions or other third-party advice obtained by the Company. We also evaluated the appropriateness of the Company's accounting for its tax positions taking into consideration relevant information, local income tax laws, and legal rulings. We analyzed the Company's assumptions and data used to determine the amount of tax benefit to recognize and tested the accuracy of the calculations. We have also evaluated the adequacy of the Company's income tax disclosures included in Note 7 in relation to these tax matters.

Estimates Impacted by Coronavirus (COVID-19)

Description of the Matter

As discussed in Note 1 of the financial statements, the Company utilizes estimates in evaluating the recoverability of the carrying value of long-lived assets and goodwill, capitalized implementation costs, subscriber payments, accounts receivable and reserves for estimated air booking cancellations. The COVID-19 pandemic has had a significant and adverse impact on the Company as well as its customers. As the extent and duration of the impact is unknown, there is a high degree of uncertainty around transaction volumes in the global travel industry, which results in significant judgment in determining the underlying forecasted cash flows and other key assumptions utilized in these estimates to evaluate the recoverability of these assets and the amount of the cancellation reserve.

Auditing management's judgments in estimating forecasted cash flows was complex and involved a high degree of judgment because of the high degree of uncertainty around future transaction volumes in the global travel industry, including forecasted airline booking cancellations. Additionally, the assumptions are affected by future market and economic conditions, airline insolvency, suspension of travel services or actions taken by local governments that may reduce travel and hospitality activities.

How We Addressed the Matter in Our Audit

We obtained an understanding, evaluated the design, and tested the operating effectiveness of internal controls related to estimating the recoverability of the carrying value of long-lived assets and goodwill, capitalized implementation costs, subscriber payments and accounts receivable, as well as controls related to estimating future airline booking cancellations impacting the determination of the air booking cancellation reserve, including management's review of the significant judgments in the cash flow forecasts. We also tested controls over management's review of the data used in their cash flow forecasts.

Our audit procedures included, among others, assessing methodologies and testing the significant assumptions in the cash flow forecasts and the underlying data used by the Company in its analyses, including the estimated period in which travel will return to pre pandemic volumes. For example, we performed procedures to test significant assumptions related to future air booking cancellation activity and performed sensitivity analyses to evaluate how those assumptions affect the air booking cancellation reserve. We also compared projected cash flows to the Company's historical cash flows and other available industry and general economic information and performed sensitivity analyses of the significant assumptions in evaluating the recoverability of the related assets.

/s/ Ernst & Young LLP

We have served as the Company's auditor since 1993.

Dallas, Texas
February 25, 2021

Report of Independent Registered Public Accounting Firm

To the Stockholders and the Board of Directors of Sabre Corporation

Opinion on Internal Control over Financial Reporting

We have audited Sabre Corporation's internal control over financial reporting as of December 31, 2020, based on criteria established in Internal Control—Integrated Framework issued by the Committee of Sponsoring Organizations of the Treadway Commission (2013 framework) (the COSO criteria). In our opinion, Sabre Corporation (the Company) maintained, in all material respects, effective internal control over financial reporting as of December 31, 2020, based on the COSO criteria.

We also have audited, in accordance with the standards of the Public Company Accounting Oversight Board (United States) (PCAOB), the consolidated balance sheets of the Company as of December 31, 2020 and 2019, the related consolidated statements of operations, comprehensive income, stockholders' equity and cash flows for each of the three years in the period ended December 31, 2020, and the related notes and financial statement schedule listed in the Index at Item 15, and our report dated February 25, 2021 expressed an unqualified opinion thereon.

Basis for Opinion

The Company's management is responsible for maintaining effective internal control over financial reporting and for its assessment of the effectiveness of internal control over financial reporting included in the accompanying Management's Report on Internal Control over Financial Reporting. Our responsibility is to express an opinion on the Company's internal control over financial reporting based on our audit. We are a public accounting firm registered with the PCAOB and are required to be independent with respect to the Company in accordance with the U.S. federal securities laws and the applicable rules and regulations of the Securities and Exchange Commission and the PCAOB.

We conducted our audit in accordance with the standards of the PCAOB. Those standards require that we plan and perform the audit to obtain reasonable assurance about whether effective internal control over financial reporting was maintained in all material respects.

Our audit included obtaining an understanding of internal control over financial reporting, assessing the risk that a material weakness exists, testing and evaluating the design and operating effectiveness of internal control based on the assessed risk, and performing such other procedures as we considered necessary in the circumstances. We believe that our audit provides a reasonable basis for our opinion.

Definition and Limitations of Internal Control Over Financial Reporting

A company's internal control over financial reporting is a process designed to provide reasonable assurance regarding the reliability of financial reporting and the preparation of financial statements for external purposes in accordance with generally accepted accounting principles. A company's internal control over financial reporting includes those policies and procedures that (1) pertain to the maintenance of records that, in reasonable detail, accurately and fairly reflect the transactions and dispositions of the assets of the company; (2) provide reasonable assurance that transactions are recorded as necessary to permit preparation of financial statements in accordance with generally accepted accounting principles, and that receipts and expenditures of the company are being made only in accordance with authorizations of management and directors of the company; and (3) provide reasonable assurance regarding prevention or timely detection of unauthorized acquisition, use, or disposition of the company's assets that could have a material effect on the financial statements.

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

/s/ Ernst & Young LLP

Dallas, Texas
February 25, 2021

SABRE CORPORATION
CONSOLIDATED STATEMENTS OF OPERATIONS
(In thousands, except per share amounts)

	Year Ended December 31,		
	2020	2019	2018
Revenue	$ 1,334,100	$ 3,974,988	$ 3,866,956
Cost of revenue, excluding technology costs	579,010	1,726,157	1,654,376
Technology costs	1,156,723	1,285,204	1,098,641
Selling, general and administrative	586,406	600,210	551,923
Operating (loss) income	(988,039)	363,417	562,016
Other income (expense):			
Interest expense, net	(235,091)	(156,391)	(157,017)
Loss on extinguishment of debt	(21,626)	—	(633)
Equity method (loss) income	(2,528)	2,044	2,556
Other, net	(66,961)	(9,432)	(8,509)
Total other expense, net	(326,206)	(163,779)	(163,603)
(Loss) income from continuing operations before income taxes	(1,314,245)	199,638	398,413
Provision for income taxes	(39,913)	35,326	57,492
(Loss) income from continuing operations	(1,274,332)	164,312	340,921
Income (loss) from discontinued operations, net of tax	2,788	(1,766)	1,739
Net (loss) income	(1,271,544)	162,546	342,660
Net income attributable to noncontrolling interests	1,200	3,954	5,129
Net (loss) income attributable to Sabre Corporation	(1,272,744)	158,592	337,531
Preferred stock dividends	7,659	—	—
Net (loss) income attributable to common stockholders	$ (1,280,403)	$ 158,592	$ 337,531
Basic net (loss) income per share attributable to common stockholders:			
(Loss) income from continuing operations	$ (4.43)	$ 0.58	$ 1.22
Income (loss) from discontinued operations	0.01	(0.01)	0.01
Net (loss) income per common share	$ (4.42)	$ 0.57	$ 1.23
Diluted net (loss) income per share attributable to common stockholders:			
(Loss) income from continuing operations	$ (4.43)	$ 0.58	$ 1.21
Income (loss) from discontinued operations	0.01	(0.01)	0.01
Net (loss) income per common share	$ (4.42)	$ 0.57	$ 1.22
Weighted-average common shares outstanding:			
Basic	289,855	274,168	275,235
Diluted	289,855	276,217	277,518
Dividend per common share	$ 0.14	$ 0.56	$ 0.56

See Notes to Consolidated Financial Statements.

SABRE CORPORATION
CONSOLIDATED STATEMENTS OF COMPREHENSIVE (LOSS) INCOME
(In thousands)

	Year Ended December 31,		
	2020	2019	2018
Net (loss) income	$ (1,271,544)	$ 162,546	$ 342,660
Other comprehensive income (loss), net of tax:			
Foreign currency translation adjustments ("CTA")	7,698	(1,946)	(3,651)
Retirement-related benefit plans:			
Net actuarial loss, net of taxes of $3,447, $2,379 and $6,223	(11,778)	(8,269)	(19,143)
Pension settlement, net of taxes of $(4,066), $—, $—	14,005	—	—
Amortization of prior service credits, net of taxes of $321, $321 and $321	(1,111)	(1,111)	(1,112)
Amortization of actuarial losses, net of taxes of $(1,934), $(1,400) and $(1,624)	6,677	5,421	5,739
Net change in retirement-related benefit plans, net of tax	7,793	(3,959)	(14,516)
Derivatives:			
Unrealized (losses) gains, net of taxes of $5,571, $4,497 and $1,474	(20,521)	(15,217)	(6,842)
Reclassification adjustment for realized losses, net of taxes of $(4,959), $(1,469) and $(1,248)	17,890	5,507	3,677
Net change in derivatives, net of tax	(2,631)	(9,710)	(3,165)
Share of other comprehensive income (loss) of equity method investments	489	(967)	(635)
Other comprehensive income (loss)	13,349	(16,582)	(21,967)
Comprehensive (loss) income	(1,258,195)	145,964	320,693
Less: Comprehensive income attributable to noncontrolling interests	(1,200)	(3,954)	(5,129)
Comprehensive (loss) income attributable to Sabre Corporation	$ (1,259,395)	$ 142,010	$ 315,564

See Notes to Consolidated Financial Statements.

SABRE CORPORATION
CONSOLIDATED BALANCE SHEETS
(In thousands)

	December 31,	
	2020	2019
Assets		
Current assets		
Cash and cash equivalents	$ 1,499,665	$ 436,176
Accounts receivable, net	255,468	546,533
Prepaid expenses and other current assets	132,972	139,211
Total current assets	1,888,105	1,121,920
Property and equipment, net of accumulated depreciation	363,491	641,722
Equity method investments	24,265	27,494
Goodwill	2,636,546	2,633,251
Acquired customer relationships, net of accumulated amortization	289,150	311,015
Other intangible assets, net of accumulated amortization	222,216	262,638
Deferred income taxes	24,181	21,812
Other assets, net	629,768	670,105
Total assets	$ 6,077,722	$ 5,689,957
Liabilities and stockholders' equity		
Current liabilities		
Accounts payable	$ 115,229	$ 187,187
Accrued compensation and related benefits	86,830	94,368
Accrued subscriber incentives	100,963	316,254
Deferred revenues	99,470	84,661
Other accrued liabilities	193,383	189,548
Current portion of debt	26,068	81,614
Tax Receivable Agreement	—	71,911
Total current liabilities	621,943	1,025,543
Deferred income taxes	72,744	107,402
Other noncurrent liabilities	380,621	347,522
Long-term debt	4,639,782	3,261,821
Commitments and contingencies (Note 17)		
Stockholders' equity		
Preferred stock; $0.01 par value, 225,000 authorized, 3,340 and no shares issued and outstanding as of December 31, 2020 and 2019, respectively; aggregate liquidation value of $334,000 and $— as of December 31, 2020 and 2019, respectively	33	—
Common stock: $0.01 par value; 1,000,000 authorized shares; 338,662 and 294,319 shares issued, 317,297 and 273,733 shares outstanding at December 31, 2020 and 2019, respectively	3,387	2,943
Additional paid-in capital	3,052,953	2,317,544
Treasury stock, at cost, 21,365 and 20,587 shares at December 31, 2020 and 2019, respectively	(474,790)	(468,618)
Accumulated deficit	(2,090,022)	(763,482)
Accumulated other comprehensive loss	(135,957)	(149,306)
Noncontrolling interest	7,028	8,588
Total stockholders' equity	362,632	947,669
Total liabilities and stockholders' equity	$ 6,077,722	$ 5,689,957

See Notes to Consolidated Financial Statements.

SABRE CORPORATION
CONSOLIDATED STATEMENTS OF CASH FLOWS
(In thousands)

	Year Ended December 31,		
	2020	2019	2018
Operating Activities			
Net (loss) income	$ (1,271,544)	$ 162,546	$ 342,660
Adjustments to reconcile net (loss) income to cash provided by operating activities:			
Depreciation and amortization	363,743	414,621	413,344
Amortization of upfront incentive consideration	74,677	82,935	77,622
Stock-based compensation expense	69,946	66,885	57,263
Provision for expected credit losses	65,710	20,563	7,749
Deferred income taxes	(46,234)	(22,925)	43,099
Acquisition termination fee	24,811	—	—
Loss on extinguishment of debt	21,626	—	633
Amortization of debt discount and issuance costs	18,939	3,972	3,981
Pension settlement charge	18,071	—	—
Facilities-related charges	5,816	—	—
Impairment and related charges	8,684	—	—
(Income) loss from discontinued operations	(2,788)	1,766	(1,739)
Other	7,981	2,085	2,916
Changes in operating assets and liabilities:			
Accounts and other receivables	204,970	(33,911)	(45,586)
Prepaid expenses and other current assets	(1,908)	1,145	14,362
Capitalized implementation costs	(17,301)	(28,588)	(39,168)
Upfront incentive consideration	(27,445)	(71,447)	(88,735)
Other assets	16,012	38,795	(29,607)
Accrued compensation and related benefits	(15,317)	(17,469)	(15,044)
Accounts payable and other accrued liabilities	(304,051)	(27,232)	(27,080)
Deferred revenue including upfront solution fees	15,357	(12,481)	8,127
Cash (used in) provided by operating activities	(770,245)	581,260	724,797
Investing Activities			
Proceeds from sale of property	68,504	—	—
Additions to property and equipment	(65,420)	(115,166)	(283,940)
Acquisitions, net of cash acquired	—	(107,462)	—
Other investing activities	(4,375)	(20,398)	8,681
Cash used in investing activities	(1,291)	(243,026)	(275,259)
Financing Activities			
Proceeds of borrowings from lenders	2,982,000	45,000	—
Payments on borrowings from lenders	(1,533,597)	(106,560)	(47,310)
Proceeds from issuance of preferred stock, net	322,885	—	—
Proceeds from issuance of common stock, net	275,003	—	—
Debt prepayment fees and issuance costs	(77,878)	—	(1,567)
Payments on Tax Receivable Agreement	(71,958)	(101,482)	(58,908)
Cash dividends paid to common stockholders	(38,544)	(153,508)	(154,080)
Net (payments) receipts on the settlement of equity-based awards	(5,996)	(5,736)	2,040
Dividends paid on preferred stock	(5,850)	—	—
Repurchase of common stock	—	(77,636)	(26,281)
Other financing activities	(8,324)	(9,799)	(20,400)
Cash provided by (used in) financing activities	1,837,741	(409,721)	(306,506)
Cash Flows from Discontinued Operations			
Cash used in operating activities	(2,932)	(2,383)	(1,895)
Cash used in discontinued operations	(2,932)	(2,383)	(1,895)
Effect of exchange rate changes on cash and cash equivalents	216	781	6,747
Increase (decrease) in cash and cash equivalents	1,063,489	(73,089)	147,884
Cash and cash equivalents at beginning of period	436,176	509,265	361,381
Cash and cash equivalents at end of period	$ 1,499,665	$ 436,176	$ 509,265
Cash payments for income taxes	$ 24,505	$ 55,137	$ 57,629
Cash payments for interest	$ 186,235	$ 157,648	$ 156,041
Capitalized interest	$ 2,508	$ 5,085	$ 8,823
Non-cash additions to property and equipment	$ —	$ 33,136	$ —

See Notes to Consolidated Financial Statements.

SABRE CORPORATION
CONSOLIDATED STATEMENTS OF STOCKHOLDERS' EQUITY
(In thousands, except share data)

	Stockholders' Equity (Deficit)										
	Preferred Stock		Common Stock		Additional Paid in Capital	Treasury Stock		Retained Earnings (Deficit)	Accumulated Other Comprehensive Income (Loss)	Noncontrolling Interest	Total Stockholders' Equity
	Shares	Amount	Shares	Amount		Shares	Amount				
Balance at December 31, 2017	—	—	289,137,901	$ 2,891	$ 2,174,187	14,795,726	$ (341,846)	$ (1,053,446)	$ (88,484)	$ 5,198	$ 698,500
Comprehensive income	—	—	—	—	—	—	—	337,531	(44,240)	5,129	298,420
Common stock dividends	—	—	—	—	—	—	—	(154,080)	—	—	(154,080)
Repurchase of common stock	—	—	—	—	—	1,075,255	(26,281)	—	—	—	(26,281)
Settlement of stock-based awards	—	—	2,526,053	26	11,969	440,557	(9,853)	—	—	—	2,142
Stock-based compensation expense	—	—	—	—	57,263	—	—	—	—	—	57,263
Adoption of New Accounting Standard	—	—	—	—	—	—	—	101,429	—	—	101,429
Dividends paid to non-controlling interest on subsidiary common stock	—	—	—	—	—	—	—	—	—	(3,122)	(3,122)
Balance at December 31, 2018	—	—	291,663,954	2,917	2,243,419	16,311,538	(377,980)	(768,566)	(132,724)	7,205	974,271
Comprehensive income	—	—	—	—	—	—	—	158,592	(16,582)	3,954	145,964
Common stock dividends	—	—	—	—	—	—	—	(153,508)	—	—	(153,508)
Repurchase of common stock	—	—	—	—	—	3,673,768	(77,636)	—	—	—	(77,636)
Settlement of stock-based awards	—	—	2,655,463	26	7,240	601,546	(13,002)	—	—	—	(5,736)
Stock-based compensation expense	—	—	—	—	66,885	—	—	—	—	—	66,885
Dividends paid to non-controlling interest on subsidiary common stock	—	—	—	—	—	—	—	—	—	(2,571)	(2,571)
Balance at December 31, 2019	—	—	294,319,417	2,943	2,317,544	20,586,852	(468,618)	(763,482)	(149,306)	8,588	947,669
Comprehensive loss	—	—	—	—	—	—	—	(1,272,744)	13,349	1,200	(1,258,195)
Common stock dividends	—	—	—	—	—	—	—	(38,544)	—	—	(38,544)
Issuance of preferred stock, net	3,340,000	33	—	—	322,852	—	—	—	—	—	322,885
Issuance of common stock, net	—	—	41,071,429	411	274,592	—	—	—	—	—	275,003
Preferred stock dividend [1]	—	—	—	—	—	—	—	(7,659)	—	—	(7,659)
Equity component of the exchangeable notes, net	—	—	—	—	67,876	—	—	—	—	—	67,876
Settlement of stock-based awards	—	—	3,271,114	33	143	778,375	(6,172)	—	—	—	(5,996)
Stock-based compensation expense	—	—	—	—	69,946	—	—	—	—	—	69,946
Dividends paid to non-controlling interest on subsidiary common stock	—	—	—	—	—	—	—	—	—	(2,760)	(2,760)
Adoption of New Accounting Standard	—	—	—	—	—	—	—	(7,593)	—	—	(7,593)
Balance at December 31, 2020	3,340,000	$ 33	338,661,960	$ 3,387	$ 3,052,953	21,365,227	$ (474,790)	$ (2,090,022)	$ (135,957)	$ 7,028	$ 362,632

[1] Our mandatory convertible preferred stock accumulates cumulative dividends at an annual rate of 6.50%.

See Notes to Consolidated Financial Statements.

1. Summary of Business and Significant Accounting Policies

Description of Business

Sabre Corporation is a Delaware corporation formed in December 2006. On March 30, 2007, Sabre Corporation acquired Sabre Holdings Corporation (“Sabre Holdings”). Sabre Holdings is the sole subsidiary of Sabre Corporation. Sabre GLBL Inc. (“Sabre GLBL”) is the principal operating subsidiary and sole direct subsidiary of Sabre Holdings. Sabre GLBL or its direct or indirect subsidiaries conduct all of our businesses. In these consolidated financial statements, references to “Sabre,” the “Company,” “we,” “our,” “ours,” and “us” refer to Sabre Corporation and its consolidated subsidiaries unless otherwise stated or the context otherwise requires.

We connect people and places with technology that reimagines the business of travel. We operate through two business segments: (i) Travel Solutions, our global travel marketplace for travel suppliers and travel buyers, a broad portfolio of software technology products and solutions for airlines and other travel suppliers, and (ii) Hospitality Solutions, an extensive suite of leading software solutions for hoteliers.

Recent Events

The travel industry continues to be adversely affected by the global health crisis due to the outbreak of the coronavirus ("COVID-19") in January 2020, as well as by government directives that have been enacted to slow the spread of the virus. This pandemic had a material impact to our consolidated financial results for the year ended December 31, 2020, resulting in a material decrease in transaction-based revenue across both of our business units compared to the prior year. Lower global distribution system ("GDS") volumes resulted in a material decline in incentive consideration costs, as expected.

The reduction in revenues as the result of COVID-19 has significantly adversely affected our liquidity. We have responded with measures to increase our cash position, including our previously disclosed suspension of common stock dividends and share repurchases under our multi-year share repurchase program (the "Share Repurchase Program"), borrowing under our existing revolving credit facility, and the completion of debt and equity offerings. See Note 9. Debt and Note 13. Stock and Stockholders’ Equity for further information. We believe that we have resources to sufficiently fund our liquidity requirements over at least the next twelve months; however, given the magnitude of travel decline and the unknown duration of the COVID-19 impact, we will continue to monitor our liquidity levels and take additional steps should we determine they are necessary.

As noted above, we substantially completed the strategic realignment of our airline and agency-focused businesses during the third quarter of 2020 to address the changing travel landscape and to respond to the impacts of the COVID-19 pandemic on our business and cost structure. See Note 4. Restructuring Activities for further details on the costs incurred related to restructuring activities.

The inputs into our judgments and estimates consider the economic implications of COVID-19 on our critical and significant accounting estimates. Cancellations of airline travel reservations prior to the day of departure are estimated based on the historical level of cancellation rates, adjusted to take into account any recent factors which could cause a change in those rates. Revenue during 2020, particularly in the second quarter, was negatively impacted by increased cancellation activity. See Note 2. Revenue from Contracts with Customers for further information regarding our cancellation reserve and the impact of cancellations on revenue during the year ended December 31, 2020. Given the unprecedented amount of air booking cancellations during 2020, we expect variability in the amount of our cancellation reserve in future periods as estimates of cancellations may differ from historical and recent experience.

Additionally, our provision for expected credit losses for the year ended December 31, 2020 was $66 million, primarily related to fully reserving for aged balances related to certain customers, bankruptcy-related reserves, an increase in our forecasted credit losses due to the impact of the COVID-19 pandemic on the global economy and other general increases in bad debt from aging balances as applied under the newly adopted credit loss standard. See Note 8. Credit Losses.

We updated our goodwill assessment on a qualitative basis and reviewed our other long-lived assets including intangible assets as of December 31, 2020, and did not identify any material impairments. See Note 5. Goodwill and Intangible Assets for further information about our goodwill assessment. As we cannot predict the duration or scope of the COVID-19 pandemic, future impairments may occur and the negative financial impact to our consolidated financial statements and results of operations of potential future impairments cannot be reasonably estimated but could be material.

Strategic Realignment

The COVID-19 pandemic has caused major shifts in the travel ecosystem resulting in the changing needs of our airline, hotel and agency customers. As a result in 2020, we accelerated the organizational changes we began in 2018 to address the changing travel landscape through a strategic realignment ("the Strategic Realignment") of our airline and agency-focused businesses and to respond to the impacts of the COVID-19 pandemic on our business and cost structure. The organizational changes involve the creation of a functional-oriented structure to further enhance our long-term growth opportunities and help deliver new retailing, distribution and fulfillment solutions to the travel marketplace. As a result of the Strategic Realignment, we now operate our business and present our results through two business segments, effective the third quarter of 2020: (i) Travel Solutions, our global travel solutions for travel suppliers and travel buyers, including a broad portfolio of software technology

products and solutions for airlines, and (ii) Hospitality Solutions, an extensive suite of leading software solutions for hoteliers. All revenue and expenses previously assigned to the Travel Network and Airline Solutions business segments have been consolidated into a unified revenue and expense structure now reported as the Travel Solutions business segment. The historical results of the Hospitality Solutions reporting segment have not changed.

Additionally, we have reclassified expenses on our statement of operations to provide additional clarification on our costs by separating technology costs from cost of revenue and moving certain expenses previously classified as cost of revenue to selling, general and administrative to align with the current leadership and operational organizational structure. Within our segments and results of operations, cost of revenue, excluding technology costs primarily consists of costs associated with the delivery and distribution of our products and services, including employee-related costs for our delivery, customer operations and call center teams, transactional-related costs, including travel agency incentive consideration for reservations made on our GDS for Travel Solutions and GDS transaction fees for Hospitality Solutions, and depreciation and amortization associated with capitalized implementation costs, certain intangible assets, and upfront incentive consideration. Technology costs consist of expenses related to third-party providers and employee-related costs to operate technology operations including data processing and hosting, third-party software, other costs associated with the maintenance and minor enhancement of our technology, and depreciation and amortization associated with software developed for internal use that supports our products, assets supporting our technology platform, businesses and systems and intangible assets related to technology. Technology costs also include costs associated with our technology transformation efforts. Selling, general and administrative expenses consist of professional service fees, certain settlement charges or reimbursements, costs to defend legal disputes, provision for expected credit losses, other overhead costs, personnel-related expenses, including stock-based compensation, for employees engaged in sales, sales support, account management and who administratively support the business in finance, legal, human resources, information technology and communications, and depreciation and amortization associated with property and equipment, acquired customer relationships, trademarks and brand names.

For the year ended December 31, 2019, we reclassified $1,179 million from cost of revenue and $106 million from selling, general and administrative to technology costs. Additionally, for the year ended December 31, 2019, we reclassified $130 million from cost of revenue to selling, general and administrative. For the year ended December 31, 2018, we reclassified $997 million from cost of revenue and $102 million from selling, general and administrative to technology costs. Additionally, for the year ended December 31, 2018, we reclassified $140 million from cost of revenue to selling, general and administrative.

Basis of Presentation

The consolidated financial statements have been prepared in accordance with accounting principles generally accepted in the United States (“GAAP”). We consolidate all majority-owned subsidiaries and companies over which we exercise control through majority voting rights. No entities are consolidated due to control through operating agreements, financing agreements or as the primary beneficiary of a variable interest entity. The consolidated financial statements include our accounts after elimination of all significant intercompany balances and transactions. All dollar amounts in the financial statements and the tables in the notes, except per share amounts, are stated in thousands of U.S. dollars unless otherwise indicated. All amounts in the notes reference results from continuing operations unless otherwise indicated.

The preparation of these annual financial statements in conformity with GAAP requires that certain amounts be recorded based on estimates and assumptions made by management. Actual results could differ from these estimates and assumptions. Our accounting policies, which include significant estimates and assumptions, include, among other things, estimation of the collectability of accounts receivable, estimation of future cancellations of bookings processed through the Sabre GDS, revenue recognition for Software-as-a-Service ("SaaS") arrangements, determination of the fair value of assets and liabilities acquired in a business combination, determination of the fair value of derivatives, the evaluation of the recoverability of the carrying value of intangible assets and goodwill, assumptions utilized in the determination of pension and other postretirement benefit liabilities, the evaluation of the recoverability of capitalized implementation costs, assumptions utilized to evaluate the recoverability of deferred customer advance and discounts, estimation of loss contingencies, and evaluation of uncertainties surrounding the calculation of our tax assets and liabilities.

Revenue Recognition

Travel Solutions and Hospitality Solutions’ revenue recognition is primarily driven by GDS and reservation system transactions. Timing of revenue recognition is primarily based on the consistent provision of services in a stand-ready series SaaS environment and the amount of revenue recognized varies with the volume of transactions processed.

Performance Obligations

A performance obligation is a promise in a contract to transfer a distinct good or service to the customer and is the unit of account under Accounting Standards Codification ("ASC") 606. The transaction price is allocated to each performance obligation and recognized as revenue when, or as, the performance obligation is satisfied. Most of our contracts for GDS services and central reservation system (CRS) services for Hospitality Solutions have a single performance obligation. For Travel Solutions' IT Solutions revenue, many of our contracts may have multiple performance obligations, which generally include software and product solutions through SaaS and hosted delivery, and other service fees. In addition, at times we enter into agreements with customers to provide access to Travel Solutions’ GDS and, at or near the same time, enter into a separate agreement to provide IT solutions through SaaS and hosted delivery, resulting in multiple performance obligations within a combined agreement.

Our significant product and services and methods of recognition are as follows:

Stand-ready series revenue recognition

We recognize revenue from usage-based fees for the use of the software which represents a stand-ready performance obligation. Variability in the usage-based fee that does not align with the value provided to the customer can result in a difference between billings to the customer and the timing of contract performance and revenue recognition, which may result in the recognition of a contract asset. This can result in a requirement to forecast expected usage-based fees and volumes over the contract term in order to determine the rate for revenue recognition. This variable consideration is constrained if there is an inability to reliably forecast this revenue. Additionally, we may occasionally recognize revenue in the current period for performance obligations partially or fully satisfied in the previous periods resulting from changes in estimates for the transaction price, including any changes to our assessment of whether an estimate of variable consideration is constrained.

Travel Solutions—Travel Solutions generates distribution revenue for bookings made through our GDS (e.g., Air, and Lodging, Ground and Sea ("LGS")). GDS services link and engage transactions between travel agents and travel suppliers. Revenue is generated from contracts with the travel suppliers as each booking is made or transaction occurs and represents a stand-ready performance obligation where our systems perform the same service each day for the customer, based on the customer's level of usage. Distribution revenue associated with car rental, hotel transactions and other travel providers is recognized at the time the reservation is used by the customer. Distribution revenue associated with airline travel reservations is recognized at the time of booking of the reservation, net of estimated future cancellations. Cancellations prior to the day of departure are estimated based on the historical level of cancellation rates, adjusted to take into account any recent factors which could cause a change in those rates.

Travel Solutions also generates IT solutions revenue from its product offerings including reservation systems for full-cost and low-cost carriers, commercial and operations products, agency solutions and booking data. Reservation system revenue is primarily generated based on the number of passengers boarded. Normally, customers are charged a fixed, upfront solutions fee and a recurring usage-based fee for the use of the software as a stand-ready performance obligation. In the context of both our reservation systems and our commercial and operations products, upfront solutions fees are recognized primarily on a straight-line basis over the relevant contract term, upon cut-over of the primary SaaS solution.

Hospitality Solutions—Hospitality Solutions provides technology solutions and other professional services, through SaaS and hosted delivery models, to hoteliers around the world. The technology solutions are primarily provided in a SaaS or hosted environment. Customers are normally charged an upfront solutions fee and a recurring usage-based fee for the use of the software, which represents a stand-ready performance obligation where our systems perform the same service each day for the customer, based on the customer's level of usage. Upfront solutions fees are recognized primarily on a straight-line basis over the relevant contract term, upon cut-over of the primary SaaS solution.

Contract Assets and Deferred Customer Advances and Discounts

Deferred customer advances and discounts are amortized against revenue in future periods as the related revenue is earned. Our contract assets include revenue recognized for services already transferred to a customer, for which the fulfillment of another contractual performance obligation is required, before we have the unconditional right to bill and collect based on contract terms. Contract assets are reviewed for recoverability on a periodic basis based on a review of impairment indicators. Deferred customer advances and discounts are reviewed for recoverability based on future contracted revenues and estimated direct costs of the contract when a significant event occurs that could impact the recoverability of the assets, such as a significant contract modification or early renewal of contract terms. For the years ended December 31, 2020, 2019 and 2018, we did not impair any of these assets as a result of the related contract becoming uncollectible, modified or canceled. Contracts are priced to generate total revenues over the life of the contract that exceed any discounts or advances provided and any upfront costs incurred to implement the customer contract.

Other revenue recognition patterns

Travel Solutions also provides other services including development labor or professional consulting. These services can be sold separately or with other products and services, and Travel Solutions may bundle multiple technology solutions in one arrangement with these other services. Revenue from other services consisting of development services that represent minor configuration or professional consulting is generally recognized over the period the services are performed or upon completed delivery.

Travel Solutions also directly licenses certain software to its customers where the customer obtains control of the license. Revenue from software license fees is recognized when the customer gains control of the software enabling them to directly use the software and obtain substantially all of the remaining benefits. Fees for ongoing software maintenance are recognized ratably over the life of the contract. Under these arrangements, often we are entitled to minimum fees which are collected over the term of the agreement, while the revenue from the license is recognized at the point when the customer gains control, which results in current and long-term unbilled receivables for these arrangements.

Variability in the amounts billed to the customer and revenue recognized coincides with the customer's level of usage with the exception of upfront solution fees, non-usage based variable consideration, license and maintenance agreements and other services including development labor and professional consulting. Contracts with the same customer which are entered into at or around the same period are analyzed for revenue recognition purposes on a combined basis across our businesses which can impact timing of revenue recognition.

For contracts with multiple performance obligations, we account for separate performance obligations on an individual basis with value assigned to each performance obligation based on our best estimate of relative standalone selling price ("SSP"). Judgment is required to determine the SSP for each distinct performance obligation. SSP is assessed annually using a historical analysis of contracts with customers executed in the most recently completed calendar year to determine the range of selling prices applicable to a distinct good or service. In making these judgments, we analyze various factors, including discounting practices, price lists, contract prices, value differentiators, customer segmentation and overall market and economic conditions. Based on these results, the estimated SSP is set for each distinct product or service delivered to customers. As our market strategies evolve, we may modify pricing practices in the future which could result in changes to SSP.

Revenue recognition from our Travel Solutions business requires significant judgments such as identifying distinct performance obligations including material rights within an agreement, estimating the total contract consideration and allocating amounts to each distinct performance obligation, determining whether variable pricing within a contract meets the allocation objective, and forecasting future volumes. For a small subset of our contracts, we are required to forecast volumes as a result of pricing variability within the contract in order to calculate the rate for revenue recognition. Any changes in these judgments and estimates could have an impact on the revenue recognized in future periods.

We evaluate whether it is appropriate to record the gross amount of our revenues and related costs by considering whether the entity is a principal (gross presentation) or an agent (net presentation) by evaluating the nature of our promise to the customer. We report revenue net of any revenue-based taxes assessed by governmental authorities that are imposed on and concurrent with specific revenue producing transactions.

Incentive Consideration

Certain service contracts with significant travel agency customers contain booking productivity clauses and other provisions that allow travel agency customers to receive cash payments or other consideration. We establish liabilities for these commitments and recognize the related expense as these travel agencies earn incentive consideration based on the applicable contractual terms. Periodically, we make cash payments to these travel agencies at inception or modification of a service contract which are capitalized and amortized to cost of revenue over the expected life of the service contract, which is generally three to ten years. Deferred charges related to such contracts are recorded in other assets, net on the consolidated balance sheets. The service contracts are priced so that the additional airline and other booking fees generated over the life of the contract will exceed the cost of the incentive consideration provided. Incentive consideration paid to the travel agency represents a commission paid to the travel agency for booking travel on our GDS. Similar to the revenue cancellation reserve, we record a reduction to incentive expense within cost of revenue, excluding technology costs for amounts considered probable of recovery from travel agencies for incentives previously paid on cancelled bookings.

Advertising Costs

Advertising costs are expensed as incurred. Advertising costs incurred by our continuing operations totaled $8 million, $19 million and $19 million for the years ended December 31, 2020, 2019 and 2018, respectively.

Cash and Cash Equivalents and Restricted Cash

We classify all highly liquid instruments, including money market funds and money market securities with original maturities of three months or less, as cash equivalents.

Allowance for Credit Losses and Concentration of Credit Risk

We are exposed to credit losses primarily through our sales of services provided to participants in the travel and transportation industry, which we consider to be our singular portfolio segment. We develop and document our methodology used in determining the allowance for credit losses at the portfolio segment level. Within the travel portfolio segment, we identify airlines, hoteliers and travel agencies as each presenting unique risk characteristics associated with historical credit loss patterns unique to each and we determine the adequacy of our allowance for credit loss by assessing the risks and losses inherent in our receivables related to each.

The majority of our receivables are trade receivables due in less than one year. In addition to our short-term trade and unbilled receivables, our receivables also include contract assets and long-term trade unbilled receivables. See Note 2. Revenue from Contracts with Customers for more information about these financial assets. Contract assets and long-term receivables are reviewed for recoverability on a periodic basis based on a review of subjective factors and trends in collection data including the aging of our trade receivable balances with these customers and expectations of future global economic growth. We believe our credit risk is mitigated with carriers who use the Airline Clearing House (“ACH”) and other similar clearing houses, as ACH requires participants to deposit certain balances into their demand deposit accounts by certain deadlines, which facilitates a timely settlement process. For those carriers from which we do not collect payments through the ACH or other similar clearing houses, our credit risk is higher. We monitor our ongoing credit exposure for these carriers through active review of customer balances against contract terms and due dates with account management. Our activities include established collection processes, account reconciliations, dispute resolution and payment confirmations. We may employ collection agencies and legal counsel to pursue recovery of defaulted receivables. We generally do not require security or collateral from our customers as a condition of sale.

We evaluate the collectability of our receivables based on a combination of factors. In circumstances where we are aware of a specific customer's inability to meet its financial obligations to us, such as bankruptcy filings or failure to pay amounts due to us or others, we specifically provide for credit losses against amounts due to reduce the recorded receivable to the amount we reasonably believe will be collected. For all other customers, we record reserves for receivables, including unbilled receivables and contract assets, based on historical experience and the length of time the receivables are past due. The estimate of credit losses is developed by analyzing historical twelve-month collection rates and adjusting for current customer-specific factors indicating financial instability and other macroeconomic factors that correlate with the expected collectability of our receivables.

Receivables are considered to be delinquent when contractual payment terms are exceeded. All receivables aged over twelve months are fully reserved. Receivables are written off against the allowance when it is probable that all remaining contractual payments will not be collected as evidenced by factors such as the extended age of the balance, the exhaustion of collection efforts, and the lack of ongoing contact or billing with the customer.

We maintained an allowance for credit losses of approximately $98 million and $58 million at December 31, 2020 and 2019, respectively. See "—Recent Accounting Pronouncements" below for information on recently issued accounting guidance regarding the allowance for credit losses and Note 8. Credit Losses for further considerations involved in the development of this estimate.

Derivative Financial Instruments

We recognize all derivatives on the consolidated balance sheets at fair value. If the derivative is designated as a hedge, depending on the nature of the hedge, changes in the fair value of derivatives are offset against the change in fair value of the hedged item through earnings (a "fair value hedge") or recognized in other comprehensive income (loss) until the hedged item is recognized in earnings (a "cash flow hedge"). For derivative instruments not designated as hedging instruments, the gain or loss resulting from the change in fair value is recognized in current earnings during the period of change. No hedging ineffectiveness was recorded in earnings during the periods presented.

Property and Equipment

Property and equipment are stated at cost less accumulated depreciation and amortization, which is calculated on the straight-line basis. Our depreciation and amortization policies are as follows:

Buildings	Lesser of lease term or 35 years
Leasehold improvements	Lesser of lease term or useful life
Furniture and fixtures	5 to 15 years
Equipment, general office and computer	3 to 5 years
Software developed for internal use	3 to 5 years

We capitalize certain costs related to our infrastructure, software applications and reservation systems under authoritative guidance on software developed for internal use. Capitalizable costs consist of (a) certain external direct costs of materials and services incurred in developing or obtaining internal use computer software and (b) payroll and payroll related costs for employees who are directly associated with and who devote time to our GDS and SaaS-related development projects. Costs incurred during the preliminary project stage or costs incurred for data conversion activities and training, maintenance and general and administrative or overhead costs are expensed as incurred. Costs that cannot be separated between maintenance of, and relatively minor upgrades and enhancements to, internal use software are also expensed as incurred. See Note 6. Balance Sheet Components, for amounts capitalized as property and equipment in our consolidated balance sheets. Depreciation and amortization of property and equipment totaled $248 million, $295 million and $288 million for the years ended December 31, 2020, 2019 and 2018, respectively. Amortization of software developed for internal use, included in depreciation and amortization, totaled $203 million, $241 million and $236 million for the years ended December 31, 2020, 2019 and 2018, respectively. During the years ended December 31, 2020, 2019 and 2018, we capitalized $41 million, $89 million, and $252 million, respectively, related to software developed for internal use.

We also evaluate the useful lives of these assets on an annual basis and test for impairment whenever events or changes in circumstances indicate that the carrying amount of the assets used in combination to generate cash flows largely independent of other assets may not be recoverable. During the year ended December 31, 2020, we recorded an impairment charge related to our Hospitality Solutions business of $5 million associated with software developed for internal use based on our analysis of the recoverability of such amounts. This impairment charge is recorded within technology costs in our consolidated statement of operations. Additionally, we recorded a $4 million impairment charge associated with leasehold improvements and furniture and fixtures of abandoned leased office space during the year ended December 31, 2020 which is recorded within selling, general, and administrative expenses in our consolidated statement of operations. See Note 4. Restructuring Activities for further information. We did not record any property and equipment impairment charges for the years ended December 31, 2019 and 2018.

Leases

We lease certain facilities under long term operating leases. We determine if an arrangement is a lease at inception. Operating lease assets are included in operating lease right-of-use ("ROU") assets within other noncurrent assets and operating lease liabilities are included in other current liabilities and other noncurrent liabilities in our consolidated balance sheets. Finance

lease assets are included in property and equipment with associated liabilities included in current portion of debt and long-term debt in our consolidated balance sheets.

ROU assets represent our right to use an underlying asset for the lease term and lease liabilities represent our obligation to make lease payments arising from the lease. Operating lease ROU assets and liabilities are recognized at the commencement date based on the present value of lease payments over the lease term. As most of our leases do not provide an implicit rate, we use our internal borrowing rate for leases with a lease term of less than or equal to five years. For leases with a lease term greater than five years, we use our incremental borrowing rate based on the estimated rate of interest for corporate bond borrowings over a similar term of the lease payments. Certain of our lease agreements contain renewal options, early termination options and/or payment escalations based on fixed annual increases, local consumer price index changes or market rental reviews. We recognize rent expense with fixed rate increases and/or fixed rent reductions on a straight-line basis over the term of the lease.

Business Combinations

Business combinations are accounted for under the acquisition method of accounting. Under this method, the assets acquired and liabilities assumed are recognized at their respective fair values as of the date of acquisition. The excess, if any, of the acquisition price over the fair values of the assets acquired and liabilities assumed is recorded as goodwill. For significant acquisitions, we utilize third-party appraisal firms to assist us in determining the fair values for certain assets acquired and liabilities assumed. The measurement of these fair values requires us to make significant estimates and assumptions which are inherently uncertain.

Adjustments to the fair values of assets acquired and liabilities assumed are made until we obtain all relevant information regarding the facts and circumstances that existed as of the acquisition date (the “measurement period”), not to exceed one year from the date of the acquisition. We recognize measurement-period adjustments in the period in which we determine the amounts, including the effect on earnings of any amounts we would have recorded in previous periods if the accounting had been completed at the acquisition date.

Goodwill and Intangible Assets

Goodwill is the excess of the purchase price over the fair value of identifiable tangible and intangible assets acquired in business combinations. Goodwill is not amortized but is reviewed for impairment on an annual basis or more frequently if events and circumstances indicate the carrying amount may not be recoverable. Definite-lived intangible assets are amortized on a straight-line basis and assigned useful economic lives of two to thirty years, depending on classification. The useful economic lives are evaluated on an annual basis.

We perform our annual goodwill impairment assessment as of October 1 of each year and interim assessments as required upon the identification of a triggering event. We begin with the qualitative assessment of whether it is more likely than not that a reporting unit’s fair value is less than its carrying value before applying the quantitative assessment described below. If it is determined through the evaluation of events or circumstances that the carrying value may not be recoverable, we perform a comparison of the estimated fair value of the reporting unit to which the goodwill has been assigned to the sum of the carrying value of the assets and liabilities of that unit. If the sum of the carrying value of the assets and liabilities of a reporting unit exceeds the estimated fair value of that reporting unit, the carrying value of the reporting unit’s goodwill is reduced to its fair value through an adjustment to the goodwill balance, resulting in an impairment charge. We have two reporting units associated with our continuing operations: Travel Solutions and Hospitality Solutions. We did not record any goodwill impairment charges for the years ended December 31, 2020, 2019 and 2018. See Note 5. Goodwill and Intangible Assets for additional information.

Definite-lived intangible assets are evaluated for impairment whenever events or changes in circumstances indicate that the carrying amount of definite lived intangible assets used in combination to generate cash flows largely independent of other assets may not be recoverable. If impairment indicators exist for definite-lived intangible assets, the undiscounted future cash flows associated with the expected service potential of the assets are compared to the carrying value of the assets. If our projection of undiscounted future cash flows is in excess of the carrying value of the intangible assets, no impairment charge is recorded. If our projection of undiscounted cash flows is less than the carrying value, the intangible assets are measured at fair value and an impairment charge is recorded based on the excess of the carrying value of the assets to its fair value. We did not record material intangible asset impairment charges for the years ended December 31, 2020, 2019 and 2018. See Note 5. Goodwill and Intangible Assets for additional information.

Equity Method Investments

We utilize the equity method to account for our interests in joint ventures that we do not control but over which we exert significant influence. We periodically evaluate equity and debt investments in entities accounted for under the equity method for impairment by reviewing updated financial information provided by the investee, including valuation information from new financing transactions by the investee and information relating to competitors of investees when available. We own voting interests in various national marketing companies ranging from 20% to 49%, a voting interest of 40% in ESS Elektroniczne Systemy Spzedazy Sp. zo.o, and a voting interest of 20% in Asiana Sabre, Inc. The carrying value of these equity method investments in joint ventures amounts to $24 million as of December 31, 2020 and 2019.

Contract Acquisition Costs and Capitalized Implementation Costs

We incur contract acquisition costs related to new contracts with our customers in the form of sales commissions based on estimated contract value for our Travel Solutions and Hospitality Solutions businesses. These costs are capitalized and reviewed for impairment on an annual basis. We generally amortize these costs, and those for renewals, over the average contract term for those businesses, excluding commissions on contracts with a term of one year or less, which are generally expensed in the period earned and recorded within selling, general and administrative expenses.

We incur upfront costs to implement new customer contracts under our SaaS revenue model. We capitalize these costs, including (a) certain external direct costs of materials and services incurred to implement a customer contract and (b) payroll and payroll related costs for employees who are directly associated with and devote time to implementation activities. Capitalized implementation costs are amortized on a straight-line basis over the related contract term, ranging from three to ten years, as they are recoverable through deferred or future revenues associated with the relevant contract. These assets are reviewed for recoverability on a periodic basis or when an event occurs that could impact the recoverability of the assets, such as a significant contract modification or early renewal of contract terms. Recoverability is measured based on the future estimated revenue and direct costs of the contract compared to the capitalized implementation costs. During the year ended December 31, 2020, we recorded impairments totaling $10 million associated with capitalized implementation costs based on our analysis of the recoverability of such amounts. See Note 6. Balance Sheet Components and Note 2. Revenue from Contracts with Customers, for additional information. Amortization of capitalized implementation costs, included in depreciation and amortization, totaled $37 million, $39 million and $38 million for the years ended December 31, 2020, 2019 and 2018, respectively.

Income Taxes

Deferred income tax assets and liabilities are determined based on differences between financial reporting and income tax basis of assets and liabilities and are measured using the tax rates and laws enacted at the time of such determination. We regularly review our deferred tax assets for recoverability and a valuation allowance is provided when it is more likely than not that some portion, or all, of a deferred tax asset will not be realized. In assessing the need for a valuation allowance, we make estimates and assumptions regarding projected future taxable income, the reversal of deferred tax liabilities and implementation of tax planning strategies. We reassess these assumptions regularly which could cause an increase or decrease to the valuation allowance, resulting in an increase or decrease in the effective tax rate, and could materially impact our results of operations.

We recognize liabilities when we believe that an uncertain tax position may not be fully sustained upon examination by the tax authorities. We use significant judgment in determining whether a tax position's technical merits are more likely than not to be sustained and in measuring the amount of tax benefit that qualifies for recognition. For matters that are determined will more likely than not be sustained, we measure the tax benefit as the largest amount which is more than 50% likely of being realized upon ultimate settlement. We recognize penalties and interest accrued related to income taxes as a component of the provision for income taxes. As the matters challenged by the taxing authorities are typically complex and open to subjective interpretation, their ultimate outcome may differ from the amounts recognized.

The Tax Cuts and Jobs Act (the “TCJA”), which was enacted on December 22, 2017, imposes a tax on global low-taxed intangible income (“GILTI”) in tax years beginning after December 31, 2017. GILTI provisions are applicable to certain profits of a controlled foreign corporation that exceed the U.S. stockholder's deemed “routine” investment return under the TCJA and results in income includable in the return of U.S. shareholders. We recognize liabilities, if any, related to this provision of the TCJA in the year in which the liability arises and not as a deferred tax liability.

Pension and Other Postretirement Benefits

We recognize the funded status of our defined benefit pension plans and other postretirement benefit plans in our consolidated balance sheets. The funded status is the difference between the fair value of plan assets and the benefit obligation as of the balance sheet date. The fair value of plan assets represents the cumulative contributions made to fund the pension and other postretirement benefit plans which are invested primarily in domestic and foreign equities and fixed income securities. The benefit obligation of our pension and other postretirement benefit plans are actuarially determined using certain assumptions approved by us. The benefit obligation is adjusted annually in the fourth quarter to reflect actuarial changes and may also be adjusted upon the adoption of plan amendments. These adjustments are initially recorded in accumulated other comprehensive income (loss) and are subsequently amortized over the life expectancy of the plan participants as a component of net periodic benefit costs.

Equity-Based Compensation

We account for our stock awards and options by recognizing compensation expense, measured at the grant date based on the fair value of the award, on a straight-line basis over the award vesting period, giving consideration as to whether the amount of compensation cost recognized at any date is equal to the portion of grant date value that is vested at that date. Compensation expense on stock awards subject to performance conditions, which is based on the quantity of awards we have determined are probable of vesting, is recognized over the longer of the estimated performance goal attainment period or time vesting period. We recognize equity-based compensation expense net of any actual forfeitures.

We measure the grant date fair value of stock option awards as calculated by the Black-Scholes option-pricing model which requires certain subjective assumptions, including the expected term of the option, the expected volatility of our common stock, risk-free interest rates and expected dividend yield. The expected term is estimated by using the “simplified method” which

is based on the midpoint between the vesting date and the expiration of the contractual term. We utilized the simplified method due to the lack of sufficient historical experience under our current grant terms. The expected volatility is based on the historical volatility of our stock price. The expected risk-free interest rates are based on the yields of U.S. Treasury securities with maturities appropriate for the expected term of the stock options. The expected dividend yield was based on the calculated yield on our common stock at the time of grant assuming quarterly dividends totaling $0.14 per share for awards granted prior to the suspension of our common stock dividends on March 16, 2020. Subsequent to March 16, 2020, a zero expected dividend was used.

Foreign Currency

We remeasure foreign currency transactions into the relevant functional currency and record the foreign currency transaction gains or losses as a component of other, net in our consolidated statements of operations. We translate the financial statements of our non-U.S. dollar functional currency foreign subsidiaries into U.S. dollars in consolidation and record the translation gains or losses as a component of other comprehensive income (loss). Translation gains or losses of foreign subsidiaries related to divested businesses are reclassified into earnings as a component of other, net in our consolidated statements of operations once the liquidation of the respective foreign subsidiaries is substantially complete.

Adoption of New Accounting Standards

In March 2020, the Financial Accounting Standards Board ("FASB") issued updated guidance which provides optional expedients and exceptions for applying U.S. GAAP to contracts, hedging relationships, and other transactions affected by the discontinuation of the London Interbank Offered Rate ("LIBOR") or by another reference rate expected to be discontinued, if certain criteria are met. The updated standard is effective for all entities upon issuance, and we will apply the amendments prospectively through December 31, 2022. There was no impact to our consolidated financial statements for the year ended December 31, 2020 as a result of adopting this standard. Our current hedging contracts do not extend past December 31, 2021.

In October 2018, the FASB issued updated guidance that eliminates the requirement that entities consider indirect interests held through related parties under common control in their entirety when assessing whether a decision-making fee is a variable interest and instead requires entities to consider these indirect interests on a proportional basis. We adopted this standard in the first quarter of 2020, which did not have a material impact on our consolidated financial statements.

In August 2018, the FASB issued updated guidance on customer's accounting for implementation costs incurred in a cloud computing arrangement that is a service contract. Under this updated standard, a customer in a cloud-computing arrangement that is a service contract is required to follow guidance on software developed for internal use to determine which implementation costs to capitalize as assets or expense as incurred. This standard aligns the accounting for implementation costs for hosting arrangements, regardless of whether they convey a license to the hosted software. The standard requires that capitalized implementation costs related to a hosting arrangement that is a service contract be amortized over the term of the hosting arrangement, beginning when the component of the hosting arrangement is ready for its intended use, similar to requirements in guidance on software developed for internal use. In addition, costs incurred during the preliminary project and post-implementation phases are expensed as they are incurred. We adopted this standard prospectively in the first quarter of 2020, which did not have a material impact on our consolidated financial statements.

In June 2016, the FASB issued updated guidance for the measurement of credit losses for most financial assets and certain other instruments that are not measured at fair value through net income. Under this updated standard, the current "incurred loss" approach is replaced with an "expected loss" model for instruments measured at amortized cost. We adopted this standard in the first quarter of 2020, resulting in a $10 million increase in the allowance for credit losses, partially offset by a $1 million decrease in deferred tax liabilities and a $1 million increase in accounts receivable with a corresponding increase of approximately $8 million in our opening retained deficit as of January 1, 2020. See Note 8. Credit Losses for more information on the impacts from adoption and ongoing considerations.

Recent Accounting Pronouncements

In August 2020, the FASB issued updated guidance limiting the accounting models for convertible instruments, which will result in fewer embedded conversion features being separately recognized from the host contract when compared to existing guidance. Under the updated guidance, some convertible debt instruments will be accounted for as a single liability measured at amortized cost. Additionally, the updated guidance both enhances disclosures around convertible instruments and requires the use of the if-converted method to calculate diluted earnings per share for convertible instruments. The updated standard is effective for public companies for fiscal years, and interim periods within those fiscal years, beginning after December 15, 2021, with early adoption permitted for fiscal years beginning after December 15, 2020. The standard provides for the option of full retrospective transition on January 1, 2021. Although we are still evaluating the impact of the updated guidance and the effects on our financial statements, we anticipate using full retrospective transition on January 1, 2021 to account for the Exchangeable Notes on a whole-instrument basis. As a result, we anticipate the amount previously bifurcated into equity will be reclassified as a component of long-term debt. Additionally, we anticipate pre-tax interest expense will be retrospectively reduced and will align more closely with the contractual payments for the Exchangeable Notes.

In December 2019, the FASB issued updated guidance which simplifies the accounting for income taxes, eliminates certain exceptions within existing income tax guidance, and clarifies certain aspects of the current guidance to promote consistency among reporting entities. The updated standard is effective for public companies for fiscal years, and interim periods

within those fiscal years, beginning after December 15, 2020, with early adoption permitted. We do not expect the adoption of this standard will have a material impact to our consolidated financial statements.

2. Revenue from Contracts with Customers

Contract Balances

Revenue recognition for a significant portion of our revenue coincides with normal billing terms, including our transactional revenues, SaaS revenues, and hosted revenues. Timing differences among revenue recognition, unconditional rights to bill, and receipt of contract consideration may result in contract assets or contract liabilities.

The following table presents our assets and liabilities with customers as of December 31, 2020 and December 31, 2019 (in thousands):

Account	Consolidated Balance Sheet Location	December 31, 2020	December 31, 2019
Contract assets and customer advances and discounts[1]	Prepaid expenses and other current assets / other assets, net	$ 88,850	$ 105,499
Trade and unbilled receivables, net	Accounts receivable, net	253,511	539,806
Long-term trade unbilled receivables, net	Other assets, net	38,156	38,250
Contract liabilities	Deferred revenues / other noncurrent liabilities	176,956	167,832

(1) Includes contract assets of $8 million and $6 million for December 31, 2020 and 2019, respectively.

During the year ended December 31, 2020, we recognized revenue of approximately $20 million from contract liabilities that existed as of January 1, 2020. Our long-term trade unbilled receivables, net relate to license fees billed ratably over the contractual period and recognized when the customer gains control of the software. We evaluate collectability of our accounts receivable based on a combination of factors and record reserves as reflected in Note 8. Credit Losses.

Revenue

The following table presents our revenues disaggregated by business (in thousands):

	Year Ended December 31,		
	2020	2019	2018
Distribution	$ 582,115	$ 2,730,845	$ 2,651,407
IT Solutions[1]	594,579	992,155	977,534
Total Travel Solutions	1,176,694	3,723,000	3,628,941
SynXis Software and Service	156,749	257,612	240,583
Other	17,879	35,268	32,496
Total Hospitality Solutions	174,628	292,880	273,079
Eliminations	(17,222)	(40,892)	(35,064)
Total Sabre Revenue	$ 1,334,100	$ 3,974,988	$ 3,866,956

(1) Includes license fee revenue recognized upon delivery to the customer of $31 million and $34 million for the years ended December 31, 2020 and 2019, respectively.

We may occasionally recognize revenue in the current period for performance obligations partially or fully satisfied in the previous periods resulting from changes in estimates for the transaction price, including any changes to our assessment of whether an estimate of variable consideration is constrained. For the year ended December 31, 2020, the impact on revenue recognized in the current period, from performance obligations partially or fully satisfied in the previous period, is immaterial.

Unearned performance obligations primarily consist of deferred revenue for fixed implementation fees and future product implementations, which are included in deferred revenue and other noncurrent liabilities in our consolidated balance sheet. We have not disclosed the performance obligation related to contracts containing minimum transaction volume, as it represents a subset of our business, and therefore would not be meaningful in understanding the total future revenues expected to be earned from our long-term contracts. See Note 1. Summary of Business and Significant Accounting Policies regarding revenue recognition of our various revenue streams for more information.

Revenue during 2020, particularly in the second quarter, was negatively impacted by increased cancellation activity. We estimate future cancellations using the expected value approach at the end of each reporting period based on the number of undeparted bookings, expected cancellations and an estimated rate. Our cancellation reserve is highly sensitive to our estimate

of bookings that we expect will eventually travel, as well as to the mix of those bookings between domestic and international, given the varying rates paid by airline suppliers. To address this change in estimate, we increased our reserve for future cancellations during the year to account for the significant effect that COVID-19 has had on the travel industry and the resulting volume of airline travel cancellations and the impacts on the booking fee rate for higher international cancellations and lower international new bookings than previously experienced. The combination of actual cancellation activity and significantly fewer bookings resulted in a cancellation reserve of $18 million as of December 31, 2020. The cancellation reserve as of December 31, 2019 was $34 million on a larger base of undeparted bookings. Given the continued uncertainty caused by the COVID-19 pandemic, we expect variability in the amount of our cancellation reserve in future periods as estimates of cancellations may differ from historical and recent experience.

Contract Acquisition Costs and Capitalized Implementation Costs

We incur contract costs in the form of acquisition costs and implementation costs. Contract acquisition costs are related to new contracts with our customers in the form of sales commissions based on the estimated contract value. We incur contract implementation costs to implement new customer contracts under our SaaS revenue model. We periodically assess contract costs for recoverability, and our assessment resulted in impairments of approximately $10 million and $2 million for the year ended December 31, 2020 and 2019, respectively. See Note 1. Summary of Business and Significant Accounting Policies for an overview of our policy for capitalization of acquisition and implementation costs.

The following table presents the activity of our acquisition costs and capitalized implementation costs for the years ended December 31, 2020 and 2019 (in thousands):

	Year Ended December 31,	
	2020	2019
Contract acquisition costs:		
Beginning balance	$ 23,595	$ 21,298
Additions	5,590	9,378
Amortization	(7,314)	(7,081)
Ending balance	$ 21,871	$ 23,595
Capitalized implementation costs:		
Beginning balance	$ 175,968	$ 189,448
Additions	17,301	28,588
Amortization	(37,094)	(39,444)
Impairment [(1)]	(9,562)	(2,405)
Other	(901)	(219)
Ending balance	$ 145,712	$ 175,968

(1) Includes an impairment charge related to a specific customer of $4 million and $6 million in other impairments for the year ended December 31, 2020.

3. Acquisitions

Farelogix

On August 20, 2019, the U.S. Department of Justice ("DOJ") filed a complaint in federal court in the District of Delaware, seeking a permanent injunction to prevent Sabre from acquiring Farelogix, Inc. ("Farelogix"), alleging that the proposed acquisition is likely to substantially lessen competition in violation of federal antitrust law. On April 7, 2020, the trial court ruled in favor of Sabre, denying the DOJ's request for an injunction. On April 9, 2020, the U.K. Competition and Markets Authority ("CMA") blocked the acquisition following its Phase 2 investigation. Given the CMA's decision, we recorded a charge of $46 million during the year ended December 31, 2020 included in other, net in our consolidated statements of operations which is comprised of $25 million in advances for certain attorneys' fees and additional termination fees of $21 million. Sabre and Farelogix agreed to terminate the acquisition agreement on May 1, 2020, and we paid Farelogix aggregate termination fees of $21 million pursuant to the acquisition agreement.

Radixx

In October 2019, we completed the acquisition of Radixx, a provider of retailing and customer service solutions to airlines in the low-cost carrier ("LCC") market, for $107 million, net of cash acquired and funded by cash on hand. During the year ended December 31, 2020, we recorded immaterial measurement period adjustments to deferred income taxes and goodwill and completed the purchase price allocation for the Radixx acquisition. Radixx is managed as a part of our Travel Solutions segment.

4. Restructuring Activities

Given the market conditions as a result of COVID-19, we have responded with cost savings measures, including a reduction in our workforce through involuntary and voluntary severance and voluntary early retirement programs, and the early abandonment of leased office space. The COVID-19 pandemic has caused major shifts in the travel ecosystem resulting in the changing needs of our airline, hotel and agency customers. As a result, in 2020 we accelerated the organizational changes we began in 2018 to address the changing travel landscape through the Strategic Realignment to respond to the impacts of the COVID-19 pandemic on our business and cost structure. This Strategic Realignment and related actions are substantially complete. We do not expect additional restructuring charges associated with these activities to be significant.

During the year ended December 31, 2020, we incurred $86 million in connection with these restructuring activities, of which $19 million is recorded within cost of revenue, excluding technology costs, $32 million is recorded within technology costs and $35 million is recorded within selling, general and administrative costs within our consolidated statement of operations. These restructuring costs are comprised of $72 million that has been or will be paid in cash related to severance and related benefits costs and $2 million paid in cash related to early termination lease payments. Additionally, we recorded a $12 million abandonment charge during the year ended December 31, 2020 related to the abandonment of certain leased office space.

The following table summarizes the accrued liability related to severance and related benefits costs as recorded within accrued compensation and related benefits within our consolidated balance sheet (in thousands):

	Year Ended December 31, 2020
Balance as of January 1, 2020	$ —
Charges	71,590
Cash Payments	(48,337)
Balance as of December 31, 2020	$ 23,253

5. Goodwill and Intangible Assets

Due to triggering events related to the COVID-19 pandemic, we performed a quantitative assessment, as of March 31, 2020. This assessment was based on our current projections and was subject to various risks, uncertainties and estimates including: (1) forecasted revenues, expenses and cash flows, including future travel supplier capacity and load factors, (2) the duration and extent of the impact of the COVID-19 pandemic on our business and our customers, (3) current discount and long-term growth rates, (4) the reduction in our market capitalization, (5) current market transaction trends and (6) changes to the regulatory environment impacting our industry. In estimating fair value, a key assumption was the estimate of when travel would return to pre-COVID-19 levels. Should a significant change in the estimated recovery period elongate further than our expectations, it could have a material impact on our estimates of fair value. Our interim quantitative impairment assessment as of March 31, 2020 determined that our goodwill was not impaired. We updated our goodwill assessment quarterly on a qualitative basis during 2020 and determined that our goodwill was not impaired at any reporting date in 2020. Our qualitative assessments considered the latest information available regarding the items noted above including the most recent information available regarding the duration of the recovery period to 2019 levels.

As a result of the Strategic Realignment, our historical Travel Network and Airline Solutions business segments have been combined into a new business segment, Travel Solutions. In connection with this reorganization, the historical Travel Network and Airline Solutions reporting units and their related goodwill were combined into a single Travel Solutions reporting unit, thereby requiring no reallocation of goodwill based on fair values. There was no change to our historical Hospitality Solutions reporting unit. We updated our goodwill assessment on a qualitative basis, reflecting both pre- and post-organization, for all reporting units as of June 30, 2020, and determined that our goodwill was not impaired for any reporting unit at this date.

Changes in the carrying amount of goodwill during the years ended December 31, 2020 and 2019 are as follows (in thousands):

	Travel Solutions	Hospitality Solutions	Total Goodwill
Balance as of December 31, 2018	$ 2,396,152	$ 156,217	$ 2,552,369
Acquired	82,402	—	82,402
Adjustments[1]	(114)	(1,406)	(1,520)
Balance as of December 31, 2019	2,478,440	154,811	2,633,251
Adjustments[1]	(2,239)	5,534	3,295
Balance as of December 31, 2020	$ 2,476,201	$ 160,345	$ 2,636,546

(1) Includes net foreign currency effects during the year.

The following table presents our intangible assets as of December 31, 2020 and 2019 (in thousands):

	December 31, 2020			December 31, 2019		
	Gross Carrying Amount	Accumulated Amortization	Net Carrying Amount	Gross Carrying Amount	Accumulated Amortization	Net Carrying Amount
Acquired customer relationships	$ 1,050,485	$ (761,335)	$ 289,150	$ 1,046,382	$ (735,367)	$ 311,015
Trademarks and brand names	333,538	(158,491)	175,047	333,638	(147,735)	185,903
Reacquired rights	113,500	(89,179)	24,321	113,500	(73,124)	40,376
Purchased technology	436,988	(418,926)	18,062	437,288	(409,204)	28,084
Acquired contracts, supplier and distributor agreements	37,599	(32,813)	4,786	37,599	(29,324)	8,275
Non-compete agreements	14,686	(14,686)	—	14,686	(14,686)	—
Total intangible assets	$ 1,986,796	$ (1,475,430)	$ 511,366	$ 1,983,093	$ (1,409,440)	$ 573,653

Amortization expense relating to intangible assets subject to amortization totaled $66 million, $65 million and $68 million for the years ended December 31, 2020, 2019 and 2018, respectively. Estimated amortization expense related to intangible assets subject to amortization for each of the five succeeding years and beyond is as follows (in thousands):

2021	$ 64,447
2022	50,866
2023	37,160
2024	33,938
2025	31,224
2026 and thereafter	293,731
Total	$ 511,366

6. Balance Sheet Components

Prepaid Expenses and Other Current Assets

Prepaid expenses and other current assets consist of the following (in thousands):

	December 31,	
	2020	2019
Prepaid Expenses	$ 77,232	$ 77,326
Value added tax receivable	30,782	39,381
Other	24,958	22,504
Prepaid expenses and other current assets	$ 132,972	$ 139,211

Property and Equipment, Net

Property and equipment, net consists of the following (in thousands):

	December 31,	
	2020	2019
Buildings and leasehold improvements	$ 37,766	$ 163,881
Furniture, fixtures and equipment	38,290	38,878
Computer equipment	391,126	397,454
Software developed for internal use	1,891,718	1,857,353
Property and equipment	2,358,900	2,457,566
Accumulated depreciation and amortization	(1,995,409)	(1,815,844)
Property and equipment, net	$ 363,491	$ 641,722

Other Assets, Net

Other assets, net consist of the following (in thousands):

	December 31,	
	2020	2019
Capitalized implementation costs, net	$ 145,712	$ 175,966
Deferred upfront incentive consideration	127,104	151,606
Long-term contract assets and customer advances and discounts[1]	86,610	105,461
Right-of-Use asset[2]	125,110	64,191
Long-term trade unbilled receivables[1]	38,156	38,250
Other	107,076	134,631
Other assets, net	$ 629,768	$ 670,105

(1) Refer to Note 2. Revenue from Contracts with Customers for additional information.
(2) Refer to Note 12. Leases, for additional information.

Other Noncurrent Liabilities

Other noncurrent liabilities consist of the following (in thousands):

	December 31,	
	2020	2019
Pension and other postretirement benefits	$ 127,841	$ 127,837
Deferred revenue	69,934	74,646
Lease liabilities[1]	97,403	49,970
Other	85,443	95,069
Other noncurrent liabilities	$ 380,621	$ 347,522

(1) Refer to Note 12. Leases, for additional information.

Accumulated Other Comprehensive Loss

Accumulated other comprehensive loss consists of the following (in thousands):

	December 31,	
	2020	2019
Defined benefit pension and other postretirement benefit plans	$ (135,596)	$ (143,389)
Unrealized foreign currency translation gain	12,476	4,289
Unrealized loss on foreign currency forward contracts, interest rate swaps and available-for-sale securities	(12,837)	(10,206)
Total accumulated other comprehensive loss, net of tax	$ (135,957)	$ (149,306)

The amortization of actuarial losses and periodic service credits associated with our retirement-related benefit plans is included in Other, net. See Note 10. Derivatives, for information on the income statement line items affected as the result of reclassification adjustments associated with derivatives.

7. Income Taxes

The components of pretax income from continuing operations, generally based on the jurisdiction of the legal entity, were as follows:

	Year Ended December 31,		
	2020	2019	2018
Components of pre-tax (loss) income:			
Domestic	$ (1,032,549)	$ 30,960	$ 190,291
Foreign	(281,696)	168,678	208,122
	$ (1,314,245)	$ 199,638	$ 398,413

The provision for income taxes relating to continuing operations consists of the following:

	Year Ended December 31,		
	2020	2019	2018
Current portion:			
Federal	$ (5,067)	$ 4,488	$ (49,518)
State and Local	(435)	3,781	4,168
Non U.S.	11,823	49,982	59,743
Total current	6,321	58,251	14,393
Deferred portion:			
Federal	(34,295)	(14,215)	55,502
State and Local	(4,533)	(1,692)	(4,812)
Non U.S.	(7,406)	(7,018)	(7,591)
Total deferred	(46,234)	(22,925)	43,099
Total provision for income taxes	$ (39,913)	$ 35,326	$ 57,492

The provision for income taxes relating to continuing operations differs from amounts computed at the statutory federal income tax rate as follows:

	Year Ended December 31,		
	2020	2019	2018
Income tax provision at statutory federal income tax rate	$ (275,992)	$ 41,924	$ 83,667
State income taxes, net of federal benefit	(15,126)	2,223	(42)
Impact of non U.S. taxing jurisdictions, net	31,207	13,121	1,714
Impact of U.S. TCJA[1]	—	—	(26,730)
Employee stock based compensation	13,985	8,380	3,884
Research tax credit	(11,328)	(28,593)	(9,818)
Tax receivable agreement (TRA)[2]	—	(536)	1,019
Valuation Allowance	201,863	957	3,878
Other, net	15,478	(2,150)	(80)
Total provision for income taxes	$ (39,913)	$ 35,326	$ 57,492

(1) In 2018, amount includes adjustments for deferred taxes and foreign tax effects.
(2) Amount includes adjustments to the TRA, which are not taxable.

The Tax Receivable Agreement ("TRA") provided for payments to Pre-IPO Existing Stockholders (as defined below) for cash savings for U.S. federal income tax realized as a result of the utilization of Pre-IPO Tax Assets (as defined below). These cash savings would be realized at the enacted statutory tax rate effective in the year of utilization. In 2018, we finalized the 2017 U.S. federal income tax return and utilized additional Pre-IPO Tax Assets in the return, primarily as a result of electing to utilize our net operating loss ("NOLs") against our one-time transition tax income. As a result of the change in estimated NOL utilization at the higher corporate income tax rate in 2017 we recorded an increase to our liability of $5 million related to the TRA, which is reflected in our 2018 income from continuing operations before taxes. During 2019, we decreased the TRA liability by $3 million as a result of certain audit and transfer pricing adjustments recorded during the period, which is reflected in our 2019 income from continuing operations before taxes.

Additionally, during the year ended December 31, 2018, we reduced the provisional net discrete tax cost associated with the TCJA by $27 million to $20 million upon further analysis of certain aspects of the TCJA and subsequently published administrative guidance, and refinement of our calculations.

The components of our deferred tax assets and liabilities are as follows:

	As of December 31,	
	2020	2019
Deferred tax assets:		
Employee benefits other than pension	$ 21,903	$ 23,272
Lease liabilities	22,108	9,415
Deferred revenue	33,824	30,715
Pension obligations	27,865	27,407
Tax loss carryforwards	259,035	59,939
Incentive consideration	4,158	6,722
Tax credit carryforwards	47,110	18,496
Suspended loss	14,528	14,635
Accrued expenses	1,797	7,547
Other	—	533
Total deferred tax assets	432,328	198,681
Deferred tax liabilities:		
Exchangeable notes	(19,114)	—
Right of use assets	(21,376)	(9,261)
Depreciation and amortization	(8,284)	(7,059)
Software developed for internal use	(19,917)	(66,918)
Intangible assets	(110,625)	(120,528)
Unrealized gains and losses	(24,109)	(18,778)
Non U.S. operations	(15,674)	(16,149)
Investment in partnership	(7,565)	(7,306)
Other	(2,974)	—
Total deferred tax liabilities	(229,638)	(245,999)
Valuation allowance	(251,253)	(38,272)
Net deferred tax (liability)	$ (48,563)	$ (85,590)

As a result of the enactment of the TCJA, we recorded a one-time transition tax on the undistributed earnings of our foreign subsidiaries. We do not consider undistributed foreign earnings to be indefinitely reinvested as of December 31, 2020, with certain limited exceptions and have recorded corresponding deferred taxes. We consider the undistributed capital investments in our foreign subsidiaries to be indefinitely reinvested as of December 31, 2020, and have not provided deferred taxes on any outside basis differences. Determination of the amount of unrecognized deferred tax liability, if any, related to indefinitely reinvested capital investments is not practicable.

As of December 31, 2020, we have U.S. federal NOL carryforwards of approximately $749 million, which primarily have an indefinite carryforward period. Additionally, we have research tax credit carryforwards of approximately $18 million, which will expire between 2021 and 2041. As a result of the acquisition of Radixx and other prior business combinations, $33 million of our U.S. federal NOLs are subject to the annual limit on the ability of a corporation to use certain tax attributes (as defined in Section 382 of the Code) with the majority expiring between 2023 and 2037. However, we expect that Section 382 will not limit our ability to fully realize the tax benefits. We have state NOLs of $20 million which will expire primarily between 2021 and 2041 and state research tax credit carryforwards of $20 million which will expire between 2023 and 2040. We have $415 million of NOL carryforwards and $12 million of foreign tax credits related to certain non-U.S. taxing jurisdictions that are primarily from countries with indefinite carryforward periods.

We regularly review our deferred tax assets for realizability and a valuation allowance is provided when it is more likely than not that some portion or all of a deferred tax asset will not be realized. The ultimate realization of deferred tax assets is dependent upon future taxable income during the periods in which those temporary differences become deductible. When assessing the need for a valuation allowance, all positive and negative evidence is analyzed, including our ability to carry back NOLs to prior periods, the reversal of deferred tax liabilities, tax planning strategies and projected future taxable income. Significant losses related to COVID-19 resulted in a three-year cumulative loss in certain jurisdictions, which represents significant negative evidence regarding the ability to realize deferred tax assets. As a result, we established a valuation allowance on a portion of our U.S. deferred tax assets of $165 million as of December 31, 2020. We also established and maintained a U.S. state valuation allowance on current year losses and other deferred tax assets of $15 million and $5 million as of December 31, 2020 and 2019, respectively. For non-U.S. deferred tax assets of certain subsidiaries, we established and maintained a valuation allowance on current year losses and other deferred tax assets of $71 million and $33 million as of December 31, 2020 and 2019, respectively. We reassess these assumptions regularly which could cause an increase or decrease to the valuation allowance. This assessment could result in an increase or decrease in the effective tax rate which could materially impact our results of operations.

It is our policy to recognize penalties and interest accrued related to income taxes as a component of the provision for income taxes from continuing operations. During the years ended December 31, 2020, 2019 and 2018, we recognized an

expense of $6 million, benefit of $7 million and expense of $1 million, respectively, related to interest and penalties. As of December 31, 2020 and 2019, we had a liability, including interest and penalties, of $96 million and $81 million, respectively, for unrecognized tax benefits, including cumulative accrued interest and penalties of approximately $23 million and $16 million, respectively.

A reconciliation of the beginning and ending amount of unrecognized tax benefits, excluding interest and penalties, is as follows:

	Year Ended December 31,		
	2020	2019	2018
Balance at beginning of year	$ 64,645	$ 70,327	$ 74,388
Additions for tax positions taken in the current year	3,090	5,149	4,450
Additions for tax positions of prior years	7,504	12,679	2,612
Additions for tax positions from acquisitions	—	1,294	—
Reductions for tax positions of prior years	—	(19,611)	(5,831)
Reductions for tax positions of expired statute of limitations	(656)	(1,192)	(3,143)
Settlements	(1,529)	(4,001)	(2,149)
Balance at end of year	$ 73,054	$ 64,645	$ 70,327

We present unrecognized tax benefits as a reduction to deferred tax assets for NOLs, similar tax loss or a tax credit carryforward that is available to settle additional income taxes that would result from the disallowance of a tax position, presuming disallowance at the reporting date. The amount of unrecognized tax benefits that were offset against deferred tax assets was $56 million, $48 million and $55 million as of December 31, 2020, 2019, and 2018 respectively.

As of December 31, 2020, 2019, and 2018, the amount of unrecognized tax benefits that, if recognized, would impact the effective tax rate was $55 million, $48 million and $51 million, respectively. We believe that it is reasonably possible that $5 million in unrecognized tax benefits may be resolved in the next twelve months, due to statute of limitations expiration.

In the normal course of business, we are subject to examination by taxing authorities throughout the world. The following table summarizes, by major tax jurisdiction, our tax years that remain subject to examination by taxing authorities:

Tax Jurisdiction	Years Subject to Examination
United Kingdom	2016 - forward
Singapore	2016 - forward
India	1996 - 2015
Uruguay	2015 - forward
U.S. Federal	2014, 2015, 2017 - forward
Texas	2016 - forward

We currently have ongoing audits in India and various other jurisdictions. We do not expect that the results of these examinations will have a material effect on our financial condition or results of operations. With few exceptions, we are no longer subject to income tax examinations by tax authorities for years prior to 2010.

Tax Receivable Agreement

Immediately prior to the closing of our initial public offering in April 2014, we entered into the TRA, which provides the right to receive future payments from us to stockholders and equity award holders that were our stockholders and equity award holders, respectively, immediately prior to the closing of our initial public offering (collectively, the "Pre-IPO Existing Stockholders"). In connection with the TRA, we made payments, including interest, of $72 million in January 2020, $105 million in 2019, and $60 million in 2018, respectively. In December 2019, we exercised our right under the terms of the TRA to accelerate our remaining payments under the TRA and make an early termination payment of $1 million, to the Pre-IPO Existing Shareholders, which was included in the January 2020 payment of $72 million described above. As a result, no future payments are required to be made to the Pre-IPO Existing Stockholders under the TRA.

8. Credit Losses

In the first quarter of 2020, we adopted the updated guidance within ASC 326, Credit Impairment for the measurement of credit losses for most financial assets and certain other instruments that are not measured at fair value through net income. Under this updated standard, the previous "incurred loss" approach is replaced with an "expected loss" model for instruments measured at amortized cost. The adoption of this standard in the first quarter of 2020 resulted in a $10 million increase in the allowance for credit losses, partially offset by a $1 million decrease in deferred tax liabilities and a $1 million increase in accounts receivable with a corresponding increase of approximately $8 million in our opening retained deficit as of January 1, 2020.

Our allowance for credit losses relates to all financial assets, primarily trade receivables due in less than one year recorded in Accounts Receivable, net on our consolidated balance sheets. Our allowance for credit losses for the year ended December 31, 2020 for our portfolio segment is summarized as follows (in thousands):

	Year Ended December 31, 2020
Balance at December 31, 2019	$ 57,730
Cumulative-effect adjustment upon adoption	9,868
Provision for expected credit losses	65,710
Write-offs	(35,630)
Other	(110)
Balance at December 31, 2020	$ 97,568

Our provision for expected credit losses totaled $66 million and $21 million for the year ended December 31, 2020 and 2019, respectively. For the year ended December 31, 2020, we fully reserved certain aged balances related to particular customers due to heightened uncertainty regarding collectability, including uncertainty related to bankruptcy filings by several of our customers during the year ended December 31, 2020. Additionally, the impact of the COVID-19 pandemic on the global economy and other general increases in aging balances has affected our current estimate of expected credit losses since implementation of the new credit impairment standard. Macro-economic factors, including the economic downtown, lack of liquidity in the capital markets resulting from the COVID-19 pandemic and lack of additional government funding, can have a significant effect on additions to the allowance as the pandemic may result in the restructuring or bankruptcy of additional customers. Given the uncertainties surrounding the duration and effects of COVID-19, we cannot provide assurance that the assumptions used in our estimates will be accurate and actual write-offs may vary from our estimates.

We regularly monitor the financial condition of the air transportation industry. We believe the credit risk related to the air carriers' difficulties is significantly mitigated by the fact that we collect a significant portion of the receivables from these carriers through the ACH. As of December 31, 2020, approximately 52% of our air customers make payments through the ACH which accounts for approximately 63% of our air revenue. For these carriers, we believe the use of ACH mitigates our credit risk with respect to airline bankruptcies. For those carriers from which we do not collect payments through the ACH or other similar clearing houses, our credit risk is higher. We monitor these carriers and account for the related credit risk through our normal reserve policies.

9. Debt

As of December 31, 2020 and 2019, our outstanding debt included in our consolidated balance sheets totaled $4,666 million and $3,343 million, respectively, which are net of debt issuance costs of $52 million and $15 million, respectively, and unamortized discounts of $90 million and $6 million, respectively. See "—Senior Secured Notes due 2025" and "—Exchangeable Notes" below regarding the increase in unamortized discounts as of December 31, 2020. The following table sets forth the face values of our outstanding debt as of December 31, 2020 and 2019 (in thousands):

	Rate	Maturity	December 31, 2020	December 31, 2019
Senior secured credit facilities:				
Term Loan A[1]	L+2.75%	August 2023	$ —	$ 484,500
Term Loan B	L+2.00%	February 2024	1,824,616	1,843,427
Other Term Loan B	L+4.00%	December 2027	637,000	—
Revolver, $400 million[2]	L+2.75%	November 2023	375,000	—
5.375% senior secured notes due 2023[3]	5.375%	April 2023	—	530,000
5.25% senior secured notes due 2023[1]	5.25%	November 2023	—	500,000
9.25% senior secured notes due 2025	9.25%	April 2025	775,000	—
7.375% senior secured notes due 2025	7.375%	September 2025	850,000	—
4.00% senior exchangeable notes due 2025	4.00%	April 2025	345,000	—
Finance lease obligations			889	5,882
Face value of total debt outstanding			4,807,505	3,363,809
Less current portion of debt outstanding			(26,068)	(81,614)
Face value of long-term debt outstanding			$ 4,781,437	$ 3,282,195

(1) Extinguished on December 17, 2020 using proceeds from the Other Term Loan B.

(2) Pursuant to the August 27, 2020 refinancing, the interest rate on the Revolver was increased from L+2.50% to L+2.75% and the maturity was extended from July 2022 to November 2023. Subject to certain "springing" maturity conditions, the maturity may extend to February 2024 at the latest.
(3) Extinguished on August 27, 2020 using proceeds from the 7.375% senior secured notes due 2025.

We had $375 million outstanding under the Revolver as of December 31, 2020 and no balance outstanding as of December 31, 2019. We had outstanding letters of credit totaling $10 million and $12 million as of December 31, 2020 and 2019, which reduced our overall credit capacity under the Revolver.

Senior Secured Credit Facilities

Refinancing Transactions

On December 17, 2020, Sabre GLBL entered into a Sixth Term A Loan Refinancing and Incremental Amendment to our Amended and Restated Credit Agreement, resulting in additional Term Loan B borrowings of $637 million ("Other Term B Loans") due December 17, 2027. The applicable interest rate margins for the Other Term B Loans are 4.00% per annum for Eurocurrency rate loans and 3.00% per annum for base rate loans, with a floor of 0.75% for the Eurocurrency rate, and 1.75% for the base bate, respectively. The net proceeds of $623 million from the issuance, net of underwriting fees and commissions, were used to fully redeem both the $500 million outstanding 5.25% senior secured notes due November 2023 and the $134 million outstanding Term Loan A. Additionally, on December 17, 2020, Sabre GLBL entered into a Pro Rata Amendment and the Refinancing Amendment which reduced the minimum liquidity requirement described outlined below from $450 million to $300 million. We incurred no material additional indebtedness as a result of these transactions, other than amounts for certain interest, fees and expenses. We recognized a loss on extinguishment of debt of $11 million during the year ended December 31, 2020 in connection with these transactions, which consisted of a redemption premium of $6 million and the write-off of unamortized debt issuance costs of $5 million.

On August 27, 2020, Sabre GLBL entered into a Third Revolving Facility Refinancing Amendment to the Amended and Restated Credit Agreement (the "Third Revolving Refinancing Amendment") and the First Term A Loan Extension Amendment to the Amended and Restated Credit Agreement (the "Term A Loan Extension Amendment" and, together with the Third Revolving Refinancing Amendment, the "2020 Refinancing"), which extended the maturity of the Revolver from July 1, 2022 to November 23, 2023 at the earliest and February 22, 2024 at the latest, depending on certain "springing" maturity conditions as described in the Third Revolving Refinancing Amendment. In the event that, as of November 23, 2023, the maturity date of the Term Loan B has not been extended or refinanced to a date after August 20, 2024, the extension is subject to an earlier "springing" maturity date of November 23, 2023. In addition to extending the maturity date of the Revolver, the 2020 Refinancing also provides that, during any covenant suspension resulting from a "Material Travel Event Disruption" (as defined in the Amended and Restated Credit Agreement and discussed further below), including during the current covenant suspension period, we must maintain liquidity of at least $450 million on a monthly basis (reduced to $300 million pursuant to the refinancing in December 2020 as discussed above). In addition, during this covenant suspension, the 2020 Refinancing limits certain payments to equity holders, certain investments, certain prepayments of unsecured debt and the ability of certain subsidiaries to incur additional debt. The applicable margins for the Revolver are between 2.50% and 1.75% per annum for Eurocurrency rate loans and between 1.50% and 0.75% per annum for base rate loans, with the applicable margin for any quarter reduced by 25 basis points (up to 75 basis points total) if the Senior Secured First-Lien Net Leverage Ratio (as defined in the Amended and Restated Credit Agreement) is less than 3.75 to 1.0, 3.00 to 1.0, or 2.25 to 1.0, respectively. These interest rate spreads for the Revolver were increased by 0.25%, during covenant suspension, in connection with the 2020 Refinancing.

Principal Payments

The Other Term B Loans mature on December 17, 2027 and require principal payments in equal quarterly installments of 0.25% through to the maturity date on which the remaining balance is due. Term Loan B matures on February 22, 2024 and requires principal payments in equal quarterly installments of 0.25% through to the maturity date on which the remaining balance is due. For the year ended December 31, 2020, we made $54 million of scheduled principal payments.

We are also required to pay down the Term Loan B by an amount equal to 50% of annual excess cash flow, as defined in the Amended and Restated Credit Agreement. This percentage requirement may decrease or be eliminated if certain leverage ratios are achieved. Based on our results for the year ended December 31, 2019, we were not required to make an excess cash flow payment in 2020, and no excess cash flow payment is required in 2021 with respect to our results for the year ended December 31, 2020. We are further required to pay down the term loan with proceeds from certain asset sales or borrowings as defined in the Amended and Restated Credit Agreement.

Financial Covenants

Under the Amended and Restated Credit Agreement, the loan parties are subject to certain customary non-financial covenants, including certain restrictions on incurring certain types of indebtedness, creation of liens on certain assets, making of certain investments, and payment of dividends, as well as a maximum leverage ratio. Pursuant to Credit Agreement Amendments, effective July 18, 2016, the maximum leverage ratio has been adjusted to be based on the Total Net Leverage Ratio (as defined in the Amended and Restated Credit Agreement) and we are required, at all times (no longer solely when a threshold amount of revolving loans or letters of credit were outstanding), to maintain a Total Net Leverage Ratio of less than 4.5 to 1.0.

Under the terms of the Amended and Restated Credit Agreement, the financial covenant related to our leverage ratio is suspended for a limited time if a “Material Travel Event Disruption” has occurred. As defined in the Amended and Restated Credit Agreement, a “Material Travel Event Disruption” means, in any given calendar month, a decrease of 10% or more in the number of “domestic revenue passenger enplanements” (determined by reference to the monthly “Air Traffic Statistics” published by the Bureau of Transportation Statistics) has occurred as a result of or in connection with a Travel Event (as defined in the Amended and Restated Credit Agreement) as compared to the number of “domestic revenue passenger enplanements” (determined by reference to the monthly “Air Traffic Statistics” published by the Bureau of Transportation Statistics) occurring in the corresponding month during the prior year or, if a Material Travel Event Disruption existed during such month, the most recent corresponding month in which no Material Travel Event Disruption occurred/existed.

As of December 31, 2020, the capacity reductions by domestic airlines in response to the COVID-19 outbreak and related decreases in domestic passenger enplanements, and a recent sharp decline in GDS bookings, has led to a finding that a Material Travel Event Disruption has occurred. As such, the leverage ratio covenant has been suspended for at least the fourth quarter of 2020 and first quarter of 2021. As of December 31, 2020, we are in compliance with all covenants not suspended under the terms of the Amended and Restated Credit Agreement and with the additional covenants of the 2020 Refinancing.

Interest

Borrowings under the Amended and Restated Credit Agreement bear interest at a rate equal to either, at our option: (i) the Eurocurrency rate plus an applicable margin for Eurocurrency borrowings as set forth below, or (ii) a base rate determined by the highest of (1) the prime rate of Bank of America, (2) the federal funds effective rate plus 1/2% or (3) LIBOR plus 1.00%, plus an applicable margin for base rate borrowings as set forth below. The Eurocurrency rate is based on LIBOR for all U.S. dollar borrowings and has a floor. We have elected the one-month LIBOR as the floating interest rate on all of our outstanding term loans. Interest payments are due on the last day of each month as a result of electing one-month LIBOR. Interest on a portion of the outstanding loan is hedged with interest rate swaps (see Note 10. Derivatives).

	Eurocurrency borrowings	Base rate borrowings
	Applicable Margin[1][2]	Applicable Margin
Term Loan B	2.00%	1.00%
Other Term Loan B	4.00%	3.00%
Revolver, $400 million	2.75%	1.75%

(1) Applicable margins do not reflect potential step ups and downs of Other Term Loan B and Revolver, $400 million, which are determined by the Senior Secured Leverage Ratio. See below for additional information.

(2) Term Loan B, and the Revolver, $400 million, are subject to a 0% floor, while the Other Term Loan B is subject to a 0.75% floor.

Applicable margins for the Term Loan B are 2.00% per annum for Eurocurrency rate loans and 1.00% per annum for base rate loans over the life of the loan and are not dependent on the Senior Secured Leverage Ratio. Applicable margins for the Other Term Loan B and the Revolver step up by 25 basis points for any quarter if the Senior Secured Leverage Ratio is greater than or equal to 3.00 to 1.0.

Applicable margins for the Other Term Loan B and the Revolver under the Amended and Restated Credit Agreement step down 25 basis points for any quarter if the Senior Secured Leverage Ratio is less than 2.25 to 1.0. In addition, we are required to pay a quarterly commitment fee of 0.250% per annum for unused Revolver commitments. The commitment fee may increase to 0.375% per annum if the Senior Secured Leverage Ratio is greater than or equal to 3.00 to 1.0.

The Eurocurrency rate is based on LIBOR. In July 2017, the Financial Conduct Authority announced its intention to phase out LIBOR by the end of 2021, and subsequently extended the phase-out date to June 30, 2023. If a published U.S. dollar LIBOR rate is unavailable, the interest rates on our debt indexed to LIBOR will be determined using various alternative methods set forth in our Amended and Restated Credit Agreement, any of which could result in interest obligations that are more than or that do not otherwise correlate over time with the payments that would have been made on this debt if U.S. dollar LIBOR were available in its current form. We anticipate amending our Amended and Restated Credit Agreement prior to the phaseout of LIBOR to provide for a Eurocurrency rate alternative to LIBOR.

Our effective interest rates on borrowings under the Amended and Restated Credit Agreement for the years ended December 31, 2020, 2019 and 2018, inclusive of amounts charged to interest expense, are as follows:

	Year Ended December 31,		
	2020	2019	2018
Including the impact of interest rate swaps	4.03 %	4.64 %	4.57 %
Excluding the impact of interest rate swaps	3.26 %	4.63 %	4.36 %

Senior Secured Notes due 2025

On August 27, 2020, Sabre GLBL entered into a new debt agreement consisting of $850 million aggregate principal amount of 7.375% senior secured notes due 2025 (the “September 2025 Notes”). The September 2025 Notes are jointly and severally, irrevocably and unconditionally guaranteed by Sabre Holdings and all of Sabre GLBL’s restricted subsidiaries that guarantee Sabre GLBL’s credit facility. The September 2025 Notes bear interest at a rate of 7.375% per annum and interest

payments are due semi-annually in arrears on March 1 and September 1 of each year, beginning on March 1, 2021. The September 2025 Notes mature on September 1, 2025. The net proceeds of $839 million received from the sale of the September 2025 Notes, net of underwriting fees and commissions, plus cash on hand, was used to: (1) repay approximately $319 million principal amount of debt under the Term Loan A; (2) redeem all of our $530 million outstanding 5.375% senior secured notes due April 2023; and (3) repay approximately $3 million principal amount of debt under the Term Loan B. We recognized a loss on extinguishment of debt of $10 million during the year ended December 31, 2020 in connection with these transactions which consisted of a redemption premium of $7 million and the write-off of unamortized debt issuance costs of $3 million.

On April 17, 2020, Sabre GLBL entered into a new debt agreement consisting of $775 million aggregate principal amount of 9.250% senior secured notes due 2025 (the “April 2025 Notes”). The April 2025 Notes are jointly and severally, irrevocably and unconditionally guaranteed by Sabre Holdings and all of Sabre GLBL’s restricted subsidiaries that guarantee Sabre GLBL’s credit facility. The April 2025 Notes bear interest at a rate of 9.250% per annum and interest payments are due semi-annually in arrears on April 15 and October 15 of each year, beginning on October 15, 2020. The April 2025 Notes mature on April 15, 2025. The net proceeds received from the sale of the April 2025 Notes of $763 million, net of underwriting fees and commissions, are being used for general corporate purposes.

Exchangeable Notes

On April 17, 2020, Sabre GLBL entered into a new debt agreement consisting of $345 million aggregate principal amount of 4.000% senior exchangeable notes due 2025 (the “Exchangeable Notes”). The Exchangeable Notes are senior, unsecured obligations of Sabre GLBL, accrue interest payable semi-annually in arrears and mature on April 15, 2025, unless earlier repurchased or exchanged in accordance with specified circumstances and terms of the indenture governing the Exchangeable Notes.

Under the terms of indenture, the notes are exchangeable into common stock of Sabre Corporation (referred to as "our common stock" herein) at the following times or circumstances:

- during any calendar quarter commencing after the calendar quarter ended June 30, 2020, if the last reported sale price per share of our common stock exceeds 130% of the exchange price for each of at least 20 trading days (whether or not consecutive) during the 30 consecutive trading days ending on, and including, the last trading day of the immediately preceding calendar quarter;
- during the five consecutive business days immediately after any five consecutive trading day period (such five consecutive trading day period, the "Measurement Period") if the trading price per $1,000 principal amount of Exchangeable Notes, as determined following a request by their holder in accordance with the procedures in the indenture, for each trading day of the Measurement Period was less than 98% of the product of the last reported sale price per share of our common stock on such trading day and the exchange rate on such trading day;
- upon the occurrence of certain corporate events or distributions on our common stock, including but not limited to a “Fundamental Change” (as defined in the indenture governing the notes);
- upon the occurrence of specified corporate events; or
- on or after October 15, 2024, until the close of business on the second scheduled trading day immediately preceding the maturity date, April 15, 2025.

With certain exceptions, upon a Change of Control or other Fundamental Change (both as defined in the indenture governing the Exchangeable Notes), the holders of the Exchangeable Notes may require us to repurchase all or part of the principal amount of the Exchangeable Notes at a repurchase price equal to 100% of the principal amount of the Exchangeable Notes, plus any accrued and unpaid interest to, but excluding, the repurchase date. Due to the price of our common stock during the 30 days preceding December 31, 2020, the first condition above has been met as of December 31, 2020 and the Exchangeable Notes are exchangeable by the holders at any time during the first quarter of 2021. As of December 31, 2020, the if-converted value of the Exchangeable Notes exceeds the outstanding principal amount by $181 million.

The Exchangeable Notes are convertible at their holder’s election into shares of our common stock based on an initial conversion rate of 126.9499 shares of common stock per $1,000 principal amount of the Exchangeable Notes, which is equivalent to an initial conversion price of approximately $7.88 per share. The exchange rate is subject to anti-dilution and other adjustments. Upon conversion, Sabre GLBL will pay or deliver, as the case may be, cash, shares of our common stock or a combination of cash and shares of common stock, at our election. If a “Make-Whole Fundamental Change” (as defined in the Exchangeable Notes Indenture) occurs with respect to any Exchangeable Note and the exchange date for the exchange of such Exchangeable Note occurs during the related “Make-Whole Fundamental Change Exchange Period” (as defined in the Exchangeable Notes Indenture), then, subject to the provisions set forth in the Exchangeable Notes Indenture, the exchange rate applicable to such exchange will be increased by a number of shares set forth in the table contained in the Exchangeable Notes Indenture, based on a function of the time since origination and our stock price on the date of the occurrence of such Make-Whole Fundamental Change.

The net proceeds received from the sale of the Exchangeable Notes of $336 million, net of underwriting fees and commissions, are being used for general corporate purposes. We allocated the proceeds of the Exchangeable Notes between long-term debt and equity. The allocation to the long-term debt component was based on an estimated fair value of a similar debt instrument that does not contain features permitting exchange into common stock (a Level 2 input, as defined in Note 11. Fair

Value Measurements). We determined the fair value of the long-term debt component as the present value of contractual future cash flows. The carrying amount of the equity component was calculated by deducting the fair value of the long-term debt component from the initial proceeds of the Exchangeable Notes. Accordingly, at issuance, we allocated $255 million to long-term debt and $90 million to additional paid-in capital. We recorded a net deferred tax liability of $20 million in connection with the debt discount and issuance costs associated with the Exchangeable Notes that is recorded in deferred income taxes on the consolidated balance sheets. The difference between the face value of the Exchangeable Notes and the long-term debt component is accounted for as a debt discount, which is amortized, along with debt issuance costs, to interest expense over the term of the Exchangeable Notes ending April 15, 2025 using an effective interest rate of approximately 12%.

The following table sets forth the carrying value of the Exchangeable Notes as of December 31, 2020 (in thousands):

	Year Ended December 31, 2020
Liability Component:	
Principal	$ 345,000
Less: Unamortized debt discount	80,446
Net carrying value[1]	$ 264,554
Equity component:	
Conversion feature	$ 90,500
Less: Equity portion of debt issuance costs	3,167
Less: Deferred tax liability	19,457
Net carrying value	$ 67,876

(1) Excludes net unamortized debt issuance costs of $8 million as of December 31, 2020.

The following table sets forth interest expense recognized related to the Exchangeable Notes for year ended December 31, 2020 (in thousands):

	Year Ended December 31, 2020
Contractual interest expense	$ 9,698
Amortization of debt discount and issuance costs	10,834

Aggregate Maturities

As of December 31, 2020, aggregate maturities of our long-term debt were as follows (in thousands):

	Amount
Years Ending December 31,	
2021	$ 26,068
2022	25,180
2023	400,180
2024	1,774,555
2025	1,976,370
Thereafter	605,152
Total	$ 4,807,505

10. Derivatives

Hedging Objectives—We are exposed to certain risks relating to ongoing business operations. The primary risks managed by using derivative instruments are foreign currency exchange rate risk and interest rate risk. Forward contracts on various foreign currencies are entered into to manage the foreign currency exchange rate risk on operational expenditures' exposure denominated in foreign currencies. Interest rate swaps are entered into to manage interest rate risk associated with our floating-rate borrowings.

In accordance with authoritative guidance on accounting for derivatives and hedging, we designate foreign currency forward contracts as cash flow hedges on operational exposure and interest rate swaps as cash flow hedges of floating-rate borrowings.

Cash Flow Hedging Strategy—To protect against the reduction in value of forecasted foreign currency cash flows, we hedge portions of our revenues and expenses denominated in foreign currencies with forward contracts. For example, when the dollar strengthens significantly against the foreign currencies, the decline in present value of future foreign currency expense is offset by losses in the fair value of the forward contracts designated as hedges. Conversely, when the dollar weakens, the increase in the present value of future foreign currency expense is offset by gains in the fair value of the forward contracts. Due to the uncertainty driven by the COVID-19 pandemic on our foreign currency exposures, we have paused entering into new cash flow hedges of forecasted foreign currency cash flows until we have more clarity regarding the recovery trajectory and its impacts on net exposures.

We enter into interest rate swap agreements to manage interest rate risk exposure. The interest rate swap agreements modify our exposure to interest rate risk by converting floating-rate debt to a fixed rate basis, thus reducing the impact of interest rate changes on future interest expense and net earnings. These agreements involve the receipt of floating rate amounts in exchange for fixed rate interest payments over the life of the agreements without an exchange of the underlying principal amount.

For derivative instruments that are designated and qualify as cash flow hedges, the effective portions and ineffective portions of the gain or loss on the derivative instruments, and the hedge components excluded from the assessment of effectiveness, are reported as a component of other comprehensive income (loss) ("OCI") and reclassified into earnings in the same line item associated with the forecasted transaction and in the same period or periods during which the hedged transaction affects earnings. Derivatives not designated as hedging instruments are carried at fair value with changes in fair value reflected in Other, net in the consolidated statement of operations.

Forward Contracts—In order to hedge our operational expenditures' exposure to foreign currency movements, we have been a party to certain foreign currency forward contracts that extended until December 31, 2020. We have designated these instruments as cash flow hedges. No hedging ineffectiveness was recorded in earnings relating to the forward contracts in the years ended December 31, 2020 and 2019. As of December 31, 2020, we have no unsettled forward contracts and no material losses are expected to be reclassified from other comprehensive (loss) income to earnings over the next 12 months.

Interest Rate Swap Contracts—Interest rate swaps outstanding at December 31, 2020 and matured during the years ended December 31, 2020, 2019 and 2018 are as follows:

Notional Amount	Interest Rate Received	Interest Rate Paid	Effective Date	Maturity Date
Designated as Hedging Instrument				
$750 million	1 month LIBOR(1)	1.65%	December 29, 2017	December 31, 2018
$1,350 million	1 month LIBOR(1)	2.27%	December 31, 2018	December 31, 2019
$1,200 million	1 month LIBOR(1)	2.19%	December 31, 2019	December 31, 2020
$600 million	1 month LIBOR(1)	2.81%	December 31, 2020	December 31, 2021

(1) Subject to a 1% floor.

In connection with the 2017 Term Facility Amendment, we entered into forward starting interest rate swaps effective March 31, 2017 to hedge the interest payments associated with $750 million of the floating-rate 2017 Term Loan B. The total notional amount outstanding of $750 million became effective December 31, 2018 and extended through the full year 2019. In September 2017, we entered into forward starting interest rate swaps to hedge the interest payments associated with $750 million of the floating-rate Term Loan B. The total notional outstanding of $750 million became effective December 31, 2019 and extends through the full year 2020. In April 2018, we entered into forward starting interest rate swaps to hedge the interest payments associated with $600 million, $300 million and $450 million of the floating-rate Term Loan B related to years 2019, 2020 and 2021, respectively. In December 2018, we entered into forward starting interest rate swaps to hedge the interest payments associated with $150 million of the floating-rate Term Loan B for the years 2020 and 2021. We have designated these swaps as cash flow hedges.

The estimated fair values of our derivatives designated as hedging instruments as of December 31, 2020 and 2019 are as follows (in thousands):

		Derivative Assets (Liabilities)	
		Fair Value as of December 31,	
Derivatives Designated as Hedging Instruments	Consolidated Balance Sheet Location	2020	2019
Foreign exchange contracts	Prepaid expenses and other current assets	$ —	$ 1,953
Interest rate swaps	Other accrued liabilities	(16,038)	(7,020)
Interest rate swaps	Other noncurrent liabilities	—	(7,918)
Total		$ (16,038)	$ (12,985)

The effects of derivative instruments, net of taxes, on OCI for the years ended December 31, 2020, 2019 and 2018 are as follows (in thousands):

Derivatives in Cash Flow Hedging Relationships	Amount of (Loss) Gain Recognized in OCI on Derivative, Effective Portion		
	Year Ended December 31,		
	2020	2019	2018
Foreign exchange contracts	$ (4,652)	$ (360)	$ (8,250)
Interest rate swaps	(15,869)	(14,857)	1,907
Total	$ (20,521)	$ (15,217)	$ (6,343)

Derivatives in Cash Flow Hedging Relationships	Income Statement Location	Amount of Loss (Gain) Reclassified from Accumulated OCI into Income, Effective Portion		
		Year Ended December 31,		
		2020	2019	2018
Foreign exchange contracts	Cost of revenue, excluding technology costs	$ 2,992	$ 5,351	$ (322)
Interest rate swaps	Interest expense, net	14,898	156	3,999
Total		$ 17,890	$ 5,507	$ 3,677

11. Fair Value Measurements

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 in the principal or most advantageous market for that asset or liability. Guidance on fair value measurements and disclosures establishes a valuation hierarchy for disclosure of inputs used in measuring fair value defined as follows:

Level 1—Inputs are unadjusted quoted prices that are available in active markets for identical assets or liabilities.

Level 2—Inputs include quoted prices for similar assets and liabilities in active markets and quoted prices in non-active markets, inputs other than quoted prices that are observable, and inputs that are not directly observable, but are corroborated by observable market data.

Level 3—Inputs that are unobservable and are supported by little or no market activity and reflect the use of significant management judgment.

The classification of a financial asset or liability within the hierarchy is determined based on the least reliable level of input that is significant to the fair value measurement. In determining fair value, we utilize valuation techniques that maximize the use of observable inputs and minimize the use of unobservable inputs to the extent possible. We also consider the counterparty and our own non-performance risk in our assessment of fair value.

Assets and Liabilities that are Measured at Fair Value on a Recurring Basis

Foreign Currency Forward Contracts—The fair value of the foreign currency forward contracts was estimated based upon pricing models that utilize Level 2 inputs derived from or corroborated by observable market data such as currency spot and forward rates.

Interest Rate Swaps—The fair value of our interest rate swaps are estimated using a combined income and market-based valuation methodology based upon Level 2 inputs, including credit ratings and forward interest rate yield curves obtained from independent pricing services reflecting broker market quotes.

Pension Plan Assets—See Note 16. Pension and Other Postretirement Benefit Plans, for fair value information on our pension plan assets.

The following tables present the fair value of our assets (liabilities) that are required to be measured at fair value on a recurring basis as of December 31, 2020 and 2019 (in thousands):

	December 31, 2020	Fair Value at Reporting Date Using		
		Level 1	Level 2	Level 3
Derivatives [(1)]:				
Interest rate swap contracts	$ (16,038)	$ —	$ (16,038)	$ —
Total	$ (16,038)	$ —	$ (16,038)	$ —

	December 31, 2019	Fair Value at Reporting Date Using		
		Level 1	Level 2	Level 3
Derivatives [1]:				
Foreign currency forward contracts	$ 1,953	$ —	$ 1,953	$ —
Interest rate swap contracts	(14,938)	—	(14,938)	—
Total	$ (12,985)	$ —	$ (12,985)	$ —

(1) See Note 10. Derivatives for further detail.

There were no transfers between Levels 1 and 2 within the fair value hierarchy for the years ended December 31, 2020 and 2019.

Assets that are Measured at Fair Value on a Nonrecurring Basis

As described in Note 1. Summary of Business and Significant Accounting Policies, our impairment review of goodwill is performed annually, as of October 1 of each year. In addition, goodwill, property and equipment and intangible assets are reviewed for impairment if events and circumstances indicate that their carrying amounts may not be recoverable.

Due to the impacts of the COVID-19 pandemic on our current and projected future results of operations, we identified a triggering event requiring an interim quantitative assessment on our goodwill in the first quarter of 2020. We utilized Level 3 inputs based on management's best estimates and assumptions in performing our quantitative assessment as of March 31, 2020. Our interim impairment assessment as of March 31, 2020 determined that our goodwill was not impaired. We updated our goodwill assessment quarterly on a qualitative basis during 2020 and determined that our goodwill was not impaired at any reporting date in 2020. See Note 5. Goodwill and Intangible Assets for additional information

Other Financial Instruments

The carrying value of our financial instruments including cash and cash equivalents, and accounts receivable approximates their fair values. The fair values of our senior exchangeable notes due 2025, senior secured notes due 2025, and term loans under our Amended and Restated Credit Agreement are determined based on quoted market prices for a similar liability when traded as an asset in an active market, a Level 2 input.

The following table presents the fair value and carrying value of all our senior notes and borrowings under our senior secured credit facilities as of December 31, 2020 and 2019 (in thousands):

Financial Instrument	Fair Value at December 31,		Carrying Value[1] at December 31,	
	2020	2019	2020	2019
Term Loan A	$ —	$ 485,106	$ —	$ 483,317
Term Loan B	1,785,843	1,856,100	1,821,016	1,838,741
Other Term Loan B	639,389	—	630,663	—
Revolver, $400 million	375,000	—	375,000	—
5.375% senior secured notes due 2023	—	543,536	—	530,000
5.25% senior secured notes due 2023	—	514,670	—	500,000
9.25% senior secured notes due 2025	925,610	—	775,000	—
7.375% senior secured notes due 2025	925,030	—	850,000	—
4.000% senior exchangeable notes due 2025	610,907	—	264,554	—

(1) Excludes net unamortized debt issuance costs.

12. Leases

In the first quarter of 2019, we adopted ASC 842, Leases, which replaced the previous accounting standard on leases. The new lease standard is a right-of-use model, requiring most lessee agreements to be recorded on the balance sheet. The intent of the standard is to provide greater transparency about lessee obligations and activities. The primary impact to our financial statements is that most operating leases are recorded on our consolidated balance sheet and enhanced disclosures are required for both operating and finance leases. As permitted by ASC 842, our accounting policy is to evaluate lessee agreements with a minimum term greater than one year for recording on the balance sheet.

We adopted the standard using the modified retrospective approach, as of January 1, 2019. Prior year's financial results were not restated. On the adoption date, we recorded a right-of-use asset for $72 million in other assets, net, with a corresponding offset to other accrued liabilities and other noncurrent liabilities for $25 million and $47 million, respectively. There was no impact to retained deficit from adoption of the new standard.

For the year ended December 31, 2018, we recognized rent expense of $30 million. The following table presents the components of lease expense for the years ended December 31, 2020 and 2019 (in thousands):

	Year Ended December 31,	
	2020	2019
Operating lease cost	$ 25,442	$ 27,035
Finance lease cost:		
Amortization of right-of-use assets	$ 6,743	$ 7,073
Interest on lease liabilities	124	453
Total finance lease cost	$ 6,867	$ 7,526

The following table presents supplemental cash flow information related to leases (in thousands):

	Year Ended December 31,	
	2020	2019
Supplemental Cash Flow Information		
Cash paid for amounts included in the measurement of lease liabilities:		
Operating cash flows used in operating leases	$ 23,694	$ 28,374
Operating cash flows used in finance leases	124	453
Financing cash flows used in finance leases	4,600	6,731
Right-of-use assets obtained in exchange for lease obligations:		
Operating leases	$ 89,328	$ 27,116
Finance leases	$ —	$ 397

The following table presents supplemental balance sheet information related to leases (in thousands):

	December 31,	
	2020	2019
Operating Leases		
Operating lease right-of-use assets	$ 125,110	$ 64,191
Other accrued liabilities	37,892	21,932
Other noncurrent liabilities	97,403	49,970
Total operating lease liabilities	$ 135,295	$ 71,902
Finance Leases		
Property and equipment	34,931	35,349
Accumulated depreciation	(32,747)	(27,163)
Property and equipment, net	$ 2,184	$ 8,186
Other accrued liabilities	889	5,804
Other noncurrent liabilities	—	78
Total finance lease liabilities	$ 889	$ 5,882

The following table presents other supplemental information related to leases:

	December 31,	
	2020	2019
Weighted Average Remaining Lease Term (in years)		
Operating leases	7.9	4.9
Finance leases	1	1.2
Weighted Average Discount Rate		
Operating leases	5.3 %	5.4 %
Finance leases	4.0 %	4.9 %

Sale and Leaseback Transaction

During the fourth quarter of 2020, we completed the sale of our two headquarters buildings for aggregate receipts, net of closing costs, of $69 million. Our carrying value for the buildings approximated the proceeds from the sale. Contemporaneously with the closing of the sale, we entered into two leases pursuant to which we leased back the properties for initial terms of 12 years and 18 months, respectively, with renewal options up to 10 years in certain circumstances. Both leases entered into as a result of the sale and leaseback transaction are classified as operating leases. In connection with these leases, lease liabilities representing the fair value of future lease payments of $46 million were recorded within the consolidated balance sheet as of December 31, 2020 and a non-cash net gain on sale of $10 million was recorded to Other, net, resulting in right-of-use assets of $56 million recorded within the consolidated balance sheet as of December 31, 2020. The net proceeds from the sale will be used for general operating purposes.

Lease Commitments

We lease certain facilities under long term operating leases. Collectively, we lease approximately 1.3 million square feet of office space in 70 locations in 38 countries. Certain of our lease agreements contain renewal options, early termination options and/or payment escalations based on fixed annual increases, local consumer price index changes or market rental reviews. We recognize rent expense with fixed rate increases and/or fixed rent reductions on a straight line basis over the term of the lease.

Our leases have remaining minimum terms that range between one and twelve years. Some of our leases include options to extend for up to ten additional years; others include options to terminate the agreement within two years. Future minimum lease payments under non-cancellable leases as of December 31, 2020 are as follows (in thousands):

Year Ending December 31,	Operating Leases	Finance Leases
2021	$ 38,029	$ 923
2022	21,620	—
2023	17,062	—
2024	15,615	—
2025	11,051	—
Thereafter	60,670	—
Total	164,047	923
Imputed Interest	(28,752)	(34)
Total	$ 135,295	$ 889

13. Stock and Stockholders' Equity

Preferred Stock

On August 24, 2020, we completed an offering of 3,340,000 shares of our 6.50% Series A Mandatory Convertible Preferred Stock (the "Preferred Stock"), which generated net proceeds of approximately $323 million for use as general corporate purposes.

The Preferred Stock accumulates cumulative dividends at a rate per annum equal to 6.50% of the liquidation preference of $100 per share (equivalent to $6.50 annually per share) payable in cash or, subject to certain limitations, by delivery of shares of our common stock or any combination of cash and shares of our common stock, at our election; provided, however, that any undeclared and unpaid dividends will continue to accumulate. Dividends are payable when, as and if declared by our Board of Directors, out of funds legally available for their payment to the extent paid in cash, quarterly in arrears on March 1, June 1,

September 1 and December 1 of each year, beginning on December 1, 2020 and ending on, and including, September 1, 2023. Declared dividends on the Preferred Stock will be payable, at our election, in cash, shares of our common stock or a combination of cash and shares of our common stock.

Subject to limited exceptions, no dividends may be declared or paid on shares of our common stock, unless all accumulated dividends have been paid or set aside for payment on all outstanding shares of our Preferred Stock for all past completed dividend periods. In the event of our voluntary or involuntary liquidation, dissolution or winding-up, no distribution of our assets may be made to holders of our common stock until we have paid to holders of our Preferred Stock a liquidation preference equal to $100 per share plus accumulated and unpaid dividends.

We recorded $8 million of preferred stock dividends in our consolidated results of operations for the year ended December 31, 2020. During the year ended December 31, 2020, we paid cash dividends on our preferred stock of $6 million. On February 3, 2021, the Board of Directors declared a dividend of $1.625 per share on Preferred Stock payable on March 1, 2021 to holders of record of the Preferred Stock on February 15, 2021.

Unless earlier converted, each outstanding share of Preferred Stock will automatically convert, on the mandatory conversion date, which is expected to be September 1, 2023 into shares of our common stock at a rate between 11.9048 and 14.2857, subject to customary anti-dilution adjustments. The number of shares of our common stock issuable upon conversion will be determined based on the average volume-weighted average price per share of our common stock over the 20 consecutive trading day period beginning on, and including, the 21st scheduled trading day immediately before September 1, 2023. The number of shares issued at conversion based on the unadjusted conversion rates will be between 40 million and 48 million shares.

Holders of the Preferred Stock have the right to convert all or any portion of their shares at any time until the close of business on the mandatory conversion date. Early conversions that are not in connection with a “Make-Whole Fundamental Change” (as defined in the Certificate of Designations governing the Preferred Stock) will be settled at the minimum conversion rate of 11.9048. If a Make-Whole Fundamental Change occurs, holders of the Preferred Stock will, in certain circumstances, be entitled to convert their shares at an increased conversion rate for a specified period of time and receive an amount to compensate them for certain unpaid accumulated dividends and any remaining future scheduled dividend payments.

The Preferred Stock is not be redeemable at our election before the mandatory conversion date. The holders of the Preferred Stock do not have any voting rights, with limited exceptions. In the event that Preferred Stock dividends have not been declared and paid in an aggregate amount corresponding to six or more dividend periods, whether or not consecutive, the holders of the Preferred Stock will have the right to elect two new directors until all accumulated and unpaid Preferred Stock dividends have been paid in full, at which time that right will terminate.

Common Stock

On August 24, 2020, we completed an offering of 41,071,429 shares of our common stock which generated net proceeds of approximately $275 million for use as general corporate purposes.

We paid a quarterly cash dividend on our common stock of $0.14 per share, totaling $39 million, $0.14 per share, totaling $154 million, and $0.14 per share, totaling $154 million, during the years ended December 31, 2020, 2019 and 2018, respectively. Given the impacts of COVID-19, we suspended the payment of quarterly cash dividends on our common stock, effective with respect to the dividends occurring after the March 30, 2020 payment.

Share Repurchase Program

In February 2017, we announced the approval of a multi-year share repurchase program (the "Share Repurchase Program") to purchase up to $500 million of Sabre's common stock outstanding. Repurchases under the Share Repurchase Program may take place in the open market or privately negotiated transactions. For the year ended December 31, 2020, we did not repurchase any shares pursuant to the Share Repurchase Program. For the years ended December 31, 2019 and 2018, we repurchased 3,673,768 shares totaling $78 million and 1,075,255 shares totaling $26 million pursuant to the Share Repurchase Program, respectively. On March 16, 2020, we announced the suspension of share repurchases under the Share Repurchase Program in conjunction with certain cash management measures we are undertaking as a result of the market conditions caused by COVID-19. Approximately $287 million remains authorized for repurchases under the Share Repurchase Program as of December 31, 2020.

14. Equity-Based Awards

As of December 31, 2020, our outstanding equity-based compensation plans and agreements include the Sovereign Holdings, Inc. Management Equity Incentive Plan (“Sovereign MEIP”), the Sovereign Holdings, Inc. 2012 Management Equity Incentive Plan (“Sovereign 2012 MEIP”), the Sabre Corporation 2014 Omnibus Incentive Compensation Plan (the “2014 Omnibus Plan”), the Sabre Corporation 2016 Omnibus Incentive Compensation Plan (the “2016 Omnibus Plan”), the Sabre Corporation 2019 Omnibus Incentive Compensation Plan (the "2019 Omnibus Plan"), and the 2019 Director Equity Compensation Plan ("2019 Director Plan"). Our 2019 Omnibus Plan serves as a successor to the 2016 Omnibus Plan, the 2014 Omnibus Plan, the Sovereign MEIP and Sovereign 2012 MEIP and provides for the issuance of stock options, restricted shares, restricted stock units (“RSUs”), performance-based RSU awards (“PSUs”), cash incentive compensation and other stock-based awards. Our 2019 Director Plan provides for the issuance of RSUs, Deferred Stock Units ("DSUs"), and stock options to non-

employee Directors. Outstanding awards under the 2016 Omnibus Plan, the 2014 Omnibus Plan, the Sovereign MEIP and Sovereign 2012 MEIP continue to be subject to the terms and conditions of their respective plan.

We initially reserved 12,500,000 shares of our common stock for issuance under our 2019 Omnibus Plan and 500,000 shares of our common stock for issuance under our 2019 Director Plan. We added 10,687,275 shares that were reserved but not issued under the Sovereign MEIP, Sovereign 2012 MEIP, 2014 Omnibus, and 2016 Omnibus Plans to the 2019 Omnibus Plan reserves, for a total of 23,187,275 authorized shares of common stock for issuance under the 2019 Omnibus Plan. Time-based options granted under the 2019, 2016, and 2014 Omnibus Plans prior to 2020 generally vest over a four year period with 25% vesting at the end of year one and the remaining vesting quarterly thereafter. Time-based options granted under the 2019 Omnibus Plan in 2020 vest over a three-year period, vesting in equal annual installments. Options granted prior to fiscal year 2020 vested over a four-year period. Options granted are exercisable for up to 10 years. RSUs generally vest over a four year period with 25% vesting annually. PSUs granted prior to 2020 generally vest over a four year period with 25% vesting annually. During 2020, we granted PSUs that vest over a three year period in equal annual installments, as well as PSUs that cliff vest at the end of one, two, or three years, depending on the terms of the grant. Vesting of PSUs is dependent upon the achievement of certain company-based performance measures. Stock-based compensation expense for all awards totaled $70 million, $67 million and $57 million for the years ended December 31, 2020, 2019 and 2018, respectively.

The fair value of the stock options granted was estimated at the date of grant using the Black-Scholes option pricing model. For further details on these assumptions, see Note 1. Summary of Business and Significant Accounting Policies. The following table summarizes the weighted-average assumptions used:

	Year Ended December 31,		
	2020	2019	2018
Exercise price	$ 8.24	$ 21.37	$ 22.89
Average risk-free interest rate	0.70 %	2.40 %	2.72 %
Expected life (in years)	6.00	6.11	6.11
Expected volatility	36.41 %	26.32 %	23.17 %
Dividend yield	5.11 %	2.62 %	2.46 %

The following table summarizes the stock option award activities under our outstanding equity-based compensation plans and agreements for the year ended December 31, 2020:

		Weighted-Average		
	Quantity	Exercise Price	Remaining Contractual Term (years)	Aggregate Intrinsic Value (in thousands) [1]
Outstanding at December 31, 2019	4,478,366	$ 21.46	7.4	$ 8,000
Granted	2,043,226	8.24		
Exercised	(39,766)	6.12		
Cancelled	(1,857,337)	22.86		
Forfeited	(433,620)	16.96		
Expired	(890,613)	20.26		
Outstanding at December 31, 2020	3,300,256	$ 13.59	7.9	$ 7,401
Vested and exercisable at December 31, 2020	1,091,946	$ 20.43	5.6	$ 242

(1) Aggregate intrinsic value is calculated as the difference between the exercise price of the underlying stock options awards and the closing price of our common stock of $12.02 on December 31, 2020.

The total intrinsic value of stock options exercised was immaterial for the year ended December 31, 2020. For the years ended December 31, 2019 and 2018, the total intrinsic value of stock options exercised was $4 million and $6 million, respectively. The weighted-average fair values of options granted were $1.71, $4.55, and $4.58 during the years ended December 31, 2020, 2019 and 2018, respectively. As of December 31, 2020, $4 million in unrecognized compensation expense associated with stock options will be recognized over a weighted-average period of 2.3 years.

The following table summarizes the activities for our RSUs for the year ended December 31, 2020:

	Quantity	Weighted-Average Grant Date Fair Value
Unvested at December 31, 2019	6,365,580	$ 22.06
Granted	9,791,052	8.47
Vested	(2,320,243)	22.97
Cancelled	(295,024)	8.47
Forfeited	(1,231,719)	16.67
Unvested at December 31, 2020	12,309,646	$ 12.07

The total fair value of RSUs vested, as of their respective vesting dates, was $52 million, $47 million, and $30 million during the years ended December 31, 2020, 2019 and 2018, respectively. As of December 31, 2020, approximately $106 million in unrecognized compensation expense associated with RSUs will be recognized over a weighted average period of 2.1 years.

The following table summarizes the activities for our PSUs for the year ended December 31, 2020:

	Quantity	Weighted-Average Grant Date Fair Value
Unvested at December 31, 2019	2,089,505	$ 21.99
Granted	1,762,444	9.03
Vested	(667,460)	20.29
Forfeited	(337,694)	15.55
Unvested at December 31, 2020	2,846,795	$ 14.18

The total fair value of PSUs vested, as of their respective vesting dates, was $14 million, $11 million and $9 million during the years ended December 31, 2020, 2019 and 2018, respectively. The recognition of compensation expense associated with PSUs is contingent upon the achievement of annual company-based performance measures. During the year ended December 31, 2020, we amended the 2020 performance metrics associated with PSUs that vest in March 2021 due to the impact of COVID-19 on our performance and these awards became subject to variable accounting based on the fair value at the end of each period with the cumulative effect of changes in fair value recorded each reporting period. During the years ended December 31, 2019 and 2018, we assessed the probability of achieving the performance measures associated with PSU awards each reporting period and, if there was an adjustment, recorded the cumulative effect of the adjustment in that respective reporting period. As of December 31, 2020, unrecognized compensation expense associated with PSUs expected to vest totaled $14 million and $8 million for the annual measurement periods ending December 31, 2021 and 2022, respectively.

15. Earnings Per Share

The following table reconciles the numerators and denominators used in the computations of basic and diluted earnings per share from continuing operations (in thousands, expect per share data):

	Year Ended December 31,		
	2020	2019	2018
Numerator:			
(Loss) income from continuing operations	$ (1,274,332)	$ 164,312	$ 340,921
Less: Net income attributable to non-controlling interests	1,200	3,954	5,129
Less: Preferred stock dividends	7,659	—	—
Net (loss) income from continuing operations available to common stockholders, basic and diluted	$ (1,283,191)	$ 160,358	$ 335,792
Denominator:			
Basic weighted-average common shares outstanding	289,855	274,168	275,235
Add: Dilutive effect of stock options and restricted stock awards	—	2,049	2,283
Diluted weighted-average common shares outstanding	289,855	276,217	277,518
Earnings per share from continuing operations:			
Basic	$ (4.43)	$ 0.58	$ 1.22
Diluted	$ (4.43)	$ 0.58	$ 1.21

Basic earnings per share is computed by dividing net income from continuing operations available to common stockholders by the weighted-average number of common shares outstanding during each period. Diluted earnings per share is computed by dividing net income from continuing operations available to common stockholders by the weighted-average number of common shares outstanding plus the effect of all dilutive common stock equivalents during each period. The diluted weighted-

average common shares outstanding calculation excludes 2 million of dilutive stock options and restricted stock awards for the year ended December 31, 2020 as their effect would be anti-dilutive given the net loss incurred in the period. The calculation of diluted weighted-average shares excludes the impact of 3 million of anti-dilutive common stock equivalents for the years ended December 31, 2020, 2019 and 2018, respectively.

As we expect to settle the principal amount of the outstanding Exchangeable Notes in shares of our common stock, we have used the if-converted method for calculating any potential dilutive effect of these notes on our diluted net income per share. Under the if-converted method, the Exchangeable Notes are assumed to be converted at the beginning of the period and the resulting common shares are included in the denominator of the diluted earnings per share calculation for the entire period being presented and interest expense, net of tax, recorded in connection with the Exchangeable Notes is added back to the numerator, only in the periods in which such effect is dilutive. The approximately 44 million resulting common shares related to the Exchangeable Notes are not included in the dilutive weighted-average common shares outstanding calculation for the year ended December 31, 2020, respectively, as their effect would be anti-dilutive given the net loss incurred in the period.

Likewise, the potential dilutive effect of our Preferred Stock outstanding during the period was calculated using the if converted method assuming the conversion as of the earliest period reported or at the date of issuance, if later. The approximately 40 million resulting common shares related to the Preferred Stock are not included in the dilutive weighted-average common shares outstanding calculation for the year ended December 31, 2020, respectively, as their effect would be anti-dilutive given the net loss incurred in the period.

16. Pension and Other Postretirement Benefit Plans

We sponsor the Sabre Inc. 401(k) Savings Plan (“401(k) Plan”), which is a tax qualified defined contribution plan that allows tax-deferred savings by eligible employees to provide funds for their retirement. We make a matching contribution equal to 100% of each pre-tax dollar contributed by the participant on the first 6% of eligible compensation. During 2020, we temporarily suspended our 401(k) match program for US-based employees in connection with our cost reduction efforts in response to market conditions as the result of the COVID-19 pandemic. We recognized expenses related to the 401(k) Plan of approximately $7 million, $23 million and $22 million for the years ended December 31, 2020, 2019 and 2018, respectively.

We sponsor the Sabre Inc. Legacy Pension Plan (“LPP”), which is a tax qualified defined benefit pension plan for employees meeting certain eligibility requirements. The LPP was amended to freeze pension benefit accruals as of December 31, 2005, and as a result, no additional pension benefits have been accrued since that date. In April 2008, we amended the LPP to add a lump sum optional form of payment which participants may elect when their plan benefits commence. The effect of the amendment was to decrease the projected benefit obligation by $34 million, which is being amortized over 23.5 years, representing the weighted average of the lump sum benefit period and the life expectancy of all plan participants. We also sponsor postretirement benefit plans for certain employees in Canada and other jurisdictions.

The following tables provide a reconciliation of the changes in the LPP’s benefit obligations and fair value of assets during the years ended December 31, 2020 and 2019, and the unfunded status as of December 31, 2020 and 2019 (in thousands):

	Year Ended December 31,	
	2020	2019
Change in benefit obligation:		
Benefit obligation at January 1	$ (463,436)	$ (428,216)
Interest cost	(14,675)	(18,324)
Actuarial loss, net	(53,831)	(47,632)
Benefits paid	18,476	30,736
Lump sum settlement	44,450	—
Benefit obligation at December 31	$ (469,016)	$ (463,436)
Change in plan assets:		
Fair value of assets at January 1	$ 338,264	$ 312,455
Actual return on plan assets	55,215	54,945
Employer contributions	14,700	1,600
Benefits paid	(18,476)	(30,736)
Lump sum settlement	(44,450)	—
Fair value of assets at December 31	$ 345,253	$ 338,264
Unfunded status at December 31	$ (123,763)	$ (125,172)

The actuarial loss, net of $54 million for the year ended December 31, 2020 is attributable to a decrease in the discount rate. The actuarial loss, net of $48 million for the year ended December 31, 2019, is attributable to a decrease in the discount rate, form of payment assumptions, and updates to certain plan participant assumptions. During the year ended December 31, 2020, lump sum settlements occurred within our defined benefit pension plan which resulted in a loss of $18 million recorded to Other, net.

The net benefit obligation of $124 million and $125 million as of December 31, 2020 and 2019, respectively, is included in other noncurrent liabilities in our consolidated balance sheets.

The amounts recognized in accumulated other comprehensive income (loss) associated with the LPP, net of deferred taxes of $40 million and $42 million as of December 31, 2020 and 2019, respectively, are as follows (in thousands):

	December 31,	
	2020	2019
Net actuarial loss	$ (159,709)	$ (154,608)
Prior service credit	9,099	10,210
Pension settlement	14,005	—
Accumulated other comprehensive loss	$ (136,605)	$ (144,398)

The following table provides the components of net periodic benefit costs associated with the LPP and the principal assumptions used in the measurement of the LPP benefit obligations and net benefit costs for the three years ended December 31, 2020, 2019 and 2018 (in thousands):

	Year Ended December 31,		
	2020	2019	2018
Interest cost	$ 14,675	$ 18,324	$ 17,090
Expected return on plan assets	(15,420)	(18,510)	(18,790)
Amortization of prior service credit	(1,432)	(1,432)	(1,432)
Amortization of actuarial loss	8,622	6,516	7,362
Net periodic benefit	$ 6,445	$ 4,898	$ 4,230
Settlement charge	18,071	—	—
Net cost	$ 24,516	$ 4,898	$ 4,230
Weighted-average discount rate used to measure benefit obligations	2.60 %	3.53 %	4.41 %
Weighted average assumptions used to determine net benefit cost:			
Discount rate[(1)]	3.53 %	4.41 %	3.81 %
Expected return on plan assets	5.00 %	5.75 %	5.75 %

(1) As of August 31, 2020, 2.76% discount rate due to the settlement charge.

The following table provides the pre-tax amounts recognized in other comprehensive income (loss), including the amortization of the actuarial loss and prior service credit, associated with the LPP for the years ended December 31, 2020, 2019 and 2018 (in thousands):

Obligations Recognized in Other Comprehensive Income (Loss)	Year Ended December 31,		
	2020	2019	2018
Net actuarial loss	$ 15,225	$ 11,196	$ 25,595
Pension settlement	(18,071)	—	—
Amortization of actuarial loss	(8,611)	(6,516)	(7,362)
Amortization of prior service credit	1,432	1,432	1,432
Total (income) loss recognized in other comprehensive income (loss)	$ (10,025)	$ 6,112	$ 19,665
Total recognized in net periodic benefit cost and other comprehensive income (loss)	$ 14,491	$ 11,010	$ 23,895

Our overall investment strategy for the LPP is to provide and maintain sufficient assets to meet pension obligations both as an ongoing business, as well as in the event of termination, at the lowest cost consistent with prudent investment management, actuarial circumstances and economic risk, while minimizing the earnings impact. Diversification is provided by using an asset allocation primarily between equity and debt securities in proportions expected to provide opportunities for reasonable long term returns with acceptable levels of investment risk. Fair values of the applicable assets are determined as follows:

Mutual Fund—The fair value of our mutual funds are estimated by using market quotes as of the last day of the period.

Common Collective Trusts—The fair value of our common collective trusts are estimated by using market quotes as of the last day of the period, quoted prices for similar securities and quoted prices in non-active markets.

Real Estate—The fair value of our real estate funds are derived from the fair value of the underlying real estate assets held by the funds. These assets are initially valued at cost and are reviewed periodically utilizing available market data to determine if the assets held should be adjusted.

The basis for the selected target asset allocation included consideration of the demographic profile of plan participants, expected future benefit obligations and payments, projected funded status of the plan and other factors. The target allocations for LPP assets are 38% global equities, 14% real estate assets, 18% diversified credit and 27% liability hedging assets, and 2% cash. It is recognized that the investment management of the LPP assets has a direct effect on the achievement of its goal. As defined in Note 11. Fair Value Measurements, the following tables present the fair value of the LPP assets as of December 31, 2020, and 2019:

	Fair Value Measurements at December 31, 2020			
	Quoted Prices in Active Markets for Identical Assets (Level 1)	Significant Observable Inputs (Level 2)	Significant Unobservable Inputs (Level 3)	Total
Common collective trusts:				
Foreign equity securities	$ —	$ 263,244	$ —	$ 263,244
U.S. equity securities	—	65,257	—	65,257
Money market mutual fund	8,017	—	—	8,017
Limited partnership interest:				
Real estate	—	—	8,735	8,735
Total assets at fair value	$ 8,017	$ 328,501	$ 8,735	$ 345,253

	Fair Value Measurements at December 31, 2019			
	Quoted Prices in Active Markets for Identical Assets (Level 1)	Significant Observable Inputs (Level 2)	Significant Unobservable Inputs (Level 3)	Total
Common collective trusts:				
Foreign equity securities	$ —	$ 265,495	$ —	$ 265,495
U.S. equity securities	—	58,315	—	58,315
Money market mutual fund	4,506	—	—	4,506
Limited partnership interest:				
Real estate	—	—	9,948	9,948
Total assets at fair value	$ 4,506	$ 323,810	$ 9,948	$ 338,264

The following table provides a rollforward of plan assets valued using significant unobservable inputs (level 3), in thousands:

	Real Estate
Ending balance at December 31, 2018	$ 20,836
Contributions	331
Net distributions	(11,235)
Advisory fee	(205)
Net investment income	771
Unrealized gain	(541)
Net realized gain	(9)
Ending balance at December 31, 2019	$ 9,948
Contributions	87
Net distributions	(300)
Redemptions	(573)
Advisory fee	(92)
Net investment income	400
Unrealized loss	(728)
Net realized loss	(7)
Ending balance at December 31, 2020	$ 8,735

We contributed $15 million and $2 million to fund our defined benefit pension plans during the years ended December 31, 2020 and 2019, respectively. Annual contributions to our defined benefit pension plans in the United States, Canada, and other jurisdictions are based on several factors that may vary from year to year. Our funding practice is to contribute the minimum required contribution as defined by law while also maintaining an 80% funded status as defined by the Pension Protection Act of

2006. Thus, past contributions are not always indicative of future contributions. Based on current assumptions, we expect to make $13 million in contributions to our defined benefit pension plans in 2021.

The expected long term rate of return on plan assets for each measurement date was selected after giving consideration to historical returns on plan assets, assessments of expected long term inflation and market returns for each asset class and the target asset allocation strategy. We do not anticipate the return of any plan assets to us in 2021.

We expect the LPP to make the following estimated future benefit payments (in thousands):

	Amount
2021	$ 30,114
2022	30,544
2023	29,392
2024	33,259
2025	35,522
2026-2030	160,287

17. Commitments and Contingencies

Purchase Commitments

In the ordinary course of business, we make various commitments in connection with the purchase of goods and services from specific suppliers. We have outstanding commitments of approximately $2.9 billion. These purchase commitments extend through 2030.

Legal Proceedings

While certain legal proceedings and related indemnification obligations to which we are a party specify the amounts claimed, these claims may not represent reasonably possible losses. Given the inherent uncertainties of litigation, the ultimate outcome of these matters cannot be predicted at this time, nor can the amount of possible loss or range of loss, if any, be reasonably estimated, except in circumstances where an aggregate litigation accrual has been recorded for probable and reasonably estimable loss contingencies. A determination of the amount of accrual required, if any, for these contingencies is made after careful analysis of each matter. The required accrual may change in the future due to new information or developments in each matter or changes in approach such as a change in settlement strategy in dealing with these matters.

Antitrust Litigation and Investigations

US Airways Antitrust Litigation

In April 2011, US Airways filed suit against us in federal court in the Southern District of New York, alleging violations of the Sherman Act Section 1 (anticompetitive agreements) and Section 2 (monopolization). The complaint was filed fewer than two months after we entered into a new distribution agreement with US Airways. In September 2011, the court dismissed all claims relating to Section 2. The claims that were not dismissed are claims brought under Section 1 of the Sherman Act, relating to our contracts with US Airways, which US Airways claims contain anticompetitive provisions, and an alleged conspiracy with the other GDSs, allegedly to maintain the industry structure and not to compete for content. We strongly deny all of the allegations made by US Airways.

Sabre filed summary judgment motions in April 2014. In January 2015, the court issued an order granting Sabre's summary judgment motions in part, eliminating a majority of US Airways' alleged damages and rejecting its request for injunctive relief by which US Airways sought to bar Sabre from enforcing certain provisions in our contracts. In September 2015, the court also dismissed US Airways' claim for declaratory relief. In February 2017, US Airways sought reconsideration of the court's opinion dismissing the claim for declaratory relief, which the court denied in March 2017.

The trial on the remaining claims commenced in October 2016. In December 2016, the jury issued a verdict in favor of US Airways with respect to its claim under Section 1 of the Sherman Act regarding Sabre's contract with US Airways and awarded it $5 million in single damages. The jury rejected US Airways' claim alleging a conspiracy with the other GDSs. We continue to believe that our business practices and contract terms are lawful.

Based on the jury’s verdict, in March 2017 the court entered final judgment in favor of US Airways in the amount of $15 million, which is three times the jury’s award of $5 million as required by the Sherman Act. As a result of the jury's verdict, US Airways was also entitled to receive reasonable attorneys’ fees and costs under the Sherman Act. As such, it filed a motion seeking approximately $125 million in attorneys’ fees and costs, the amount of which we strongly dispute. In January 2018, the court denied US Airways' motion seeking attorneys' fees and costs, without prejudice.

In the fourth quarter of 2016, we accrued a loss of $32 million, which represented the court's final judgment of $15 million, plus our estimate of $17 million for US Airways' reasonable attorneys’ fees, expenses and costs.

In April 2017, we filed an appeal with the United States Court of Appeals for the Second Circuit seeking a reversal of the judgment. US Airways also filed a counter-appeal challenging earlier court orders, including the above-referenced orders

dismissing and/or issuing summary judgment as to portions of its claims and damages. In connection with this appeal, we posted an appellate bond equal to the aggregate amount of the $15 million judgment entered plus interest, which stayed the judgment pending the appeal. The Second Circuit heard oral arguments on this matter in December 2018.

In September 2019, the Second Circuit issued its Order and Opinion. The Second Circuit vacated the judgment with respect to US Airways' claim under Section 1, reversed the trial court's dismissal of US Airways' claims relating to Section 2, and remanded the case to district court for a new trial. In addition, the Second Circuit affirmed the trial court's ruling limiting US Airways' damages. The judgment in our favor on US Airways' conspiracy claim remains intact. The lawsuit has been remanded to federal court in the Southern District of New York for further proceedings. The trial court has scheduled the trial to begin on April 25, 2022.

As a result of the Second Circuit's opinion, we believe that the claims associated with this case are not probable; therefore, in the third quarter of 2019, we reversed our previously accrued loss of $32 million and do not have any losses accrued for this matter as of December 31, 2020.

We have and will incur significant fees, costs and expenses for as long as the litigation is ongoing. In addition, litigation by its nature is highly uncertain and fraught with risk, and it is therefore difficult to predict the outcome of any particular matter, including any changes to our business that may be required as a result of the litigation. If favorable resolution of the matter is not reached upon remand, any monetary damages are subject to trebling under the antitrust laws and US Airways would be eligible to be reimbursed by us for its reasonable costs and attorneys' fees. Depending on the amount of any such judgment, if we do not have sufficient cash on hand, we may be required to seek private or public financing. Depending on the outcome of the litigation, any of these consequences could have a material adverse effect on our business, financial condition and results of operations.

European Commission's Directorate-General for Competition ("EC") Investigation

On November 23, 2018, the EC announced that it has opened an investigation of us and another GDS to assess whether our respective agreements with airlines and travel agents may restrict competition in breach of European Union antitrust rules. We are fully cooperating with the EC's investigation and are unable to make any prediction regarding its outcome at this time. There is no legal deadline for the EC to bring an antitrust investigation to an end, and the duration of the investigation is uncertain. Depending on the findings of the EC, the outcome of the investigation could have a material adverse effect on our business, financial condition and results of operations. We may incur significant fees, costs and expenses for as long as this investigation is ongoing. We intend to vigorously defend against any allegations of anticompetitive activity by the EC.

Department of Justice Investigation

On May 19, 2011, we received a civil investigative demand ("CID") from the DOJ investigating alleged anticompetitive acts related to the airline distribution component of our business. We are fully cooperating with the DOJ investigation and are unable to make any prediction regarding its outcome. The DOJ is also investigating other companies that own GDSs and has sent CIDs to other companies in the travel industry. Based on its findings in the investigation, the DOJ may (i) close the file, (ii) seek a consent decree to remedy issues it believes violate the antitrust laws, or (iii) file suit against us for violating the antitrust laws, seeking injunctive relief. If injunctive relief were granted, depending on its scope, it could affect the manner in which our airline distribution business is operated and potentially force changes to the existing airline distribution business model. Any of these consequences would have a material adverse effect on our business, financial condition and results of operations. We have not received any communications from the DOJ regarding this matter for several years; however, we have not been notified that this matter is closed.

Indian Income Tax Litigation

We are currently a defendant in income tax litigation brought by the Indian Director of Income Tax ("DIT") in the Supreme Court of India. The dispute arose in 1999 when the DIT asserted that we have a permanent establishment within the meaning of the Income Tax Treaty between the United States and the Republic of India and accordingly issued tax assessments for assessment years ending March 1998 and March 1999, and later issued further tax assessments for assessment years ending March 2000 through March 2006. The DIT has continued to issue further tax assessments on a similar basis for subsequent years; however, the tax assessments for assessment years ending March 2007 and later are no longer material. We appealed the tax assessments for assessment years ending March 1998 through March 2006 and the Indian Commissioner of Income Tax Appeals returned a mixed verdict. We filed further appeals with the Income Tax Appellate Tribunal ("ITAT"). The ITAT ruled in our favor on June 19, 2009 and July 10, 2009, stating that no income would be chargeable to tax for assessment years ending March 1998 and March 1999, and from March 2000 through March 2006. The DIT appealed those decisions to the Delhi High Court, which found in our favor on July 19, 2010. The DIT has appealed the decision to the Supreme Court of India and our case is currently pending before that court. We have appealed the tax assessments for the assessment years ended March 2013 to March 2016 with the ITAT and no trial date has been set for these subsequent years.

In addition, Sabre Asia Pacific Pte Ltd ("SAPPL") is currently a defendant in similar income tax litigation brought by the DIT. The dispute arose when the DIT asserted that SAPPL has a permanent establishment within the meaning of the Income Tax Treaty between Singapore and India and accordingly issued tax assessments for assessment years ending March 2000 through March 2005. SAPPL appealed the tax assessments, and the Indian Commissioner of Income Tax (Appeals) returned a mixed verdict. SAPPL filed further appeals with the ITAT. The ITAT ruled in SAPPL's favor, finding that no income would be chargeable to tax for assessment years ending March 2000 through March 2005. The DIT appealed those decisions to the Bombay High Court and our case is pending before that court. The DIT also assessed taxes on a similar basis plus some additional issues for

assessment years ending March 2006 through March 2016 and appeals for assessment years ending March 2006 through 2016 are pending before the ITAT or the High Court depending on the year.

If the DIT were to fully prevail on every claim against us, including SAPPL, we could be subject to taxes, interest and penalties of approximately $45 million as of December 31, 2020. We intend to continue to aggressively defend against each of the foregoing claims. Although we do not believe that the outcome of the proceedings will result in a material impact on our business or financial condition, litigation is by its nature uncertain. We do not believe this outcome is more likely than not and therefore have not made any provisions or recorded any liability for the potential resolution of any of these claims.

Indian Service Tax Litigation

SAPPL's Indian subsidiary is also subject to litigation by the India Director General (Service Tax) ("DGST"), which has assessed the subsidiary for multiple years related to its alleged failure to pay service tax on marketing fees and reimbursements of expenses. Indian courts have returned verdicts favorable to the Indian subsidiary. The DGST has appealed the verdict to the Indian Supreme Court. We do not believe that an adverse outcome is probable and therefore have not made any provisions or recorded any liability for the potential resolution of any of these claims.

Litigation Relating to Routine Proceedings

We are also engaged from time to time in other routine legal and tax proceedings incidental to our business. We do not believe that any of these routine proceedings will have a material impact on the business or our financial condition.

Other

SynXis Central Reservation System

As previously disclosed, we became aware of an incident involving unauthorized access to payment information contained in a subset of hotel reservations processed through the Sabre Hospitality Solutions SynXis Central Reservation System (the “HS Central Reservation System”). Our investigation was supported by third party experts, including a leading cybersecurity firm. Our investigation determined that an unauthorized party: obtained access to account credentials that permitted access to a subset of hotel reservations processed through the HS Central Reservation System; used the account credentials to view a credit card summary page on the HS Central Reservation System and access payment card information (although we use encryption, this credential had the right to see unencrypted card data); and first obtained access to payment card information and some other reservation information on August 10, 2016. The last access to payment card information was on March 9, 2017. The unauthorized party was able to access information for certain hotel reservations, including cardholder name; payment card number; card expiration date; and, for a subset of reservations, card security code. The unauthorized party was also able, in some cases, to access certain information such as guest name(s), email, phone number, address, and other information if provided to the HS Central Reservation System. Information such as Social Security, passport, or driver’s license number was not accessed. The investigation did not uncover forensic evidence that the unauthorized party removed any information from the system, but it is a possibility. We took successful measures to ensure this unauthorized access to the HS Central Reservation System was stopped and is no longer possible. There is no indication that any of our systems beyond the HS Central Reservation System, such as Sabre’s Travel Solutions platforms, were affected or accessed by the unauthorized party. We notified law enforcement and the payment card brands and engaged a payment card industry data ("PCI") forensic investigator to investigate this incident at the payment card brands' request. We have notified customers and other companies that use or interact with, directly or indirectly, the HS Central Reservation System about the incident. In December 2020, we entered into settlement agreements with certain state Attorneys General to resolve their investigation into this incident. As part of the settlement with these states, we paid $2 million to the states represented by the Attorneys General in the first quarter of 2021 and agreed to implement certain security controls and processes.

Separately, in November 2017, Sabre Hospitality Solutions observed a pattern of activity that, after further investigation, led it to believe that an unauthorized party improperly obtained access to certain hotel user credentials for purposes of accessing the HS Central Reservation System. We deactivated the compromised accounts and notified law enforcement of this activity. We also notified the payment card brands, and at their request, we have engaged a PCI forensic investigator to investigate this incident. We have not found any evidence of a breach of the network security of the HS Central Reservation System, and we believe that the number of affected reservations represents only a fraction of 1% of the bookings in the HS Central Reservation System. Although the costs related to these incidents, including any associated penalties assessed by any other governmental authority or payment card brand or indemnification obligations to our customers, as well as any other impacts or remediation related to this incident, may be material, it is not possible at this time to determine whether we will incur, or to reasonably estimate the amount of, any liabilities in connection with them, with the exception of the payment related to the settlement agreements as described above. We maintain insurance that covers certain aspects of cyber risks, including the payment related to the settlement agreements, and we continue to work with our insurance carriers in these matters.

Other Tax Matters

We operate in numerous jurisdictions in which taxing authorities may challenge our position with respect to income and non-income based taxes. We routinely receive inquiries and may also from time to time receive challenges or assessments from these taxing authorities. With respect to non-income based taxes, we recognize liabilities when we believe it is probable that amounts will be owed to the taxing authorities and such amounts are estimable. For example, in most countries we pay and collect Value Added Tax (“VAT”) when procuring goods and services, or providing services, within the normal course of business. VAT receivables are established in jurisdictions where VAT paid exceeds VAT collected and are recoverable through the filing of

refund claims. These receivables have inherent audit and collection risks unique to the specific jurisdictions that evaluate our refund claims. Our most significant VAT receivable is in Greece. As of December 31, 2020, we have approximately $22 million in VAT receivables for which refund claims have been filed with the Greek government. Although we have paid these amounts and believe we are entitled to a refund, the Greek tax authorities have challenged our position. In the second quarter of 2020, we received notice that the tax court has accepted our arguments to dismiss certain claims by the Greek tax authorities; however, this ruling has been appealed. In Greece, as in other jurisdictions, we intend to vigorously defend our positions against any claims that are not insignificant, including through litigation when necessary. As of December 31, 2020, we do not believe that an adverse outcome is probable with respect to the claims of the Greek tax authorities or any other jurisdiction; as a result, we have not accrued any material amounts for exposure related to such contingencies or adverse decisions. Nevertheless, we may incur expenses in future periods related to such matters, including litigation costs and possible pre-payment of a portion of any assessed tax amount to defend our position, and if our positions are ultimately rejected, it could have a material impact to our results of operations.

18. Segment Information

Our reportable segments are based upon our internal organizational structure; the manner in which our operations are managed; the criteria used by our Chief Executive Officer, who is our Chief Operating Decision Maker ("CODM"), to evaluate segment performance; the availability of separate financial information; and overall materiality considerations.

We now operate our business and present our results through two business segments effective the third quarter of 2020 (i) Travel Solutions, our global travel solutions for travel suppliers and travel buyers, including a broad portfolio of software technology products and solutions for airlines, and (ii) Hospitality Solutions, an extensive suite of software solutions for hoteliers. All revenue and expenses previously assigned to the Travel Network and Airline Solutions business segments have been consolidated into a unified revenue and expense structure which aligns with information that our Chief Operating Decision Maker utilizes beginning in the third quarter of 2020 to evaluate segment performance and allocate resources. These changes did not impact the historical Hospitality Solutions reporting segment's revenue and expenses.

Our CODM utilizes Adjusted Operating (Loss) Income as the measures of profitability to evaluate performance of our segments and allocate resources which is not a recognized term under GAAP. Our uses of Adjusted Operating (Loss) Income has limitations as an analytical tool, and should not be considered in isolation or as a substitute for analysis of our results as reported under GAAP.

We define Adjusted Operating (loss) Income as operating (loss) income adjusted for equity method (loss) income, impairment and related charges, acquisition-related amortization, restructuring and other costs, acquisition-related costs, litigation costs, net, and stock-based compensation.

As a result of the Strategic Realignment, we have separated our technology costs from cost of revenue and moved certain expenses previously classified as cost of revenue to selling, general and administrative to provide increased visibility to our technology costs for analytical and decision-making purposes and to align costs with the current leadership and operational organizational structure.

Our CODM does not review total assets by segment as operating evaluations and resource allocation decisions are not made on the basis of total assets by segment.

Certain of our costs associated with our technology organization are allocated to the segments based on the segments' usage of resources. Benefit expenses, facility costs and depreciation expense on the corporate headquarters building are allocated to the segments based on headcount. Unallocated corporate costs include certain shared expenses such as accounting, finance, human resources, legal, corporate systems, amortization of acquired intangible assets, impairment and related charges, stock-based compensation, restructuring charges, legal reserves and other items not identifiable with one of our segments.

We account for significant intersegment transactions as if the transactions were with third parties, that is, at estimated current market prices. The majority of the intersegment revenues and cost of revenues are fees charged by Travel Solutions to Hospitality Solutions for hotel stays booked through our GDS.

Segment information for the years ended December 31, 2020, 2019 and 2018 is as follows (in thousands):

	Year Ended December 31,		
	2020	2019	2018
Revenue			
Travel Solutions	$ 1,176,694	$ 3,723,000	$ 3,628,941
Hospitality Solutions	174,628	292,880	273,079
Eliminations	(17,222)	(40,892)	(35,064)
Total revenue	$ 1,334,100	$ 3,974,988	$ 3,866,956
Adjusted Operating (Loss) Income[a]			
Travel Solutions	$ (523,122)	$ 729,266	$ 866,957
Hospitality Solutions	(63,915)	(21,632)	12,881
Corporate	(158,237)	(194,226)	(178,406)
Total	$ (745,274)	$ 513,408	$ 701,432
Depreciation and amortization			
Travel Solutions	$ 250,540	$ 292,097	$ 300,707
Hospitality Solutions	42,789	53,098	39,943
Total segments	293,329	345,195	340,650
Corporate	70,414	69,426	72,694
Total	$ 363,743	$ 414,621	$ 413,344
Capital Expenditures			
Travel Solutions	$ 23,481	$ 52,642	$ 163,317
Hospitality Solutions	3,177	11,324	39,160
Total segments	26,658	63,966	202,477
Corporate	38,762	51,200	81,463
Total	$ 65,420	$ 115,166	$ 283,940

(a) The following table sets forth the reconciliation of operating (loss) income in our statement of operations to Adjusted Operating (Loss) Income (in thousands):

	Year Ended December 31,		
	2020	2019	2018
Operating (loss) income	$ (988,039)	$ 363,417	$ 562,016
Add back:			
Equity method (loss) income	(2,528)	2,044	2,556
Impairment and related charges[1]	8,684	—	—
Acquisition-related amortization[2]	65,998	64,604	68,008
Restructuring and other costs[3]	85,797	—	—
Acquisition-related costs[4]	16,787	41,037	3,266
Litigation costs, net[5]	(1,919)	(24,579)	8,323
Stock-based compensation	69,946	66,885	57,263
Adjusted Operating (loss) income	$ (745,274)	$ 513,408	$ 701,432

(1) Impairment and related charges represents $5 million associated with software developed for internal use and $4 million associated with capitalized implementation costs related to a specific customer based on our analysis of the recoverability of such amounts.
(2) Acquisition-related amortization represents amortization of intangible assets from the take-private transaction in 2007 as well as intangibles associated with acquisitions since that date.
(3) Restructuring and other costs represents charges associated with business restructuring and associated changes, including the Strategic Realignment, as well as other measures to support the new organizational structure and to respond to the impacts of the COVID-19 pandemic on our business, facilities and cost structure. See Note 4. Restructuring Activities for further details.
(4) Acquisition-related costs represent fees and expenses incurred associated with the now-terminated agreement to acquire Farelogix, as well as costs related to the acquisition of Radixx in 2019. See Note 3. Acquisitions for further information.
(5) Litigation costs, net represent charges associated with antitrust litigation and other foreign non-income tax contingency matters. In 2020, we reversed the previously accrued non-income tax expense of $4 million due to success in our claims. In 2019, we recorded the reversal of our previously accrued loss related to the US Airways legal matter for $32 million. In 2018, we recorded non-income tax expense of $5 million for tax, penalties and interest associated with certain non-income tax claims for historical periods regarding permanent establishment in a foreign jurisdiction. See Note 17. Commitments and Contingencies for further information.

A significant portion of our revenue is generated through transaction-based fees that we charge to our customers. For Travel Solutions, we generate revenue from our distribution activities through transaction fees for bookings on our GDS, and from our IT solutions through recurring usage-based fees for the use of our SaaS and hosted systems, as well as upfront fees and professional services fees. For Hospitality Solutions, we generate revenue from recurring usage-based fees for the use of our SaaS and hosted systems, as well as upfront fees and professional services fees. Transaction-based revenue accounted for approximately 79%, 91% and 92% of our Travel Solutions revenue for each of the years ended December 31, 2020, 2019 and 2018. Transaction-based revenue accounted for approximately 68%, 80% and 81% for the years ended December 31, 2020, 2019 and 2018, respectively, of our Hospitality Solutions revenue. All joint venture equity income relates to Travel Solutions.

Our revenues and long-lived assets, excluding goodwill and intangible assets, by geographic region are summarized below. Distribution revenue for the Travel Solutions business is attributed to countries based on the location of the travel supplier and IT Solutions revenue is based on the location of the customer. For Hospitality Solutions, revenue is attributed to countries based on the location of the customer. The majority of our revenues and long-lived assets are derived from the United States, Europe, and Asia-Pacific ("APAC") as follows (in thousands):

	Year Ended December 31,		
	2020	2019	2018
Revenue:			
United States	$ 636,854	$ 1,306,450	$ 1,346,895
Europe	287,421	913,245	928,533
APAC	151,206	822,679	820,711
All Other	258,619	932,614	770,817
Total	$ 1,334,100	$ 3,974,988	$ 3,866,956

	As of December 31,	
	2020	2019
Long-lived assets		
United States	$ 417,070	$ 622,034
Europe	39,160	1,594
APAC	17,956	11,521
All Other	14,415	6,573
Total	$ 488,601	$ 641,722

ITEM 9. CHANGES IN AND DISAGREEMENTS WITH ACCOUNTANTS ON ACCOUNTING AND FINANCIAL DISCLOSURE

Not applicable.

ITEM 9A. CONTROLS AND PROCEDURES

Disclosure Controls and Procedures

Under the supervision and with the participation of our management, including the Chief Executive Officer and Chief Financial Officer, we have evaluated the effectiveness of the design and operation of our disclosure controls and procedures (as defined in Exchange Act Rule 13a-15(e)) as of the end of the period covered by this report. Based on that evaluation, the Chief Executive Officer and Chief Financial Officer have concluded that, as of the end of the period covered by this report, our disclosure controls and procedures are effective.

Management's Report on Internal Control Over Financial Reporting

Our management is responsible for establishing and maintaining adequate internal control over financial reporting (as defined in Exchange Act Rule 13a-15(f)). Under the supervision and with the participation of our management, including the Chief Executive Officer and Chief Financial Officer, we have conducted an evaluation of the effectiveness of our internal control over financial reporting based on criteria established in the framework in Internal Control—Integrated Framework issued by the Committee of Sponsoring Organizations of the Treadway Commission (2013 framework). Based on our evaluation, we concluded that our internal control over financial reporting is effective as of December 31, 2020.

Our independent registered public accounting firm, Ernst & Young LLP, has issued an attestation report on the effectiveness of our internal control over financial reporting as of December 31, 2020, which is included in Item 8 of this Annual Report on Form 10-K.

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

Internal Control Over Financial Reporting

There have been no changes in our internal control over financial reporting (as this term is defined in Exchange Act Rule 13a-15(f)) during the most recent fiscal quarter that have materially affected, or are reasonably likely to materially affect, our internal control over financial reporting. We have not experienced any material impact to our internal controls over financial reporting despite the fact that most of our employees are working remotely due to the COVID-19 pandemic. We continue to monitor and assess the COVID-19 situation on our internal controls to help minimize the impact on their design and operating effectiveness.

ITEM 9B. OTHER INFORMATION

Not applicable.

PART III

ITEM 10. DIRECTORS, EXECUTIVE OFFICERS AND CORPORATE GOVERNANCE

The information set forth under the following headings of our definitive Proxy Statement for our 2021 annual meeting of stockholders (the "2021 Proxy Statement") is incorporated in this Item 10 by reference:

- "Certain Information Regarding Nominees for Director" under "Proposal 1. Election of Directors," which identifies our directors and nominees for our Board of Directors.
- "Other information—Delinquent Section 16(a) Reports."
- "Corporate Governance—Other Corporate Governance Practices and Policies—Code of Business Ethics," which describes our Code of Business Ethics.
- "Corporate Governance—Stockholder Nominations for Directors" and "Other Information—Proxy Access Nominations and Annual Meeting Advance Notice Requirements" which describe the procedures by which stockholders may nominate candidates for election to our Board of Directors.
- "Corporate Governance—Board Committees—Audit Committee," which identifies members of the Audit Committee of our Board of Directors and audit committee financial experts.

Information regarding our executive officers is reported under the caption "Information About Our Executive Officers" in Part I of this Annual Report on Form 10-K.

ITEM 11. EXECUTIVE COMPENSATION

The information set forth under the headings "Compensation Discussion and Analysis," "Executive Compensation," "Proposal 1. Election of Directors—Director Compensation Program" and "Corporate Governance—Compensation Committee Interlocks and Insider Participation" of the 2021 Proxy Statement is incorporated in this Item 11 by reference.

ITEM 12. SECURITY OWNERSHIP OF CERTAIN BENEFICIAL OWNERS AND MANAGEMENT AND RELATED STOCKHOLDER MATTERS

The information set forth under the heading "Security Ownership of Certain Beneficial Owners and Management" of the 2021 Proxy Statement is incorporated in this Item 12 by reference.

Equity Compensation Plan Information

The following table gives information about our common stock that may be issued upon the exercise of options, warrants and rights under all of our equity compensation plans as of December 31, 2020.

	Number of securities to be issued upon exercise of outstanding options (a)	Weighted average exercise price of outstanding options (b)	Number of securities remaining available for future issuance under equity compensation plans (c)
Equity compensation plans approved by stockholders	18,456,697	$ 13.59	10,642,038

(a) Includes shares of common stock to be issued upon the exercise of outstanding options under our 2019 Omnibus Plan, 2016 Omnibus Plan, 2014 Omnibus Plan, the Sovereign 2012 MEIP, and the Sovereign MEIP. Also includes 15,156,441 restricted share units under our 2019 Omnibus Plan, 2016 Omnibus Plan, and 2014 Omnibus Plan (including shares that may be issued pursuant to outstanding performance-based restricted share units, assuming the target award is met; actual shares may vary, depending on actual performance).

(b) Excludes restricted share units which do not have an exercise price.

(c) Excludes securities reflected in column (a).

Sabre Corporation 2019 Omnibus Incentive Compensation Plan. The 2019 Omnibus Plan serves as a successor to the 2016 Omnibus Plan and provides for the issuance of stock options, restricted shares, restricted stock units ("RSUs") performance-based RSU awards ("PSUs"), cash incentive compensation and other stock-based awards.

Sabre Corporation 2019 Director Plan. The plan provides for the issuance of RSUs, DSUs, and stock options to non-employee Directors.

Sabre Corporation 2016 Omnibus Incentive Compensation Plan. The 2016 Omnibus Plan serves as a successor to the 2014 Omnibus Plan and provides for the issuance of stock options, restricted shares, RSUs, PSUs, cash incentive compensation and other stock-based awards. All shares available for future grants, along with shares that were covered by prior awards of stock options granted under the 2016 Omnibus Plan that were forfeited or otherwise expire unexercised or without issuance of Sabre Corporation common stock, have been transferred to the 2019 Omnibus Plan. Therefore, as of December 31, 2020, no shares remained available for future grants under the 2016 Omnibus Plan.

Sabre Corporation 2014 Omnibus Incentive Compensation Plan. The 2014 Omnibus Plan serves as successor to the Sovereign MEIP and Sovereign 2012 MEIP and provides for the issuance of stock options, restricted shares, RSUs, PSUs, cash incentive compensation and other stock-based awards. All shares available for future grants, along with shares that were covered by prior awards of stock options granted under the 2014 Omnibus Plan that were forfeited or otherwise expire unexercised or without issuance of Sabre Corporation common stock, have been transferred to the 2016 Omnibus Plan and then to the 2019 Omnibus Plan. Therefore, as of December 31, 2020, no shares remained available for future grants under the 2014 Omnibus Plan.

Sovereign Holdings, Inc. Management Equity Incentive Plan. Under the Sovereign MEIP, key employees and, in certain circumstances, the directors, service providers and consultants, of Sabre and its affiliates may be granted stock options. All shares available for future grants, along with shares that were covered by prior awards of stock options granted under the Sovereign MEIP that were forfeited or otherwise expire unexercised or without the issuance of shares of Sabre Corporation common stock, have been transferred to the Sovereign 2012 MEIP, which have subsequently been transferred to the 2014 Omnibus Plan, then to the 2016 Omnibus Plan and then to the 2019 Omnibus Plan. Therefore, as of December 31, 2020, no shares remained available for future grants under the Sovereign MEIP.

Sovereign Holdings, Inc. 2012 Management Equity Incentive Plan. Under the Sovereign 2012 MEIP, key employees and, in certain circumstances, the directors, service providers and consultants, of Sabre and its affiliates may be granted stock options, restricted shares, RSUs, PSUs and other stock-based awards. All shares available for future grants, along with shares that were covered by prior awards of stock options granted under the Sovereign MEIP that were forfeited or otherwise expire unexercised or without the issuance of shares of Sabre Corporation common stock, have been transferred to the 2014 Omnibus Plan, then to the 2016 Omnibus Plan and then to the 2019 Omnibus Plan. Therefore, as of December 31, 2020, no shares remained available for future grants under the Sovereign 2012 MEIP.

ITEM 13. CERTAIN RELATIONSHIPS AND RELATED TRANSACTIONS, AND DIRECTOR INDEPENDENCE

The information set forth under the headings “Certain Relationships and Related Party Transactions” and “Corporate Governance—Board Composition and Director Independence” of the 2021 Proxy Statement is incorporated in this Item 13 by reference.

ITEM 14. PRINCIPAL ACCOUNTANT FEES AND SERVICES

The information set forth under the headings “Principal Accounting Firm Fees” and “Audit Committee Approval of Audit and Non-Audit Services” under “Proposal 2. Ratification of Independent Auditors” of the 2021 Proxy Statement is incorporated in this Item 14 by reference.

PART IV

ITEM 15. EXHIBITS AND FINANCIAL STATEMENT SCHEDULES

The following documents are filed as part of this report.

1. *Financial statements.* The financial statements are set forth under Item 8 of this Annual Report on Form 10-K.

2. *Financial statement schedules.* Schedule II Valuation and Qualifying Accounts is filed as part of this Annual Report on Form 10-K and should be read in conjunction with the financial statements and notes thereto contained in Item 8.

All other financial statements and financial statement schedules for which provision is made in the applicable accounting regulations of the SEC are not required under the related instruction, are not material or are not applicable and, therefore, have been omitted.

3. *Exhibits.*

Exhibit Number	Description of Exhibits
2.1	Asset Purchase Agreement, dated as of January 23, 2015 by and among Expedia Inc., Sabre GLBL Inc., Travelocity.com LP and certain affiliates of Sabre GLBL Inc. and Travelocity.com LP (incorporated by reference to Exhibit 2.1 of Sabre Corporation's Current Report on Form 8-K filed with the Securities and Exchange Commission on January 26, 2015).
2.2	Share Purchase Agreement, dated as of May 14, 2015 by and between Abacus International Holdings Ltd and Sabre Technology Enterprises II Ltd. (incorporated by reference to Exhibit 2.1 of Sabre's Corporation Current Report on Form 8-K filed with the Securities and Exchange Commission on May 14, 2015).
3.1	Fourth Amended and Restated Certificate of Incorporation of Sabre Corporation (incorporated by reference to Exhibit 3.1 of Sabre Corporation's Current Report on Form 8-K filed with the Securities and Exchange Commission on April 24, 2019).
3.2	Sixth Amended and Restated Bylaws of Sabre Corporation (incorporated by reference to Exhibit 3.1 of Sabre Corporation's Current Report on Form 8-K filed with the Securities and Exchange Commission on February 6, 2020).
4.2	Indenture, dated as of April 14, 2015, among Sabre GLBL Inc., each of the guarantors party thereto and Wells Fargo Bank, National Association, as trustee and collateral agent. (incorporated by reference to Exhibit 4.1 of Sabre's Corporation Current Report on Form 8-K filed with the Securities and Exchange Commission on April 15, 2015).
4.3	Form of 5.375% Senior Secured Notes due 2023 (included in Exhibit 4.2).
4.4	Indenture, dated as of November 9, 2015, among Sabre GLBL Inc., each of the guarantors party thereto and Wells Fargo Bank, National Association, as trustee and collateral agent. (incorporated by reference to Exhibit 4.1 of Sabre's Corporation Current Report on Form 8-K filed with the Securities and Exchange Commission on November 9 2015).
4.5	Form of 5.250% Senior Secured Notes due 2023 (included in Exhibit 4.4).
4.6*	Description of Sabre Corporation's Securities Registered Pursuant to Section 12 of the Securities Exchange Act of 1934.
10.1	Loan Agreement, dated March 29, 2007, between Sabre Headquarters, LLC, as borrower, and JPMorgan Chase Bank, N.A., as lender (incorporated by reference to Exhibit 10.1 of Sabre Corporation's Registration Statement on Form S-1 filed with the Securities and Exchange Commission on January 21, 2014).
10.2	Amendment and Restatement Agreement, dated as of February 19, 2013, among Sabre Inc., Sabre Holdings Corporation, the subsidiary guarantors party thereto, the lenders party thereto, Deutsche Bank AG New York Branch, as administrative agent and Bank of America, N.A. as successor administrative agent (incorporated by reference to Exhibit 10.2 of Sabre Corporation's Amendment No. 1 to the Registration Statement on Form S-1 filed with the Securities and Exchange Commission on March 10, 2014).
10.3	Amended and Restated Guaranty, dated as of February 19, 2013, among Sabre Holdings Corporation, certain subsidiaries of Sabre Inc. from time to time party thereto and Bank of America, N.A., as administrative agent (incorporated by reference to Exhibit 10.3 of Sabre Corporation's Registration Statement on Form S-1 filed with the Securities and Exchange Commission on January 21, 2014).
10.4	Amended and Restated Pledge and Security Agreement, dated as of February 19, 2013, among Sabre Holdings Corporation, Sabre Inc., certain subsidiaries of Sabre Inc. from time to time party thereto and Bank of America, N.A., as administrative agent for the secured parties (incorporated by reference to Exhibit 10.4 of Sabre Corporation's Registration Statement on Form S-1 filed with the Securities and Exchange Commission on January 21, 2014).
10.5	First Lien Intercreditor Agreement, dated as of May 9, 2012, among Sabre Inc., Sabre Holdings Corporation, the other grantors party thereto, Deutsche Bank AG New York Branch, as administrative agent and authorized representative for the Credit Agreement secured parties, Wells Fargo Bank, National Association, as the Initial First Lien Collateral Agent and initial additional authorized representative, each Additional First Lien Collateral Agent and each additional Authorized Representative (incorporated by reference to Exhibit 10.5 of Sabre Corporation's Registration Statement on Form S-1 filed with the Securities and Exchange Commission on January 21, 2014).

Exhibit Number	Description of Exhibits
10.6	First Incremental Term Facility Amendment to Amended and Restated Credit Agreement, dated as of September 30, 2013, among Sabre Inc., Sabre Holdings Corporation, the subsidiary guarantors party thereto, and Bank of America, N.A., as incremental term lender and administrative agent (incorporated by reference to Exhibit 10.7 of Sabre Corporation's Registration Statement on Form S-1 filed with the Securities and Exchange Commission on January 21, 2014).
10.7+	Sovereign Holdings, Inc. Management Equity Incentive Plan adopted June 11, 2007, as amended April 22, 2010 (incorporated by reference to Exhibit 10.8 of Sabre Corporation's Registration Statement on Form S-1 filed with the Securities and Exchange Commission on January 21, 2014).
10.8+	Form of Non Qualified Stock Option Grant Agreement under Sovereign Holdings, Inc. Management Equity Incentive Plan adopted June 11, 2007, as amended April 22, 2010 (incorporated by reference to Exhibit 10.9 of Sabre Corporation's Registration Statement on Form S-1 filed with the Securities and Exchange Commission on January 21, 2014).
10.9+	Sovereign Holdings, Inc. 2012 Management Equity Incentive Plan adopted September 14, 2012 (incorporated by reference to Exhibit 10.16 of Sabre Corporation's Registration Statement on Form S-1 filed with the Securities and Exchange Commission on January 21, 2014).
10.10+	Form of Non Qualified Stock Option Grant Agreement under the Sovereign Holdings, Inc. 2012 Management Equity Incentive Plan (incorporated by reference to Exhibit 10.17 of Sabre Corporation's Registration Statement on Form S-1 filed with the Securities and Exchange Commission on January 21, 2014).
10.11+	Form of Restricted Stock Unit Grant Agreement under the Sovereign Holdings, Inc. 2012 Management Equity Incentive Plan (incorporated by reference to Exhibit 10.18 of Sabre Corporation's Registration Statement on Form S-1 filed with the Securities and Exchange Commission on January 21, 2014).
10.12+	Form of Restricted Stock Unit Grant Agreement for Non Employee Directors under the Sovereign Holdings, Inc. 2012 Management Equity Incentive Plan (incorporated by reference to Exhibit 10.20 of Sabre Corporation's Registration Statement on Form S-1 filed with the Securities and Exchange Commission on January 21, 2014).
10.13+	Form of Non Qualified Stock Option Grant Agreement for Non Employee Directors under the Sovereign Holdings, Inc. 2012 Management Equity Incentive Plan (incorporated by reference to Exhibit 10.21 of Sabre Corporation's Registration Statement on Form S-1 filed with the Securities and Exchange Commission on January 21, 2014).
10.14	Amendment No. 1 to Amended and Restated Credit Agreement, dated as of February 20, 2014, among Sabre GLBL Inc., Sabre Holdings Corporation, each of the other Loan Parties, Bank of America, N.A., as administrative agent and the Lenders thereto (incorporated by reference to Exhibit 10.38 of Sabre Corporation's Amendment No. 1 to the Registration Statement on Form S-1 filed with the Securities and Exchange Commission on March 10, 2014).
10.15	First Revolver Extension Amendment to Amended and Restated Credit Agreement, dated as of February 20, 2014, among Sabre GLBL Inc., Sabre Holdings Corporation, each of the other Loan Parties, Bank of America, N.A., as administrative agent and the Revolving Credit Lenders thereto (incorporated by reference to Exhibit 10.39 of Sabre Corporation's Amendment No. 1 to the Registration Statement on Form S-1 filed with the Securities and Exchange Commission on March 10, 2014).
10.16	First Incremental Revolving Credit Facility Amendment to Amended and Restated Credit Agreement, dated as of February 20, 2014, among Sabre GLBL Inc., Sabre Holdings Corporation, each of the other Loan Parties, Bank of America, N.A., as administrative agent and the Revolving Credit Lenders thereto (incorporated by reference to Exhibit 10.40 of Sabre Corporation's Amendment No. 1 to the Registration Statement on Form S-1 filed with the Securities and Exchange Commission on March 10, 2014).
10.17	Income Tax Receivable Agreement dated as of April 23, 2014 between Sabre Corporation and Sovereign Manager Co-Invest, LLC (incorporated by reference to Exhibit 10.1 of Sabre's Corporation Current Report on Form 8-K filed with the Securities and Exchange Commission on April 23, 2014).
10.18	Amended and Restated Stockholders' Agreement dated as of April 23, 2014 by and among Sabre Corporation and the stockholders party thereto (incorporated by reference to Exhibit 10.2 of Sabre's Corporation Current Report on Form 8-K filed with the Securities and Exchange Commission on April 23, 2014).
10.19+	Form of Director and Officer Indemnification Agreement (incorporated by reference to Exhibit 10.20 of Sabre Corporation's Annual Report on Form 10-K filed with the Securities and Exchange Commission on February 16, 2018).

Exhibit Number	Description of Exhibits
10.20+	Letter by and between Sovereign Holdings, Inc., Sabre Holdings Corporation and Sabre Inc. and Lawrence W. Kellner, dated August 30, 2013 (incorporated by reference to Exhibit 10.47 of Sabre Corporation's Amendment No. 3 to the Registration Statement on Form S-1 filed with the Securities and Exchange Commission on March 26, 2014).
10.21+	Sabre Corporation 2014 Omnibus Incentive Compensation Plan (incorporated by reference to Exhibit 10.48 of Sabre Corporation's Amendment No. 3 to the Registration Statement on Form S-1 filed with the Securities and Exchange Commission on March 26, 2014).
10.22+	Form of Restricted Stock Unit Grant Agreement under the Sabre Corporation 2014 Omnibus Incentive Compensation Plan (incorporated by reference to Exhibit 10.49 of Sabre Corporation's Quarterly Report on Form 10-Q filed with the Securities and Exchange Commission on May 5, 2015).
10.23+	Form of Non Qualified Stock Option Grant Agreement under the Sabre Corporation 2014 Omnibus Incentive Compensation Plan (incorporated by reference to Exhibit 10.50 of Sabre Corporation's Quarterly Report on Form 10-Q filed with the Securities and Exchange Commission on May 5, 2015).
10.24+	Form of Restricted Stock Unit Annual Grant Agreement for Non Employee Directors under the Sabre Corporation 2014 Omnibus Incentive Compensation Plan (incorporated by reference to Exhibit 10.51 of Sabre Corporation's Amendment No. 3 to the Registration Statement on Form S-1 filed with the Securities and Exchange Commission on March 26, 2014).
10.25+	Form of Restricted Stock Unit Initial Grant Agreement for Non Employee Directors under the Sabre Corporation 2014 Omnibus Incentive Compensation Plan (incorporated by reference to Exhibit 10.52 of Sabre Corporation's Amendment No. 3 to the Registration Statement on Form S-1 filed with the Securities and Exchange Commission on March 26, 2014).
10.26	Supplement No. 1, dated as of December 31, 2012, to the Pledge and Security Agreement dated as of May 9, 2012, among Sabre Holdings Corporation, Sabre Inc., the subsidiary guarantors and Wells Fargo Bank, National Association, as collateral agent for the secured parties (incorporated by reference to Exhibit 10.53 of Sabre Corporation's Amendment No. 4 to the Registration Statement on Form S-1 filed with the Securities and Exchange Commission on March 31, 2014).
10.27+	Sabre Corporation Non-Employee Directors Compensation Deferral Plan dated October 29, 2014 (incorporated by reference to Exhibit 10.57 of Sabre Corporation's Registration Statement on Form S-1 filed with the Securities and Exchange Commission on January 26, 2015).
10.28	Second Amended and Restated Stockholders' Agreement dated as of February 6, 2015 by and among Sabre Corporation and the stockholders party thereto (incorporated by reference to Exhibit 10.58 of Sabre Corporation's Annual Report on Form 10-K filed with the Securities and Exchange Commission on March 3, 2015).
10.29+	Form of Award Agreement for Long-Term Stretch Program (incorporated by reference to Exhibit 10.1 of Sabre's Corporation Current Report on Form 8-K filed with the Securities and Exchange Commission on March 13, 2015).
10.30	Pledge and Security Agreement, dated as of April 14, 2015, among Sabre GLBL Inc., Sabre Holdings Corporation, the subsidiary guarantors party thereto and Wells Fargo Bank, National Association, as collateral agent (incorporated by reference to Exhibit 10.1 of Sabre Corporation's Current Report on Form 8-K filed with the Securities and Exchange Commission on April 15, 2015).
10.31	Pledge and Security Agreement, dated as of November 9, 2015, among Sabre GLBL Inc., Sabre Holdings Corporation, the subsidiary guarantors party thereto and Wells Fargo Bank, National Association, as collateral agent (incorporated by reference to Exhibit 10.1 of Sabre Corporation's Current Report on Form 8-K filed with the Securities and Exchange Commission on November 9, 2015).
10.32+	Sabre Corporation Executive Deferred Compensation Plan (incorporated by reference to Exhibit 10.1 of Sabre Corporation's Current Report on Form 8-K filed with the Securities and Exchange Commission on November 16, 2015).
10.33†	Master Services Agreement dated as of November 1, 2015, between Sabre GLBL, Inc. and HP Enterprise Services, LLC, as provider (incorporated by reference to Exhibit 10.65 of Sabre Corporation's Annual Report on Form 10-K filed with the Securities and Exchange Commission on February 19, 2016).
10.34+	Sabre Corporation 2016 Omnibus Incentive Compensation Plan (incorporated by reference to Exhibit 10.1 of Sabre Corporation's Current Report on Form 8-K filed with the Securities and Exchange Commission on May 26, 2016).
10.35+	Form of Restricted Stock Unit Grant Agreement under the Sabre Corporation 2016 Omnibus Incentive Compensation Plan (incorporated by reference to Exhibit 10.44 of Sabre Corporation's Quarterly Report on Form 10-Q filed with the Securities and Exchange Commission on May 2, 2017).
10.36+	Form of Non-Qualified Stock Option Grant Agreement under the Sabre Corporation 2016 Omnibus Incentive Compensation Plan (incorporated by reference to Exhibit 10.45 of Sabre Corporation's Quarterly Report on Form 10-Q filed with the Securities and Exchange Commission on May 2, 2017).
10.37	Joinder Agreement to Second Amended and Restated Stockholders' Agreement, dated January 5, 2016, by Sovereign Co-Invest II, LLC (incorporated by reference to Exhibit 10.66 of Sabre Corporation's Quarterly Report on Form 10-Q filed with the Securities and Exchange Commission on April 28, 2016).

Exhibit Number	Description of Exhibits
10.38	Joinder Agreement to Amended and Restated Registration Rights Agreement, dated January 5, 2016, by Sovereign Co-Invest II, LLC (incorporated by reference to Exhibit 10.67 of Sabre Corporation's Quarterly Report on Form 10-Q filed with the Securities and Exchange Commission on April 28, 2016).
10.39	Revolving Facility Refinancing Amendment to Amended and Restated Credit Agreement, dated July 18, 2016, among Sabre GLBL Inc., Sabre Holdings Corporation, each of the other Loan Parties party thereto, Bank of America, N.A., as Administrative Agent and the Revolving Credit Lenders party thereto (incorporated by reference to Exhibit 10.1 of Sabre Corporation's Current Report on Form 8-K filed with the Securities and Exchange Commission on July 19, 2016).
10.40	Amendment No. 2 to Amended and Restated Credit Agreement, dated July 18, 2016, among Sabre GLBL Inc., Sabre Holdings Corporation, each of the other Loan Parties party thereto, Bank of America, N.A., as Administrative Agent and the Lenders party thereto (incorporated by reference to Exhibit 10.2 of Sabre Corporation's Current Report on Form 8-K filed with the Securities and Exchange Commission on July 19, 2016).
10.41	Second Incremental Term Facility Amendment to Amended and Restated Credit Agreement, dated July 18, 2016, among Sabre GLBL Inc., Sabre Holdings Corporation, each of the other Loan Parties party thereto, Bank of America, N.A., as Administrative Agent and the Incremental Term A Lenders party thereto (incorporated by reference to Exhibit 10.3 of Sabre Corporation's Current Report on Form 8-K filed with the Securities and Exchange Commission on July 19, 2016).
10.42+	Employment Agreement by and between Sabre Corporation and Sean Menke, dated December 15, 2016 (incorporated by reference to Exhibit 10.1 of Sabre Corporation's Current Report on Form 8-K filed with the Securities and Exchange Commission on December 16, 2016).
10.43+	Letter Agreement by and between Sabre Corporation and Lawrence W. Kellner, dated December 15, 2016 (incorporated by reference to Exhibit 10.2 of Sabre Corporation's Current Report on Form 8-K filed with the Securities and Exchange Commission on December 16, 2016).
10.44	Amendment dated December 22, 2016, to that certain Master Services Agreement dated as of November 1, 2015 by and between HP Enterprise Services, LLC and Sabre GLBL Inc. (incorporated by reference to Exhibit 10.56 of Sabre Corporation's Annual Report on Form 10-K filed with the Securities and Exchange Commission on February 17, 2017).
10.45	Third Incremental Term Facility Amendment to Amended and Restated Credit Agreement, dated February 22, 2017, among Sabre GLBL Inc., Sabre Holdings Corporation, each of the other Loan Parties party thereto, Bank of America, N.A., as Administrative Agent, the 2017 Incremental Term Lenders party thereto and each other Lender party thereto (incorporated by reference to Exhibit 10.1 of Sabre Corporation's Current Report on Form 8-K filed with the Securities and Exchange Commission on February 24, 2017).
10.46+	Letter Agreement by and between Sabre Corporation and David Shirk, dated April 5, 2017 (incorporated by reference to Exhibit 10.60 of Sabre Corporation's Quarterly Report on Form 10-Q filed with the Securities and Exchange Commission on August 1, 2017).
10.47+	Letter Agreement by and between Sabre Corporation and Wade Jones, dated April 24, 2017 (incorporated by reference to Exhibit 10.61 of Sabre Corporation's Quarterly Report on Form 10-Q filed with the Securities and Exchange Commission on August 1, 2017).
10.48	Amendment Number Two, dated May 1, 2017, to that certain Master Services Agreement dated as of November 1, 2015 by and between Enterprises Services, LLC (f/k/a HP Enterprise Services, LLC) and Sabre GLBL Inc. (incorporated by reference to Exhibit 10.62 of Sabre Corporation's Quarterly Report on Form 10-Q filed with the Securities and Exchange Commission on August 1, 2017).
10.49	Fourth Incremental Term Facility Amendment to Amended and Restated Credit Agreement, dated August 23, 2017, among Sabre GLBL Inc., Sabre Holdings Corporation, each of the other Loan Parties party thereto, Bank of America, N.A., as Administrative Agent and the 2017 B-1 Incremental Term Lenders party thereto (incorporated by reference to Exhibit 10.1 of Sabre Corporation's Current Report on Form 8-K filed with the Securities and Exchange Commission on August 23, 2017).
10.50	Term Loan A Refinancing Amendment to Amended and Restated Credit Agreement, dated August 23, 2017, among Sabre GLBL Inc., Sabre Holdings Corporation, each of the other Loan Parties party thereto, Bank of America, N.A., as Administrative Agent and the 2017 Other Term A Lenders party thereto (incorporated by reference to Exhibit 10.2 of Sabre Corporation's Current Report on Form 8-K filed with the Securities and Exchange Commission on August 23, 2017).
10.51	Second Revolving Facility Refinancing Amendment to Amended and Restated Credit Agreement, dated August 23, 2017, among Sabre GLBL Inc., Sabre Holdings Corporation, each of the other Loan Parties party thereto, Bank of America, N.A., as Administrative Agent and Lenders party thereto (incorporated by reference to Exhibit 10.3 of Sabre Corporation's Current Report on Form 8-K filed with the Securities and Exchange Commission on August 23, 2017).
10.52+	Sabre Corporation Executive Severance Plan (incorporated by reference to Exhibit 10.1 of Sabre Corporation's Current Report on Form 8-K filed with the Securities and Exchange Commission on November 8, 2017).

Exhibit Number	Description of Exhibits
10.53	Fifth Term Loan B Refinancing Amendment to Amended and Restated Credit Agreement, dated March 2, 2018, among Sabre GLBL Inc., Sabre Holdings Corporation, each of the other Loan Parties party thereto, Bank of America, N.A., as Administrative Agent and the 2018 Other Term B Lenders party thereto (incorporated by reference to Exhibit 10.1 of Sabre Corporation's Current Report on Form 8-K filed with the Securities and Exchange Commission on March 2, 2018).
10.54+	Form of Executive Officer Restricted Stock Unit Grant Agreement under the Sabre Corporation 2016 Omnibus Incentive Compensation Plan (incorporated by reference to Exhibit 10.37 of Sabre Corporation's Quarterly Report on Form 10-Q filed with the Securities and Exchange Commission on May 1, 2018).
10.55+	Form of Non-Qualified Stock Option Grant Agreement under the Sabre Corporation 2016 Omnibus Incentive Compensation Plan (incorporated by reference to Exhibit 10.38 of Sabre Corporation's Quarterly Report on Form 10-Q filed with the Securities and Exchange Commission on May 1, 2018).
10.56+	Form of Chairman of the Board Restricted Stock Unit Agreement under the Sabre Corporation 2016 Omnibus Incentive Compensation Plan (incorporated by reference to Exhibit 10.58 of Sabre Corporation's Quarterly Report on Form 10-Q filed with the Securities and Exchange Commission on May 1, 2018).
10.57+	Offer Letter by and between Sabre Corporation and Douglas E. Barnett, dated June 26, 2018 (incorporated by reference to Exhibit 10.1 of Sabre Corporation's Current Report on Form 8-K filed with the Securities and Exchange Commission on July 2, 2018).
10.58+	Amendment to Employment Agreement, by and between Sabre Corporation and David Shirk, dated July 23, 2018 (incorporated by reference to Exhibit 10.1 of Sabre Corporation's Current Report on Form 8-K filed with the Securities and Exchange Commission on July 18, 2018).
10.59+	Form of Global Form of Restricted Stock Unit Agreement under the Sabre Corporation 2016 Omnibus Incentive Compensation Plan (incorporated by reference to Exhibit 10.61 of Sabre Corporation's Quarterly Report on Form 10-Q filed with the Securities and Exchange Commission on July 31, 2018).
10.60+	Form of Global Form of Stock Option Grant Agreement under the Sabre Corporation 2016 Omnibus Incentive Compensation Plan (incorporated by reference to Exhibit 10.62 of Sabre Corporation's Quarterly Report on Form 10-Q filed with the Securities and Exchange Commission on July 31, 2018).
10.61+	Offer Letter by and between Sabre Corporation and Kimberly Warmbier, dated June 22, 2018 (incorporated by reference to Exhibit 10.64 of Sabre's Corporation's Quarterly Report on Form 10-Q filed with the Securities and Exchange Commission on October 30, 2018).
10.62+	Offer Letter by and between Sabre Corporation and Cem Tanyel, dated September 4, 2018 (incorporated by reference to Exhibit 10.65 of Sabre's Corporation's Quarterly Report on Form 10-Q filed with the Securities and Exchange Commission on October 30, 2018).
10.63+	Form of Restricted Stock Unit Agreement under the Sabre Corporation the 2016 Omnibus Incentive Compensation Plan (incorporated by reference to Exhibit 10.68 of Sabre's Quarterly Report on Form-1Q filed with the Securities and Exchange Commission on May 1, 2019).
10.64+	Form of Executive Officer Stock Option Grant Agreement under the Sabre Corporation 2016 Omnibus Incentive Compensation Plan (incorporated by reference to Exhibit 10.69 of Sabre's Quarterly Report on Form 10-Q filed with the Securities and Exchange Commission on May 1, 2019).
10.65+	Form of Executive Officer Restricted Stock Unit Grant Agreement under the Sabre Corporation 2016 Omnibus Incentive Compensation Plan (incorporated by reference to Exhibit 10.70 of Sabre's Quarterly Report on Form 10-Q filed with the Securities and Exchange Commission on May 1, 2019).
10.66+	Form of Non-Executive Chairman Restricted Stock Unit Agreement under the Sabre Corporation 2016 Omnibus Incentive Compensation Plan (incorporated by reference to Exhibit 10.71 of Sabre's Quarterly Report on Form 10-Q filed with the Securities and Exchange Commission on May 1, 2019).
10.67+	Form of Non-Employee Director Restricted Stock Unit Annual Grant Agreement under the Sabre Corporation 2016 Omnibus Incentive Compensation Plan (incorporated by reference to Exhibit 10.72 of Sabre's Quarterly Report on Form 10-Q filed with the Securities and Exchange Commission on May 1, 2019).
10.68+	Sabre Corporation 2019 Omnibus Incentive Compensation Plan (incorporated by reference to Exhibit 10.1 of Sabre Corporation's Current Report on Form 8-K filed with the Securities and Exchange Commission on April 24, 2019).
10.69+	Sabre Corporation 2019 Director Equity Compensation Plan (incorporated by reference to Exhibit 10.2 of Sabre Corporation's Current Report on Form 8-K filed with the Securities and Exchange Commission on April 24, 2019).
10.70+	Form of Executive Stock Option Grant Agreement under the Sabre Corporation 2019 Omnibus Incentive Compensation Plan (incorporated by reference to Exhibit 10.75 of Sabre's Quarterly Report on Form 10-Q filed with the Securities and Exchange Commission on August 1, 2019).
10.71+	Form of Restricted Stock Unit Grant Agreement under the Sabre Corporation 2019 Omnibus Incentive Compensation Plan (incorporated by reference to Exhibit 10.76 of Sabre's Quarterly Report on Form 10-Q filed with the Securities and Exchange Commission on August 1, 2019).
10.72+	Form of Non-Employee Director Restricted Stock Unit Grant Agreement under the Sabre Corporation 2019 Director Equity Compensation Plan. incorporated by reference to Exhibit 10.77 of Sabre's Quarterly Report on Form 10-Q filed with the Securities and Exchange Commission on August 1, 2019).
10.73	Payment and Termination Agreement, dated December 18, 2019 by and between Sabre Corporation and Sovereign Manager Co-Invest, LLC.

Exhibit Number	Description of Exhibits
10.74+	Form of Award Agreement for Long-Term Cash Program under the Sabre Corporation 2019 Omnibus Incentive Compensation Plan (incorporated by reference to Exhibit 10.01 of Sabre's Current Report on Form 8-K filed with the Securities and Exchange Commission on March 6, 2020).
10.75	Indenture, dated as of April 17, 2020, among Sabre GLBL Inc., each of the guarantors party thereto and Wells Fargo Bank, National Association, as trustee and collateral agent (incorporated by reference to Exhibit 4.1 of Sabre's Current Report on Form 8-K filed with the Securities and Exchange Commission on April 17, 2020).
10.76	Form of 9.250% Senior Secured Notes due 2025 (incorporated by reference to Exhibit 4.1 of Sabre's Current Report on Form 8-K filed with the Securities and Exchange Commission on April 17, 2020).
10.77	Indenture, dated as of April 17, 2020, among Sabre GLBL Inc., Sabre Corporation, Sabre Holdings Corporation and Wells Fargo Bank, National Association as trustee (incorporated by reference to Exhibit 4.3 of Sabre's Current Report on Form 8-K filed with the Securities and Exchange Commission on April 17, 2020).
10.78	Form of 4.000% Exchangeable Senior Notes due 2025 (incorporated by reference to Exhibit 4.3 of Sabre's Current Report on Form 8-K filed with the Securities and Exchange Commission on April 17, 2020).
10.79	Pledge and Security Agreement, dated April 17, 2020, among Sabre GLBL, Inc., Sabre Holdings Corporation, the subsidiary guarantor party thereto and Wells Fargo Bank, National Association, as collateral agent ((incorporated by reference to Exhibit 10.1 of Sabre's Current Report on Form 8-K filed with the Securities and Exchange Commission on April 17, 2020).
10.80+	Form of Non-Employee Director Restricted Stock Unit Grant Agreement under the Sabre Corporation 2019 Director Equity Compensation Plan (incorporated by reference to Exhibit 10.80 of Sabre's Quarterly Report on Form 10-Q filed with the Securities and Exchange Commission on May 8, 2020).
10.81+	Form of Executive Officer Stock Option Grant Agreement under the Sabre Corporation 2019 Omnibus Incentive Compensation Plan (incorporated by reference to Exhibit 10.81 of Sabre's Quarterly Report on Form 10-Q filed with the Securities and Exchange Commission on May 8, 2020).
10.82+	Form of Restricted Stock Unit Grant Agreement under the Sabre Corporation 2019 Omnibus Incentive Compensation Plan (incorporated by reference to Exhibit 10.82 of Sabre's Quarterly Report on Form 10-Q filed with the Securities and Exchange Commission on May 8, 2020).
10.83+	Form of Executive Officer Restricted Stock Unit Grant Agreement under the Sabre Corporation 2019 Omnibus Incentive Compensation Plan (incorporated by reference to Exhibit 10.83 of Sabre's Quarterly Report on Form 10-Q filed with the Securities and Exchange Commission on May 8, 2020).
10.84+	Form of Executive Restricted Stock Unit Grant Agreement under the Sabre Corporation 2019 Omnibus Incentive Compensation Plan (incorporated by reference to Exhibit 10.84 of Sabre's Quarterly Report on Form 10-Q filed with the Securities and Exchange Commission on August 7, 2020).
10.85+	Form of Executive Officer Stock Option Grant Agreement under the Sabre Corporation 2019 Omnibus Incentive Compensation Plan (incorporated by reference to Exhibit 10.85 of Sabre's Quarterly Report on Form 10-Q filed with the Securities and Exchange Commission on August 7, 2020).
10.86+	Form of Executive Officer Restricted Stock Unit Grant Agreement under the Sabre Corporation 2019 Omnibus Incentive Compensation Plan (incorporated by reference to Exhibit 10.86 of Sabre's Quarterly Report on Form 10-Q filed with the Securities and Exchange Commission on August 7, 2020).
10.87+	Form of Executive Officer Restricted Stock Unit Grant Agreement under the Sabre Corporation 2019 Omnibus Incentive Compensation Plan (incorporated by reference to Exhibit 10.87 of Sabre's Quarterly Report on Form 10-Q filed with the Securities and Exchange Commission on August 7, 2020).
10.88+	Form of Restricted Stock Unit Grant Agreement under the Sabre Corporation 2019 Omnibus Incentive Compensation Plan (incorporated by reference to Exhibit 10.88 of Sabre's Quarterly Report on Form 10-Q filed with the Securities and Exchange Commission on August 7, 2020).
10.89+	Form of Executive Officer Restricted Stock Unit Grant Agreement under the Sabre Corporation 2019 Omnibus Incentive Compensation Plan (incorporated by reference to Exhibit 10.89 of Sabre's Quarterly Report on Form 10-Q filed with the Securities and Exchange Commission on August 7, 2020).
10.90+	Form of Non-Employee Director Restricted Stock Unit Grant Agreement (Initial Grant) under the Sabre Corporation 2019 Director Equity Compensation Plan (incorporated by reference to Exhibit 10.90 of Sabre's Quarterly Report on Form 10-Q filed with the Securities and Exchange Commission on August 7, 2020).
10.91+	Letter Agreement by and between Sabre Corporation and Roshan Mendis, dated June 2, 2020 (incorporated by reference to Exhibit 10.91 of Sabre's Quarterly Report on Form 10-Q filed with the Securities and Exchange Commission on August 7, 2020).
10.92+	Letter Agreement by and between Sabre Corporation and David D. Moore, dated June 3, 2020 (incorporated by reference to Exhibit 10.92 of Sabre's Quarterly Report on Form 10-Q filed with the Securities and Exchange Commission on August 7, 2020).
10.93	Indenture, dated as of August 27, 2020, among Sabre GLBL Inc., each of the guarantors party thereto and Wells Fargo Bank, National Association, as trustee and collateral agent (incorporated by reference to Exhibit 4.1 of Sabre's Current Report on Form 8-K filed with the Securities and Exchange Commission on August 27, 2020).
10.94	Form of 7.375% Senior Secured Notes due 2025 (incorporated by reference to Exhibit 4.1 of Sabre's Current Report on Form 8-K filed with the Securities and Exchange Commission on August 27, 2020).

Exhibit Number	Description of Exhibits
10.95	Pledge and Security Agreement, dated as of August 27, 2020, among Sabre GLBL Inc., Sabre Holdings Corporation, the subsidiary guarantors party thereto and Wells Fargo Bank, National Association, as collateral agent. (incorporated by reference to Exhibit 10.1 of Sabre's Current Report on Form 8-K filed with the Securities and Exchange Commission on August 27, 2020).
10.96+	Letter Agreement between Sabre Corporation and Shawn Williams dated July 15, 2020 (incorporated by reference to Exhibit 10.94 of Sabre's Quarterly Report on Form 10-Q filed with the Securities and Exchange Commission on November 6, 2020).
10.97+	Letter Agreement between Sabre Corporation and Scott Wilson, dated July 30, 2020 (incorporated by reference to Exhibit 10.95 of Sabre's Quarterly Report on Form 10-Q filed with the Securities and Exchange Commission on November 6, 2020).
10.98	Amendment Number 3, dated as of August 1, 2020 to that certain Master Services Agreement dated as of November 1, 2015 by and between DXC Technology Services LLC (successor in interest to HP Enterprises, LLC) and Sabre GLBL (incorporated by reference to Exhibit 10.96 of Sabre's Quarterly Report on Form 10-Q filed with the Securities and Exchange Commission on November 6, 2020).**
10.99	Indenture, dated as of August 27, 2020, among Sabre GLBL Inc. each of the guarantors party thereto and Wells Fargo Bank National Association, as trustee and collateral agent incorporated by reference to Exhibit 10.97 of Sabre's Quarterly Report on Form 10-Q filed with the Securities and Exchange Commission on November 6, 2020).
10.100	Form of 7.375% Senior Secured Notes due 2025 (incorporated by reference to Exhibit 10.97 of Sabre's Quarterly Report on Form 10-Q filed with the Securities and Exchange Commission on November 6, 2020).
10.101	Amendment No. 3 to Amended and Restated Credit Agreement, dated December 17, 2020, among Sabre GLBL Inc., as Borrower, Sabre Holdings Corporation, as Holdings, the Lenders party thereto and Bank of America, N.A., as Administrative Agent (incorporated by reference to Exhibit 10.1 of Sabre's Current Report on Form 8-K filed with the Securities and Exchange Commission on December 17, 2020).
10.102	Sixth Term A Loan Refinancing and Incremental Amendment to Amended and Restated Credit Agreement, dated December 17, 2020, among Sabre GLBL Inc., as Borrower, Sabre Holdings Corporation, as Holdings, each of the other Loan Parties party thereto, Bank of America, N.A., as Administrative Agent, Bank of America, N.A., as the 2020 Other Term B Lender and Bank of America, N.A., as the 2020 Incremental Term Lender (incorporated by reference to Exhibit 10.2 of Sabre's Current Report on Form 8-K filed with the Securities and Exchange Commission on December 17, 2020).
10.103*	Amended and Restated Master Services Agreement entered into as of August 1, 2020 by and between Sabre GLBL Inc. and DXC Technology Services LLC.**
10.104*	Amended and Restated Service Agreement No. 1 effective as of August 1, 2020 by and between Sabre GLBL Inc. and DXC Technology Services LLC.**
21.1*	List of Subsidiaries
23.1*	Consent of Ernst & Young LLP
24.1*	Powers of Attorney (included on signature page)
31.1*	Certification of Chief Executive Officer pursuant to Section 302 of the Sarbanes-Oxley Act of 2002
31.2*	Certification of Chief Financial Officer pursuant to Section 302 of the Sarbanes-Oxley Act of 2002
32.1*	Certification of Chief Executive Officer pursuant to Section 906 of the Sarbanes-Oxley Act of 2002
32.2*	Certification of Chief Financial Officer pursuant to Section 906 of the Sarbanes-Oxley Act of 2002
101.INS*	Inline XBRL Instance Document - the instance document does not appear in the Interactive Data File because its XBRL tags are embedded within the Inline XBRL document.
101.SCH*	Inline XBRL Taxonomy Extension Schema
101.CAL*	Inline XBRL Taxonomy Extension Calculation Linkbase
101.DEF*	Inline XBRL Taxonomy Extension Definition Linkbase
101.LAB*	Inline XBRL Taxonomy Extension Label Linkbase
101.PRE*	Inline XBRL Taxonomy Extension Presentation Linkbase
104*	Cover Page Interactive Data File - the cover page interactive data file does not appear in the Interactive Data File because its XBRL tags are embedded within the Inline XBRL document.

+ Indicates management contract or compensatory plan or arrangement.

† Confidential treatment has been granted to portions of this exhibit by the Securities and Exchange Commission.

* Filed herewith.

** Certain confidential portions of this exhibit have been redacted pursuant to Item 601(b)(10)(iv) of Regulation S-K. The omitted information is (i) not material and (ii) would likely cause us competitive harm if publicly disclosed. We agree to furnish supplementally an unredacted copy of the exhibit to the Securities and Exchange Commission on its request.

ITEM 16. FORM 10-K SUMMARY

Not applicable.

SIGNATURES

Pursuant to the requirements of Section 13 or 15(d) of the Securities Exchange Act of 1934, the registrant has duly caused this report to be signed on its behalf by the undersigned, thereunto duly authorized.

SABRE CORPORATION

Date: February 25, 2021

By: /s/ Douglas E. Barnett
Douglas E. Barnett
Executive Vice President and
Chief Financial Officer

KNOW ALL MEN BY THESE PRESENTS, that each individual whose signature appears below constitutes and appoints Sean Menke, Douglas E. Barnett, and Aimee Williams-Ramey, and each of them, his or her true and lawful attorney-in-fact and agent, with full power of substitution, for him or her and in his or her name, place and stead, in any and all capacities, to execute any or all amendments to this Annual Report on Form 10-K and to file the same, with all exhibits thereto, and all documents in connection therewith, with the Securities and Exchange Commission, granting unto said attorney-in-fact and agent, and each of them, full power and authority to do and perform each and every act and thing requisite and necessary to be done in and about the premises, as fully to all intents and purposes as he or she might or could do in person, hereby ratifying and confirming all that said attorney-in-fact and agents or any of them, or his or her substitute or substitutes, may lawfully do or cause to be done by virtue hereof.

Pursuant to the requirements of the Securities Exchange Act of 1934, this report has been signed below by the following persons on behalf of the registrant and in the capacities and on the dates indicated.

/s/ Sean Menke Sean Menke	President and Chief Executive Officer and Director (Principal Executive Officer)	February 25, 2021
/s/ Douglas E. Barnett Douglas E. Barnett	Executive Vice President and Chief Financial Officer (Principal Financial Officer)	February 25, 2021
/s/ Jami B. Kindle Jami B. Kindle	Senior Vice President - Finance and Controlling (Principal Accounting Officer)	February 25, 2021
/s/ Karl Peterson Karl Peterson	Chairman of the Board and Director	February 25, 2021
/s/ George Bravante, Jr. George Bravante, Jr.	Director	February 25, 2021
/s/ Hervé Couturier Hervé Couturier	Director	February 25, 2021
/s/ Renée James Renée James	Director	February 25, 2021
/s/ Gary Kusin Gary Kusin	Director	February 25, 2021
/s/ Gail Mandel Gail Mandel	Director	February 25, 2021
/s/ Judy Odom Judy Odom	Director	February 25, 2021
/s/ Joseph Osnoss Joseph Osnoss	Director	February 25, 2021
/s/ Zane Rowe Zane Rowe	Director	February 25, 2021
/s/ Gregg Saretsky Gregg Saretsky	Director	February 25, 2021
/s/ John Scott John Scott	Director	February 25, 2021
/s/ John Siciliano John Siciliano	Director	February 25, 2021

SABRE CORPORATION
SCHEDULE II — VALUATION AND QUALIFYING ACCOUNTS
DECEMBER 31, 2020, 2019 AND 2018
(In millions)

	Balance at Beginning	Charged to Expense or Other Accounts	Write-offs and Other Adjustments	Balance at End of Period
Allowance for Credit Losses				
Year Ended December 31, 2020	$ 57.7	$ 65.7	$ (25.8)	$ 97.6
Year ended December 31, 2019	$ 45.3	$ 20.6	$ (8.2)	$ 57.7
Year ended December 31, 2018	$ 43.0	$ 7.7	$ (5.4)	$ 45.3
Valuation Allowance for Deferred Tax Assets				
Year Ended December 31, 2020	$ 38.3	$ 201.6	$ 11.4	$ 251.3
Year ended December 31, 2019	$ 59.3	$ —	$ (21.0)	$ 38.3
Year ended December 31, 2018	$ 59.0	$ 4.7	$ (4.4)	$ 59.3

Exhibit 4.6

DESCRIPTION OF SABRE CORPORATION'S SECURITIES REGISTERED

PURSUANT TO SECTION 12 OF THE SECURITIES EXCHANGE ACT OF 1934

As of December 31, 2020, Sabre Corporation (the "Company," "we," "our" or "us") has two classes of securities registered under Section 12 of the Securities Exchange Act of 1934, as amended (the "Exchange Act"): (1) our common stock, par value $0.01 per share (the "common stock") and (2) our 6.50% Series A Mandatory Convertible Preferred Stock, par value $0.01 per share.

The Company is authorized to issue up to 1,000,000,000 shares of common stock, par value $0.01 per share, and 225,000,000 shares of preferred stock, par value $0.01 per share.

This description may not contain all of the information that is important to you. To understand them fully, you should read our fourth amended and restated certificate of incorporation (the "Certificate of Incorporation") and fifth amended and restated bylaws (the "Bylaws"), copies of which are filed as exhibits to our Annual Report on Form 10-K, the certificate of designations, which is filed as an exhibit to our Current Report on Form 8-K filed on August 24, 2020, as well as the relevant portions of the Delaware General Corporation Law, as amended ("DGCL").

Description of Common Stock

Generally

Our Certificate of Incorporation authorizes the issuance of up to 1 billion shares of common stock, par value $0.01. None of our outstanding common stock has been designated as non-voting.

Voting Rights

Holders of common stock are entitled to one vote for each share held on all matters submitted to a vote of stockholders and do not have cumulative voting rights. Accordingly, holders of a majority of the shares of common stock entitled to vote in any election of directors may elect all of the directors standing for election. Except for the election of directors, if a quorum is present, an action on a matter is approved if the votes cast favoring the action or matter exceed the votes cast against the action or matter, unless the vote of a greater number is required by applicable law, the DGCL, our Certificate of Incorporation or our Bylaws. The election of directors in an uncontested election will be determined by a majority of the votes cast with respect to that director's election, requiring the number of votes cast "for" a director's election to exceed the number of votes cast "against" that director. The rights, preferences and privileges of holders of common stock are subject to, and may be impacted by, the rights of the holders of shares of any series of preferred stock that we may designate and issue in the future.

Dividends

Holders of our common stock are entitled to receive ratably those dividends, if any, as may be declared by the board of directors out of legally available funds.

Liquidation, Dissolution, and Winding Up

Upon our liquidation, dissolution or winding up, the holders of our common stock will be entitled to share ratably in the net assets legally available for distribution to stockholders after the payment of all of our debts and other liabilities.

Preemptive Rights

Holders of our common stock have no preemptive or conversion rights or other subscription rights, and there are no redemption or sinking funds provisions applicable to our common stock.

Transfer Agent and Registrar

American Stock Transfer & Trust Company, LLC is the transfer agent and registrar for our common stock.

Exchange

Our common stock is listed on The NASDAQ Stock Market under the symbol “SABR.”

Assessment

All outstanding shares of our common stock are fully paid and nonassessable.

Description of Preferred Stock

Generally

Our certificate of incorporation authorizes us to issue up to 225,000,000 shares of preferred stock, $0.01 par value per share, in one or more series, and authorizes our board of directors to designate the preferences, rights and other terms of each series. As of the date of December 31, 2020, 3,340,000 shares of preferred stock were outstanding.

Subject to applicable law, we or our subsidiaries may directly or indirectly repurchase or otherwise acquire mandatory convertible preferred stock in the open market or otherwise, including through private or public tender or exchange offers, cash-settled swaps or other cash-settled derivatives, without the consent of, or notice to, holders. The certificate of designation requires us to promptly deliver to the transfer agent for cancellation all mandatory convertible preferred stock that we or our subsidiaries have purchased or otherwise acquired.

Transfer Agent, Registrar, Conversion Agent and Dividend Disbursing Agent

American Stock Transfer & Trust Company, LLC is the transfer agent, registrar, conversion agent and dividend disbursing agent for the mandatory convertible preferred stock. We may change the transfer agent, registrar, dividend disbursing agent and conversion agent, and we or any of our subsidiaries may choose to act as registrar, dividend disbursing agent or conversion agent as well, without prior notice to the preferred stockholders.

Registered Holders

Absent manifest error, a person in whose name any share of mandatory convertible preferred stock is registered on the registrar's books will be considered to be the holder of that share for all purposes, and only registered holders (which, in the case of mandatory convertible preferred stock held through DTC, will initially be DTC's nominee, Cede & Co.) will have rights under our certificate of incorporation and certificate of designations as holders of the mandatory convertible preferred stock. In this section, we refer to the registered holders of the mandatory convertible preferred stock as "holders" of the mandatory convertible preferred stock or "preferred stockholders."

The mandatory convertible preferred stock will initially be issued in global form, represented by one or more "global certificates" registered in the name of Cede & Co., as nominee of DTC, and DTC will act as the initial depositary for the mandatory convertible preferred stock. In limited circumstances, global certificates will be exchanged for "physical certificates" registered in the name of the applicable preferred stockholders. See "—Book Entry, Settlement and Clearance" for a definition of these terms and a description of certain DTC procedures that will be applicable to mandatory convertible preferred stock represented by global certificates.

Transfers and Exchanges

A preferred stockholder may transfer or exchange its mandatory convertible preferred stock at the office of the registrar in accordance with the terms of the certificate of designation. We, the transfer agent and the registrar may require the preferred stockholder to, among other things, deliver appropriate endorsements or transfer instruments as we or they may reasonably require. In addition, subject to the terms of the certificate of designations, we, the transfer agent and the registrar may refuse to register the transfer or exchange of any share of mandatory convertible preferred stock that is subject to conversion.

Listing

Our mandatory convertible preferred stock is listed on The Nasdaq Global Select Market under the symbol "SABRP." A liquid trading market for the mandatory convertible preferred stock may not develop, and the listing may be subsequently withdrawn. Accordingly, you may not be able to sell your mandatory convertible preferred stock at the times you wish to or at favorable prices, if at all.

Payments on the Mandatory Convertible Preferred Stock

We will pay (or cause the dividend disbursing agent to pay) all declared cash dividends or other cash amounts due on any mandatory convertible preferred stock represented by a global certificate by wire transfer of immediately available funds or otherwise in accordance with the applicable procedures of the depositary. We will pay (or cause the dividend disbursing agent to pay) all declared cash dividends or other cash amounts due on any mandatory convertible preferred stock represented by a physical certificate as follows:

- if the aggregate "liquidation preference" (as defined below under the caption "—Definitions") of the mandatory convertible preferred stock represented by such physical certificate is at least $5.0 million (or such lower amount as we may choose in our sole and absolute discretion) and the holder of such mandatory convertible preferred stock entitled to such cash dividend or amount has delivered to the dividend disbursing agent, no later than the time set forth below, a written request to receive payment by wire transfer to an account of such holder within the United States, by wire transfer of immediately available funds to such account; and
- in all other cases, by check mailed to the address of such holder set forth in the register for the mandatory convertible preferred stock.

To be timely, a written request referred to in the first bullet point above must be delivered no later than the "close of business" (as defined below under the caption "—Definitions") on the following date: (i) with respect to the payment of any declared cash dividend due on a dividend payment date for the mandatory convertible preferred stock, the immediately preceding regular record date; and (ii) with respect to any other payment, the date that is 15 calendar days immediately before the date such payment is due.

If the due date for a payment on any mandatory convertible preferred stock is not a "business day" (as defined below under the caption "—Definitions"), then such payment may be made on the immediately following business day and no interest, dividend or other amount will accrue or accumulate on such payment as a result of the related delay. Solely for purposes of the immediately preceding sentence, a day on which the applicable place of payment is authorized or required by law or executive order to close or be closed will be deemed not to be a "business day."

Ranking

The mandatory convertible preferred stock will rank as follows:

- senior to (i) "dividend junior stock" (as defined below under the caption "—Definitions") with respect to the payment of dividends; and (ii) "liquidation junior stock" (as defined below under the caption "—Definitions") with respect to the distribution of assets upon our liquidation, dissolution or winding up;
- equally with (i) "dividend parity stock" (as defined below under the caption "—Definitions") with respect to the payment of dividends; and (ii) "liquidation parity

stock" (as defined below under the caption "—Definitions") with respect to the distribution of assets upon our liquidation, dissolution or winding up;
- junior to (i) "dividend senior stock" (as defined below under the caption "—Definitions") with respect to the payment of dividends; and (ii) "liquidation senior stock" (as defined below under the caption "—Definitions") with respect to the distribution of assets upon our liquidation, dissolution or winding up;
- junior to our existing and future indebtedness; and
- structurally junior to all existing and future indebtedness and other liabilities, including trade payables, and (to the extent we are not a holder thereof) capital stock of our subsidiaries.

Dividends

Generally

The mandatory convertible preferred stock will accumulate cumulative dividends at a rate per annum equal to 6.50% (such rate per annum, the "stated dividend rate") on the liquidation preference thereof, regardless of whether or not declared or funds are legally available for their payment. Subject to the other provisions described below, such dividends will be payable when, as and if declared by our "board of directors" (as defined below under the caption "—Definitions"), out of funds legally available for their payment to the extent paid in cash, quarterly in arrears on each "dividend payment date" (as defined below under the caption "—Definitions") to the preferred stockholders of record as of the close of business on the "regular record date" (as defined below under the caption "—Definitions") immediately preceding the applicable dividend payment date. Dividends on the mandatory convertible preferred stock will accumulate from, and including, the last date to which dividends have been paid (or, if no dividends have been paid, from, and including, the initial issue date) to, but excluding, the next dividend payment date, and dividends will cease to accumulate from and after September 1, 2023. No interest, dividend or other amount will accrue or accumulate on any dividend on the mandatory convertible preferred stock that is not declared or paid on the applicable dividend payment date.

Accumulated dividends will be computed on the basis of a 360-day year comprised of twelve 30-day months. The first scheduled dividend of $1.7514 per share of mandatory convertible preferred stock was paid on December 1, 2020. Each subsequent scheduled quarterly dividend, if declared in full for payment in cash, will be $1.625 per share.

Declared dividends on the mandatory convertible preferred stock will be payable, at our election, in cash, shares of our common stock or a combination of cash and shares of our common stock, in the manner, and subject to the provisions, described below under the caption "—Method of Payment." References in this "Description of Mandatory Convertible Preferred Stock" section to dividends "paid" on the mandatory convertible preferred stock, and any other similar language, will be deemed to include dividends paid thereon in shares of common stock in compliance with the provisions described in this "—Dividends" section.

Each payment of declared dividends on the mandatory convertible preferred stock will be applied to the earliest "dividend period" (as defined below under the caption "—Definitions") for which dividends have not yet been paid.

Method of Payment

Generally

Each declared dividend on the mandatory convertible preferred stock will be paid in cash unless we elect, by providing written notice to each preferred stockholder no later than the 10th "scheduled trading day" (as defined below under the caption "—Definitions") before the applicable dividend payment date, to pay all or any portion of such dividend in shares of our common stock. Such written notice must state the total dollar amount of the declared dividend per share of mandatory convertible preferred stock and the respective dollar portions thereof that will be paid in cash and in shares of our common stock. Any such election made in such written notice, once sent, will be irrevocable and will apply to all shares of mandatory convertible preferred stock then outstanding.

Dividends Paid Partially or Entirely in Shares of Common Stock

The number of shares of common stock payable in respect of any dollar amount of a declared dividend that we have duly elected to pay in shares of common stock will be (x) such dollar amount, *divided by* (y) the "dividend stock price" (as defined below under the caption "—Definitions") for such dividend. However, in no event will the total number of shares of common stock issuable per share of mandatory convertible preferred stock as payment for a declared dividend exceed an amount equal to (x) the total dollar amount of such declared dividend per share of mandatory convertible preferred stock (including, for the avoidance of doubt, the portion thereof that we have not elected to pay in shares of common stock), *divided by* (y) the "floor price" (as defined below under the caption "—Definitions") in effect on the last "VWAP trading day" (as defined below under the caption "—Definitions") of the related "dividend stock price observation period" (as defined below under the caption "—Definitions"). If the dollar amount of such declared dividend per share of mandatory convertible preferred stock that we have duly elected to pay in shares of common stock exceeds the product of such dividend stock price and the number of shares of common stock delivered per share of mandatory convertible preferred stock in respect of such dividend, then we will, to the extent we are legally able to do so and permitted under the terms of our indebtedness for borrowed money, declare and pay, on the relevant Dividend Payment Date, such excess amount in cash pro rata on all shares of mandatory convertible preferred stock then outstanding.

The initial floor price is $2.45 per share of common stock. The floor price will be subject to adjustment, as provided in its definition, whenever the "boundary conversion rates" (as defined below under the caption "—Definitions") are adjusted pursuant to the provisions described below under the caption "—Conversion Provisions of the Mandatory Convertible Preferred Stock—Boundary Conversion Rate Adjustments."

Payment of Cash in Lieu of any Fractional Share of Common Stock

Notwithstanding anything to the contrary in the provisions described above, in lieu of delivering any fractional share of common stock otherwise issuable as payment for all or any portion of a declared dividend that we have duly elected to pay in shares of common stock, we will, to the extent we are legally able to do so and permitted under the terms of our indebtedness for borrowed money, pay cash based on the "daily VWAP" (as defined below under the caption "—Definitions") per share of our common stock on the last VWAP trading day of the relevant dividend stock price observation period.

When Preferred Stockholders Become Stockholders of Record of Shares of Common Stock Issued as Payment for a Declared Dividend

If we have duly elected to pay all or any portion of a declared dividend on any share of mandatory convertible preferred stock in shares of common stock, then such shares of common stock, when issued, will be registered in the name of the holder of such share of mandatory convertible preferred stock as of the close of business on the related regular record date, and such holder will be deemed to become the holder of record of such shares of common stock as of the close of business on the last VWAP trading day of the related dividend stock price observation period.

Settlement Delayed if Necessary to Calculate the Dividend Stock Price

If we have duly elected to pay all or any portion of a declared dividend in shares of common stock and the last VWAP trading day of the related dividend stock price observation period occurs on or after the related dividend payment date, then the payment of such declared dividend will be made on the business day immediately after such last VWAP trading day and no interest, dividend or other amount will accrue or accumulate as a result of the related delay.

Securities Laws Matters

If, in our reasonable judgment, the issuance of shares of common stock as payment for any declared dividend on the mandatory convertible preferred stock, or the resale of those shares by preferred stockholders or beneficial owners that are not, and have not at any time during the preceding three months been, an affiliate of ours for purposes of the Securities Act, requires registration under the Securities Act, then we will use our commercially reasonable efforts to:

- file and cause there to become effective under the Securities Act a registration statement covering such issuance or covering such resales from time to time, pursuant to Rule 415 under the Securities Act, by such preferred stockholders or beneficial owners, as applicable; and
- keep such registration statement effective under the Securities Act until all such shares are resold pursuant to such registration statement or are, or would be, eligible for resale without restriction, pursuant to Rule 144 under the Securities Act (or any successor rule), by preferred stockholders that are not, and have not at any time during the preceding three months been, an affiliate of ours.

In addition, we will use our commercially reasonable efforts to qualify or register such shares under applicable U.S. state securities laws, to the extent required in our reasonable judgment.

Treatment of Dividends Upon Conversion

If the "conversion date" (as defined below under the caption "—Definitions") of any share of mandatory convertible preferred stock is after a regular record date for a declared dividend on the mandatory convertible preferred stock and on or before the next dividend payment date, then the holder of such share at the close of business on such regular record date will be entitled, notwithstanding such conversion, to receive, on or, at our election, before such dividend payment date, such declared dividend on such share.

Except as described in the preceding paragraph or below under the captions "—Conversion Provisions of the Mandatory Convertible Preferred Stock—Mandatory Conversion—Unpaid Accumulated Dividend Amount," "—Early Conversion at the Option of the Preferred Stockholders—Unpaid Accumulated Dividend Amount" and "—Conversion During a Make-Whole Fundamental Change Conversion Period—Unpaid Accumulated Dividend Amount and Future Dividend Present Value Amount, dividends on any share of mandatory convertible preferred stock will cease to accumulate from and after the conversion date for such share.

Limitations on Our Ability to Pay Dividends

We may not have sufficient cash to pay dividends on the mandatory convertible preferred stock. In addition, applicable law (including the Delaware General Corporations Law), regulatory authorities and the agreements governing our indebtedness may restrict our ability to pay dividends on the mandatory convertible preferred. Similarly, statutory, contractual or other restrictions may limit our subsidiaries' ability to pay dividends or make distributions, loans or advances to us to enable us to pay cash dividends on the mandatory convertible preferred stock. See "Risk Factors—Risks Relating to the Mandatory Convertible Preferred Stock—We conduct a significant amount of our operations through our subsidiaries and will rely significantly on our subsidiaries to pay cash dividends on the mandatory convertible preferred stock" and "—We may not have sufficient funds to pay, or may choose not to pay, dividends on the mandatory convertible preferred stock. In addition, regulatory and contractual restrictions may prevent us from declaring or paying dividends."

Priority of Dividends; Limitation on Junior Payments; No Participation Rights

Except as described below under "—Limitation on Dividends on Parity Stock" and "—Limitation on Junior Payments," the certificate of designations will not prohibit or restrict us or our board of directors from declaring or paying any dividend or distribution (whether in cash, securities or other property, or any combination of the foregoing) on any class or series of our stock, and, unless such dividend or distribution is declared on the mandatory convertible preferred stock, the mandatory convertible preferred stock will not be entitled to participate in such dividend or distribution.

For purposes of the following two paragraphs, a dividend on the mandatory convertible preferred stock will be deemed to have been paid if such dividend is declared and consideration in kind and amount that is sufficient, in accordance with the certificate of designations, to pay such dividend is set aside for the benefit of the preferred stockholders entitled thereto.

Limitation on Dividends on Parity Stock

If:

- less than all accumulated and unpaid dividends on the outstanding mandatory convertible preferred stock have been declared and paid as of any dividend payment date; or
- our board of directors declares a dividend on the mandatory convertible preferred stock that is less than the total amount of unpaid dividends on the outstanding mandatory convertible preferred stock that would accumulate to, but excluding, the dividend payment date following such declaration,

then, until and unless all accumulated and unpaid dividends on the outstanding mandatory convertible preferred stock have been paid, no dividends may be declared or paid on any class or series of dividend parity stock unless dividends are simultaneously declared on the mandatory convertible preferred stock on a pro rata basis, such that (i) the ratio of (x) the dollar amount of dividends so declared per share of mandatory convertible preferred stock to (y) the dollar amount of the total accumulated and unpaid dividends per share of mandatory convertible preferred stock immediately before the payment of such dividend is no less than (ii) the ratio of (x) the dollar amount of dividends so declared or paid per share of such class or series of dividend parity stock to (y) the dollar amount of the total accumulated and unpaid dividends per share of such class or series of dividend parity stock immediately before the payment of such dividend (which dollar amount in this clause (y) will, if dividends on such class or series of dividend parity stock are not cumulative, be the full amount of dividends per share thereof in respect of the most recent dividend period thereof).

Limitation on Junior Payments

If any mandatory convertible preferred stock is outstanding, then no dividends or distributions (whether in cash, securities or other property, or any combination of the foregoing) will be declared or paid on any of our "junior stock" (as defined below under the caption "—Definitions"), and neither we nor any of our "subsidiaries" (as defined below under the caption "—Definitions") will purchase, redeem or otherwise acquire for value (whether in cash, securities or other property, or any combination of the foregoing) any of our junior stock, in each case unless all accumulated dividends on the mandatory convertible preferred stock then outstanding for all prior completed dividend periods, if any, have been paid in full. However, the restrictions described in the preceding sentence will not apply to the following:

- dividends and distributions on junior stock that are payable solely in shares of junior stock, together with cash in lieu of any fractional share;
- purchases, redemptions or other acquisitions of junior stock in connection with the administration of any benefit or other incentive plan of ours (including any

employment contract) in the ordinary course of business, including (x) the forfeiture of unvested shares of restricted stock, or any withholdings (including withholdings effected by a repurchase or similar transaction), or other surrender, of shares that would otherwise be deliverable upon exercise, delivery or vesting of equity awards under any such plan or contract, in each case whether for payment of applicable taxes or the exercise price, or otherwise; (y) cash paid in connection therewith in lieu of issuing any fractional share; and (z) purchases of junior stock pursuant to a publicly announced repurchase plan to offset the dilution resulting from issuances pursuant to any such plan or contract; *provided*, *however*, that repurchases pursuant to this clause (z) will be permitted pursuant to the exception described in this bullet point only to the extent that the number of shares of junior stock so repurchased does not exceed the related "number of incremental diluted shares" (as defined below under the caption "—Definitions");

- purchases, or other payments in lieu of the issuance, of any fractional share of junior stock in connection with the conversion, exercise or exchange of such junior stock or of any securities convertible into, or exercisable or exchangeable for, junior stock;
- (x) dividends and distributions of junior stock, or rights to acquire junior stock, pursuant to a stockholder rights plan; and (y) the redemption or repurchase of such rights pursuant to such stockholder rights plan;
- purchases of junior stock pursuant to a binding contract (including a stock repurchase plan) to make such purchases, if such contract was in effect before the initial issue date;
- the settlement of any convertible note hedge transactions or capped call transactions entered into in connection with the issuance, by us or any of our subsidiaries, of any debt securities that are convertible into, or exchangeable for, common stock (or into or for any combination of cash and common stock based on the value of the common stock); provided such convertible note hedge transactions or capped call transactions, as applicable, are on customary terms and were entered into in compliance with the provision described in the first sentence under this "—Limitation on Junior Payments" section;
- the acquisition, by us or any of our subsidiaries, of record ownership of any junior stock solely on behalf of persons (other than us or any of our subsidiaries) that are the beneficial owners thereof, including as trustee or custodian; and
- the exchange, conversion or reclassification of junior stock solely for or into other junior stock, together with the payment, in connection therewith, of cash in lieu of any fractional share.

For the avoidance of doubt, the provisions described in this "—Limitation on Junior Payments" section will not prohibit or restrict the payment or other acquisition for value of any debt securities that are convertible into, or exchangeable for, any junior stock.

Rights Upon Our Liquidation, Dissolution or Winding Up

If we liquidate, dissolve or wind up, whether voluntarily or involuntarily, then, subject to the rights of any of our creditors or holders of any outstanding liquidation senior stock, each share of mandatory convertible preferred stock will entitle the holder thereof to receive payment for the following amount out of our assets or funds legally available for distribution to our stockholders, before any such assets or funds are distributed to, or set aside for the benefit of, any liquidation junior stock:

- The liquidation preference per share of mandatory convertible preferred stock, which is equal to $100.00 per share; and
- all unpaid dividends that will have accumulated on such share to, but excluding, the date of such payment.

Upon payment of such amount in full on the outstanding mandatory convertible preferred stock, holders of the mandatory convertible preferred stock will have no rights to our remaining assets or funds, if any. If such assets or funds are insufficient to fully pay such amount on all outstanding shares of mandatory convertible preferred stock and the corresponding amounts payable in respect of all outstanding shares of liquidation parity stock, if any, then, subject to the rights of any of our creditors or holders of any outstanding liquidation senior stock, such assets or funds will be distributed ratably on the outstanding shares of mandatory convertible preferred stock and liquidation parity stock in proportion to the full respective distributions to which such shares would otherwise be entitled.

For purposes of the provisions described above in this "—Rights Upon Our Liquidation, Dissolution or Winding Up" section, our consolidation or combination with, or merger with or into, or the sale, lease or other transfer of all or substantially all of our assets (other than a sale, lease or other transfer in connection with our liquidation, dissolution or winding up) to, another person will not, in itself, constitute our liquidation, dissolution or winding up, even if, in connection therewith, the mandatory convertible preferred stock is converted into, or is exchanged for, or represents solely the right to receive, other securities, cash or other property, or any combination of the foregoing.

We may have no assets or funds available for payment on the mandatory convertible preferred stock upon our liquidation, dissolution or winding up. See "Risk Factors—Risks Relating to the Mandatory Convertible Preferred Stock—The mandatory convertible preferred stock will be junior to our existing and future indebtedness and will be structurally junior to the liabilities of our subsidiaries."

No Redemption at Our Option

We may not redeem the mandatory convertible preferred stock at our option.

Voting Rights

The mandatory convertible preferred stock will have no voting rights except as described below or as provided in our certificate of incorporation or required by the Delaware General Corporation Law.

Right to Designate Two Preferred Stock Directors Upon a Dividend Non-Payment Event

Generally

If a "dividend non-payment event" (as defined below under the caption "—Definitions") occurs, then, subject to the other provisions described below, the authorized number of our directors will automatically increase by two and the preferred stockholders, voting together as a single class with the holders of each class or series of voting parity stock, if any, will have the right to elect two directors to fill such two new directorships at our next annual meeting of stockholders (or, if earlier, at a special meeting of our stockholders called for such purpose) and at each following annual meeting of our stockholders until such dividend non-payment event has been cured, at which time such right will terminate with respect to the mandatory convertible preferred stock until and unless a subsequent dividend non-payment event occurs. However, as a condition to the election of any such director, whom we refer to as a "preferred stock director," such election must not cause us to violate any rule of any securities exchange or other trading facility on which any of our securities are then listed or qualified for trading requiring that a majority of our directors be independent. We refer to this condition as the "director qualification requirement." In addition, our board of directors will at no time include more than two preferred stock directors. Upon the termination of such right with respect to the mandatory convertible preferred stock and all other outstanding voting parity stock, if any, the term of office of each person then serving as a preferred stock director will immediately and automatically terminate and the authorized number of our directors will automatically decrease by two.

Each preferred stock director will hold office until our next annual meeting of stockholders or, if earlier, upon his or her death, resignation or removal or the termination of the term of such office as described above.

Removal and Vacancies of the Preferred Stock Directors

At any time, each preferred stock director may be removed either (i) with cause in accordance with applicable law; or (ii) with or without cause by the affirmative vote of the preferred stockholders, voting together as a single class with the holders of each class or series of voting parity stock, if any, with similar voting rights that are then exercisable, representing a majority of the combined voting power of the mandatory convertible preferred stock and such voting parity stock.

During the continuance of a dividend non-payment event, a vacancy in the office of any preferred stock director (other than vacancies before the initial election of the preferred stock directors in connection with such dividend non-payment event) may be filled, subject to the

director qualification requirement, by the remaining preferred stock director or, if there is no remaining preferred stock director or such vacancy resulted from the removal of a preferred stock director, by the affirmative vote of the preferred stockholders, voting together as a single class with the holders of each class or series of voting parity stock, if any, with similar voting rights that are then exercisable, representing a majority of the combined voting power of the mandatory convertible preferred stock and such voting parity stock.

The Right to Call A Special Meeting to Elect Preferred Stock Directors

During the continuance of a dividend non-payment event, the preferred stockholders, and holders of each class or series of voting parity stock, if any, with similar voting rights that are then exercisable, representing at least 25% of the combined voting power of the mandatory convertible preferred stock and such voting parity stock will have the right to call a special meeting of stockholders for the election of preferred stock directors (including an election to fill any vacancy in the office of any preferred stock director). Such right may be exercised by written notice, executed by such preferred stockholders and holders, as applicable, delivered to us at our principal executive offices (except that, in the case of any global certificate representing the mandatory convertible preferred stock or such voting parity stock, such notice must instead comply with the applicable "depositary procedures" (as defined below under the caption "—Definitions")). However, if our next annual or special meeting of stockholders is scheduled to occur within 90 days after such right is exercised, and we are otherwise permitted to conduct such election at such next annual or special meeting, then such election will instead be included in the agenda for, and conducted at, such next annual or special meeting.

Voting and Consent Rights with Respect to Specified Matters

Subject to the other provisions described below, while any mandatory convertible preferred stock is outstanding, each following event will require, and cannot be effected without, the affirmative vote or consent of preferred stockholders, and holders of each class or series of voting parity stock, if any, with similar voting or consent rights with respect to such event, representing at least two thirds of the combined outstanding voting power of the mandatory convertible preferred stock and such voting parity stock, if any:

(1) any amendment or modification of our certificate of incorporation to authorize or create, or to increase the authorized number of shares of, any class or series of dividend senior stock or liquidation senior stock;
(2) any amendment, modification or repeal of any provision of our certificate of incorporation or the certificate of designations that adversely affects the rights, preferences or voting powers of the mandatory convertible preferred stock (other than an amendment, modification or repeal permitted by the provisions described below under the caption "—Certain Amendments Permitted Without Consent"); or
(3) our consolidation or combination with, or merger with or into, another person, or any binding or statutory share exchange or reclassification involving the mandatory convertible preferred stock, in each case unless:
    a. the mandatory convertible preferred stock either (i) remains outstanding after such consolidation, combination, merger, share exchange or reclassification;

or (ii) is converted or reclassified into, or is exchanged for, or represents solely the right to receive, preference securities of the continuing, resulting or surviving person of such consolidation, combination, merger, share exchange or reclassification, or the parent thereof; and

b. the mandatory convertible preferred stock that remains outstanding or such preference securities, as applicable, have rights, preferences and voting powers that, taken as a whole, are not materially less favorable to the holders thereof than the rights, preferences and voting powers, taken as a whole, of the mandatory convertible preferred stock immediately before the consummation of such consolidation, combination, merger, share exchange or reclassification.

However, a consolidation, combination, merger, share exchange or reclassification that satisfies the requirements of clauses (a) and (b) of paragraph (3) above will not require any vote or consent pursuant to paragraph (1) or (2) above. In addition, each of the following will be deemed not to adversely affect the rights, preferences or voting powers of the mandatory convertible preferred stock (or cause any of the rights, preferences or voting powers of any such preference securities to be materially less favorable as described above) and will not require any vote or consent pursuant to any of the preceding clauses (1), (2) or (3):

- any increase in the number of the authorized but unissued shares of our undesignated preferred stock;
- any increase in the number of authorized or issued shares of mandatory convertible preferred stock;
- the creation and issuance, or increase in the authorized or issued number, of any class or series of stock that is neither dividend senior stock nor liquidation senior stock; and
- the application of the provisions described below under the caption "—Conversion Provisions of the Mandatory Convertible Preferred Stock—Effect of Common Stock Change Event," including the execution and delivery of any supplemental instruments described under such caption solely to give effect to such provisions.

If any event described in paragraphs (1), (2) or (3) above would adversely affect the rights, preferences or voting powers of one or more, but not all, classes or series of voting parity stock (which term, solely for these purposes, includes the mandatory convertible preferred stock), then those classes or series whose rights, preferences or voting powers would not be adversely affected will be deemed not to have voting or consent rights with respect to such event. Furthermore, an amendment, modification or repeal described in paragraph (2) above that adversely affects the special rights, preferences or voting powers of the mandatory convertible preferred stock cannot be effected without the affirmative vote or consent of preferred stockholders, voting separately as a class, of at least two thirds of the mandatory convertible preferred stock then outstanding.

Certain Amendments Permitted Without Consent

Notwithstanding anything to the contrary described in paragraph (2) above under the caption "—Voting and Consent Rights with Respect to Specified Matters," we may amend, modify or repeal any of the terms of the mandatory convertible preferred stock without the vote or consent of any preferred stockholder to:

- cure any ambiguity or correct any omission, defect or inconsistency in the certificate of designations or the certificates representing the mandatory convertible preferred stock, including the filing of a certificate of correction, or a corrected instrument, pursuant to Section 103(f) of the Delaware General Corporation Law in connection therewith;
- conform the provisions of the certificate of designations or the certificates representing the mandatory convertible preferred stock to this "Description of Mandatory Convertible Preferred Stock" section, as supplemented by the related pricing term sheet; or
- make any other change to our certificate of incorporation, the certificate of designations or the certificates representing the mandatory convertible preferred stock that does not, individually or in the aggregate with all other such changes, adversely affect the rights of any preferred stockholder (other than preferred stockholders that have consented to such change), as such, in any material respect.

Procedures for Voting and Consents

If any vote or consent of the preferred stockholders will be held or solicited, including at a regular annual meeting or a special meeting of stockholders, then our board of directors will adopt customary rules and procedures at its discretion to govern such vote or consent, subject to the other provisions described in this section. Such rules and procedures may include fixing a record date to determine the preferred stockholders (and, if applicable, holders of voting parity stock) that are entitled to vote or provide consent, as applicable, rules governing the solicitation and use of proxies or written consents and customary procedures for the nomination and designation, by preferred stockholders (and, if applicable, holders of voting parity stock), of preferred stock directors for election. Without limiting the foregoing, the persons calling any special meeting of stockholders pursuant to the provisions described above under "—Right to Designate Two Preferred Stock Directors Upon a Dividend Non-Payment Event—The Right to Call A Special Meeting to Elect Preferred Stock Directors" will, at their election, be entitled to specify one or more preferred stock director nominees in the notice referred to in such section, if such special meeting is scheduled to include the election of any preferred stock director (including an election to fill any vacancy in the office of any preferred stock director).

Each share of mandatory convertible preferred stock will be entitled to one vote on each matter on which the holders of the mandatory convertible preferred stock are entitled to vote separately as a class and not together with the holders of any other class or series of stock. The respective voting powers of the mandatory convertible preferred stock and all classes or series of voting parity stock entitled to vote on any matter together as a single class will be determined (including for purposes of determining whether a plurality, majority or other applicable portion

of votes has been obtained) in proportion to their respective liquidation amounts. Solely for these purposes, the liquidation amount of the mandatory convertible preferred stock or any such class or series of voting parity stock will be the maximum amount payable in respect of the mandatory convertible preferred stock or such class or series, as applicable, assuming we are liquidated on the record date for the applicable vote or consent (or, if there is no record date, on the date of such vote or consent).

At any meeting in which the mandatory convertible preferred stock (and, if applicable, any class or series of voting parity stock) is entitled to elect any preferred stock director (including to fill any vacancy in the office of any preferred stock director), the presence, in person or by proxy, of holders of mandatory convertible preferred stock (and, if applicable, holders of each such class or series) representing a majority of the outstanding voting power of the mandatory convertible preferred stock (and, if applicable, each such class or series) will constitute a quorum. The affirmative vote of a plurality of the outstanding voting power of the mandatory convertible preferred stock (and, if applicable, each such class or series) cast at such a meeting at which a quorum is present will be sufficient to elect the preferred stock director(s).

A consent or affirmative vote of the preferred stockholders pursuant to the provisions described above under the caption "—Voting and Consent Rights with Respect to Specified Matters" may be given or obtained either in writing without a meeting or in person or by proxy at a regular annual meeting or a special meeting of stockholders.

Conversion Provisions of the Mandatory Convertible Preferred Stock

Generally

The mandatory convertible preferred stock will be convertible into shares of our common stock (together, if applicable, with cash in lieu of any fractional share of common stock and, in certain circumstances, cash in payment for certain dividends on the mandatory convertible preferred stock) in the manner described below. In no event will any preferred stockholder be entitled to convert a number of shares of mandatory convertible preferred stock that is not a whole number.

Mandatory Conversion

Generally

Unless previously converted, each outstanding share of mandatory convertible preferred stock will automatically convert, for settlement on the "mandatory conversion settlement date" (as defined below under the caption "—Definitions"), at the "mandatory conversion rate" (as defined below under the caption "—Definitions"). We refer to such an automatic conversion as a "mandatory conversion." The mandatory conversion settlement date is scheduled to occur on September 1, 2023.

Calculation of the Mandatory Conversion Rate

The mandatory conversion rate will be determined based on the average of the daily VWAPs for each VWAP trading day in the "mandatory conversion observation period," which is the 20 consecutive VWAP trading days beginning on, and including, the 21st scheduled trading day immediately before September 1, 2023. We refer to this average as the "mandatory conversion stock price."

As more fully set forth in its definition, the mandatory conversion rate will generally be as follows:

Mandatory Conversion Stock Price		**Mandatory Conversion Rate**
Equal to or greater than the maximum conversion price	g	The minimum conversion rate
Less than the maximum conversion price, but greater than the minimum conversion price	g	An amount (rounded to the nearest fourth decimal place) equal to (x) $100.00, *divided by* (y) mandatory conversion stock price
Equal to or less than the minimum conversion price	g	The maximum conversion rate

Accordingly, the mandatory conversion rate will be no less than the "minimum conversion rate" and no more than the "maximum conversion rate" (each, as defined below under the caption "—Definitions"), which are initially 11.9048 and 14.2857 shares of common stock, respectively, per share of mandatory convertible preferred stock. Each of the minimum conversion rate and the maximum conversion rate, which we refer to collectively as the "boundary conversion rates," is subject to adjustment pursuant to the provisions described below under the caption "—Boundary Conversion Rate Adjustments."

The initial "minimum conversion price" and "maximum conversion price" (each, as defined below under the caption "—Definitions") are $7.00 and $8.40, respectively, and the initial maximum conversion price represents a premium of approximately 20% over the initial minimum conversion price. Each of the minimum conversion price and the maximum conversion price, which we refer to collectively as the "boundary conversion prices," will be subject to adjustment, as provided in their respective definitions, whenever the boundary conversion rates are adjusted pursuant to the provisions described below under the caption "—Boundary Conversion Rate Adjustments."

The table below presents the mandatory conversion rates that would apply for a series of hypothetical mandatory conversion stock prices, based on the initial boundary conversion rates. Also presented in the table below is the assumed conversion value per share of mandatory convertible preferred stock at each mandatory conversion rate, which is calculated as the product

of such mandatory conversion rate and the applicable mandatory conversion stock price. The table below is for illustrative purposes only, and the actual mandatory conversion stock price, mandatory conversion rate and conversion value will be determined at the end of the mandatory conversion observation period.

Hypothetical Mandatory Conversion Stock Price	Mandatory Conversion Rate	Assumed Conversion Value per Share of Mandatory Convertible Preferred Stock
$ 2.00	14.2857	$ 28.57
$ 4.00	14.2857	$ 57.14
$ 7.00	14.2857	$100.00
$ 7.50	13.3333	$100.00
$ 8.40	11.9048	$100.00
$10.00	11.9048	$119.05
$15.00	11.9048	$178.57
$20.00	11.9048	$238.10
$30.00	11.9048	$357.14
$40.00	11.9048	$476.19
$50.00	11.9048	$595.24
$60.00	11.9048	$714.29

As shown in the table above, the assumed conversion value per share of mandatory convertible preferred stock will (i) exceed the liquidation preference per share of mandatory convertible preferred stock if the mandatory conversion price exceeds the maximum conversion price; (ii) equal the liquidation preference per share of mandatory convertible preferred stock if the mandatory conversion price is between the minimum conversion price and the maximum conversion price; and (iii) be less than the liquidation preference per share of mandatory convertible preferred stock if the mandatory conversion price is less than the minimum conversion price. In addition, if the trading price of our common stock at the time we settle any mandatory conversion is less than the applicable mandatory conversion stock price, then the actual conversion value at the time of settlement will be less than the assumed conversion values illustrated in the table above.

Unpaid Accumulated Dividend Amount

If, as of the conversion date for the mandatory conversion any share of mandatory convertible preferred stock, an "unpaid accumulated dividend amount" (as defined below under the caption "—Definitions") exists for such share, then the conversion rate applicable to such conversion will be increased by a number of shares (rounded to the nearest fourth decimal place) equal to (i) such unpaid accumulated dividend amount, *divided by* (ii) the greater of (x) the floor price in effect on such conversion date; and (y) the "dividend make-whole stock price" (as defined below under the caption "—Definitions") for such conversion. However, if such unpaid accumulated dividend amount exceeds the product of such dividend make-whole stock price and

such number of shares added to the mandatory conversion rate, then we will, to the extent we are legally able to do so and permitted under the terms of our indebtedness for borrowed money, declare and pay such excess amount in cash to the holder of such share of mandatory convertible preferred stock being converted (and, if we declare less than all of such excess for payment, then such payment will be made pro rata on all shares to be converted pursuant to a mandatory conversion).

Early Conversion at the Option of the Preferred Stockholders

Generally

Preferred stockholders will have the right to convert all or any portion of their shares of mandatory convertible preferred stock at any time until the close of business on the mandatory conversion date, at the minimum conversion rate. We refer to such a conversion at the option of the preferred stockholders as an "early conversion." However, if the conversion date for any early conversion occurs during a "make-whole fundamental change conversion period" (as defined below under the caption "—Definitions"), which we refer to as a "make-whole fundamental change conversion," then such early conversion will be at the "make-whole fundamental change conversion rate" (as defined below under the caption "—Conversion During a Make-Whole Fundamental Change Conversion Period") instead of the minimum conversion rate.

Unpaid Accumulated Dividend Amount

If, as of the conversion date for the early conversion of any share of mandatory convertible preferred stock, other than a make-whole fundamental change conversion, an unpaid accumulated dividend amount exists for such share, then the conversion rate applicable to such conversion will be increased by a number of shares (rounded to the nearest fourth decimal place) equal to (i) such unpaid accumulated dividend amount, *divided by* (ii) the greater of (x) the floor price in effect on such conversion date; and (y) the dividend make-whole stock price for such conversion. If such unpaid accumulated dividend amount exceeds the product of such dividend make-whole stock price and such number of shares added to the mandatory conversion rate, then we will have no obligation to pay such excess in cash or any other consideration.

Conversion During a Make-Whole Fundamental Change Conversion Period

Generally

If a "make-whole fundamental change" (as defined below under the caption "—Definitions") occurs and the conversion date for the early conversion of any share of mandatory convertible preferred stock occurs during the related make-whole fundamental change conversion period, then, subject to the provisions described below, such early conversion will be settled at the conversion rate (the "make-whole fundamental change conversion rate") set forth in the table below corresponding (after interpolation as described below) to the effective date and the "make-whole fundamental change stock price" (as defined below under the caption "—Definitions") of such make-whole fundamental change:

	Make-Whole Fundamental Change Stock Price											
Effective Date	**$2.00**	**$4.00**	**$7.00**	**$7.50**	**$8.40**	**$10.00**	**$15.00**	**$20.00**	**$30.00**	**$40.00**	**$50.00**	**$60.00**
August 24, 2020	13.0540	12.6480	12.3320	12.2935	12.2302	12.1361	11.9600	11.8852	11.8349	11.8218	11.8178	11.8165
September 1, 2021	13.3930	12.9230	12.4921	12.4357	12.3429	12.2035	11.9470	11.8704	11.8524	11.8477	11.8462	11.8457
September 1, 2022	13.9285	13.4245	12.7463	12.6471	12.4840	12.2499	11.9249	11.8784	11.8751	11.8751	11.8750	11.8750
September 1, 2023	14.2857	14.2857	14.2857	13.3333	11.9048	11.9048	11.9048	11.9048	11.9048	11.9048	11.9048	11.9048

If such effective date or make-whole fundamental change stock price is not set forth in the table above, then:

- if such make-whole fundamental change stock price is between two prices in the table above or the effective date is between two dates in the table above, then the make-whole fundamental change conversion rate will be determined by straight-line interpolation between the make-whole fundamental change conversion rates set forth for the higher and lower prices in the table above or the earlier and later dates in the table above, based on a 365- or 366-day year, as applicable;
- if the make-whole fundamental change stock price is greater than $60.00 (subject to adjustment in the same manner as the make-whole fundamental change stock prices set forth in the column headings of the table above are adjusted, as described below under the caption "—Adjustment of Make-Whole Fundamental Change Stock Prices and Conversion Rates") per share, then the make-whole fundamental change conversion rate will be the minimum conversion rate in effect on the relevant conversion date; and
- if the make-whole fundamental change stock price is less than $2.00 (subject to adjustment in the same manner) per share, then the make-whole fundamental change conversion rate will be the maximum conversion rate in effect on the relevant conversion date.

Adjustment of Make-Whole Fundamental Change Stock Prices and Conversion Rates

Whenever the minimum conversion rate is adjusted pursuant to the provisions described below under the caption "—Boundary Conversion Rate Adjustments—Generally," each make-whole fundamental change stock price in the first row (*i.e.*, the column headers) of the table above will be automatically adjusted at the same time by multiplying such make-whole fundamental change stock price by a fraction whose numerator is the minimum conversion rate immediately before such adjustment and whose denominator is the minimum conversion rate immediately after such adjustment. The make-whole fundamental change conversion rates in the table above will be adjusted in the same manner as, and at the same time and for the same events for which, the boundary conversion rates are adjusted pursuant to the provisions described below under the caption "—Boundary Conversion Rate Adjustments—Generally."

Unpaid Accumulated Dividend Amount and Future Dividend Present Value Amount

If any share of mandatory convertible preferred stock is to be converted pursuant to a make-whole fundamental change conversion and, as of the effective date of the relevant make-whole fundamental change, an unpaid accumulated dividend amount exists for such share, then we will pay such unpaid accumulated dividend amount upon settlement of such conversion, in the manner, and subject to the provisions, described below. In addition, if a "future dividend present value amount" (as defined below under the caption "—Definitions") exists for such share as of such effective date, then we will also pay such future dividend present value amount upon such settlement, in the manner, and subject to the provisions, described below.

Each of the unpaid accumulated dividend amount and the future dividend present value amount will be paid in cash, to the extent we are legally able to do so, unless we elect to pay all or any portion thereof in shares of our common stock. To make such an election, the notice of such make-whole fundamental change that we provide pursuant to the provisions described below under the caption "—Notice of the Make-Whole Fundamental Change" must be sent no later than the effective date of the make-whole fundamental change and must state such election and specify the respective dollar amounts of the unpaid accumulated dividend amount or future dividend present value amount, as applicable, per share of mandatory convertible preferred stock that will be paid in cash and in shares of our common stock. Any such election made in such make-whole fundamental change notice, once sent, will be irrevocable and will apply to all conversions of the mandatory convertible preferred stock with a conversion date occurring during the related make-whole fundamental change conversion period. However, to the extent that we are not legally able to pay any portion of the unpaid accumulated dividend amount or the future dividend present value amount in cash, we will elect to pay the same in shares of our common stock.

If we duly elect to pay all or any portion of the unpaid accumulated dividend amount or future dividend present value amount relating to a make-whole fundamental change conversion in shares of common stock, then:

- the conversion rate applicable to such conversion will be increased by a number of shares (rounded to the nearest fourth decimal place) equal to (i) the dollar amount of such unpaid accumulated dividend amount or future dividend present value amount, as applicable, to be paid in shares of common stock, *divided by* (ii) the greater of (x) the floor price in effect on the conversion date for such conversion; and (y) the dividend make-whole stock price for such conversion; and
- if the dollar amount of such unpaid accumulated dividend amount or future dividend present value amount, as applicable, to be paid in shares of common stock exceeds the product of such dividend make-whole stock price and such number of shares added to the make-whole fundamental change conversion rate in respect thereof, then we will, to the extent we are legally able to do so and permitted under the terms of our indebtedness for borrowed money, declare and pay such excess amount in cash to the holders of the relevant mandatory convertible preferred stock being converted (and, if we declare less than all of such excess for payment, then such payment will be made pro rata on all shares to be converted with a conversion date occurring during the related make-whole fundamental change conversion period).

Our obligation to pay the future dividend present value amount (whether in cash or by increasing the make-whole fundamental change conversion rate) in connection with a make-whole fundamental change could be considered a penalty, in which case its enforceability would be subject to general principles of reasonableness and equitable remedies.

Notice of the Make-Whole Fundamental Change

No later than the business day after the effective date of any make-whole fundamental change, we will provide notice to the preferred stockholders of such make-whole fundamental change. Such notice will also include certain addition information set forth in the certificate of designations, including the following:

- a brief description of the preferred stockholders' right to convert their shares of mandatory convertible preferred stock at the make-whole fundamental change conversion rate and, if applicable, to receive the unpaid accumulated dividend amount and the future dividend present value amount;
- the make-whole fundamental change conversion period;
- the make-whole fundamental change conversion rate; and
- the unpaid accumulated dividend amount and future dividend present value amount per share of mandatory convertible preferred stock, including the dollar amounts thereof that we have elected to pay in cash or in shares of our common stock.

If we do not provide such notice by the business day after such effective date, then the last day of the related make-whole fundamental change conversion period will be extended by the number of days from, and including, the business day after such effective date to, but excluding, the date we provide the notice.

Conversion Procedures

Mandatory Conversion

Mandatory conversion will occur automatically, and without the need for any action on the part of the preferred stockholders, for all shares of mandatory convertible preferred stock that remain outstanding as of the mandatory conversion date. The shares of common stock due upon mandatory conversion of any mandatory convertible preferred stock will be registered in the name of, and, if applicable, the cash due upon conversion will be delivered to, the holder of such mandatory convertible preferred stock as of the close of business on the mandatory conversion date.

Make-Whole Fundamental Change Conversions and Other Early Conversions

To convert a beneficial interest in a global certificate pursuant to an early conversion (including a make-whole fundamental change conversion), the owner of the beneficial interest must:

- comply with the depositary procedures for converting the beneficial interest (at which time such conversion will become irrevocable); and
- if applicable, pay any documentary or other taxes as described below.

To convert any share of mandatory convertible preferred stock represented by a physical certificate pursuant to an early conversion (including a make-whole fundamental change conversion), the holder of such share must:

- complete, manually sign and deliver to the conversion agent the conversion notice attached to such physical certificate or a facsimile of such conversion notice;
- deliver such physical certificate to the conversion agent (at which time such conversion will become irrevocable);
- furnish any endorsements and transfer documents that we or the conversion agent may require; and
- if applicable, pay any documentary or other taxes as described below.

We refer to the first business day on which the requirements described above to convert a share of mandatory convertible preferred stock are satisfied as the "early conversion date."

Mandatory convertible preferred stock may be surrendered for early conversion (including a make-whole fundamental change conversion) only after the "open of business" (as defined below under the caption "—Definitions") and before the close of business on a day that is a business day.

Settlement upon Conversion

Generally

Subject to the provisions described below under the caption "—Payment of Cash in Lieu of any Fractional Share of Common Stock," we will pay or deliver, as applicable, the following consideration for each share of mandatory convertible preferred stock to be converted:

- a number of shares of our common stock equal to the "applicable conversion rate" (as defined below under the caption "—Definitions") in effect immediately before the close of business on the conversion date for such conversion; and
- to the extent applicable, the cash due in respect of any unpaid accumulated dividend amount or future dividend present value amount on such share.

We will pay or deliver, as applicable, such consideration on or before the second business day immediately after such conversion date.

Payment of Cash in Lieu of any Fractional Share of Common Stock

In lieu of delivering any fractional share of common stock otherwise due upon conversion, we will, to the extent we are legally able to do so and permitted under the terms of our indebtedness for borrowed money, pay cash based on the "last reported sale price" (as defined below under the caption "—Definitions") per share of our common stock on the conversion date

for such conversion (or, if such conversion date is not a "trading day" (as defined below under the caption "—Definitions"), the immediately preceding trading day).

Treatment of Accumulated Dividends upon Conversion

Except as described above under the captions "—Mandatory Conversion—Unpaid Accumulated Dividend Amount," "—Early Conversion at the Option of the Preferred Stockholders—Unpaid Accumulated Dividend Amount" and "—Conversion During a Make-Whole Fundamental Change Conversion Period—Unpaid Accumulated Dividend Amount and Future Dividend Present Value Amount," we will not adjust the conversion rate to account for any accumulated and unpaid dividends on any mandatory convertible preferred stock being converted.

If the conversion date of any share of mandatory convertible preferred stock to be converted is after a regular record date for a declared dividend on the mandatory convertible preferred stock and on or before the next dividend payment date, then such dividend will be paid pursuant to the provisions described above under the caption "—Dividends—Treatment of Dividends Upon Conversion" notwithstanding such conversion.

When Converting Preferred Stockholders Become Stockholders of Record of the Shares of Common Stock Issuable Upon Conversion

The person in whose name any share of common stock is issuable upon conversion of any mandatory convertible preferred stock will be deemed to become the holder of record of that share as of the close of business on the conversion date for such conversion.

Boundary Conversion Rate Adjustments

Generally

Each boundary conversion rate will be adjusted for the events described below. However, we are not required to adjust the boundary conversion rates for these events (other than a stock split or combination or a tender or exchange offer) if each preferred stockholder participates, at the same time and on the same terms as holders of our common stock, and solely by virtue of being a holder of the mandatory convertible preferred stock, in such transaction or event without having to convert such preferred stockholder's mandatory convertible preferred stock and as if such preferred stockholder held a number of shares of our common stock equal to the product of (i) the maximum conversion rate in effect on the related record date; and (ii) the total number of shares of mandatory convertible preferred stock held by such preferred stockholder on such record date.

(1) *Stock Dividends, Splits and Combinations*. If we issue solely shares of our common stock as a dividend or distribution on all or substantially all shares of our common stock, or if we effect a stock split or a stock combination of our common stock (in each case excluding an issuance solely pursuant to a common stock change event, as to which the provisions described below under the caption "—Effect of Common

Stock Change Event" will apply), then each boundary conversion rate will be adjusted based on the following formula:

$$CR_1 = CR_0 \times \frac{OS_1}{OS_0}$$

where:

CR_0	=	such boundary conversion rate in effect immediately before the close of business on the "record date" (as defined below under the caption "—Definitions") for such dividend or distribution, or immediately before the open of business on the effective date of such stock split or stock combination, as applicable;
CR_1	=	such boundary conversion rate in effect immediately after the close of business on such record date or the open of business on such effective date, as applicable;
OS_0	=	the number of shares of our common stock outstanding immediately before the close of business on such record date or effective date, as applicable, without giving effect to such dividend, distribution, stock split or stock combination; and
OS_1	=	the number of shares of our common stock outstanding immediately after giving effect to such dividend, distribution, stock split or stock combination.

If any dividend, distribution, stock split or stock combination of the type described in this paragraph (1) is declared or announced, but not so paid or made, then each boundary conversion rate will be readjusted, effective as of the date our board of directors determines not to pay such dividend or distribution or to effect such stock split or stock combination, to the applicable boundary conversion rate that would then be in effect had such dividend, distribution, stock split or stock combination not been declared or announced.

(2) *Rights, Options and Warrants*. If we distribute, to all or substantially all holders of our common stock, rights, options or warrants (other than rights issued or otherwise distributed pursuant to a stockholder rights plan, as to which the provisions described below in paragraph (3)(a) and under the caption "—Stockholder Rights Plans" will apply) entitling such holders, for a period of not more than 60 calendar days after the record date of such distribution, to subscribe for or purchase shares of our common stock at a price per share that is less than the average of the last reported sale prices per share of our common stock for the 10 consecutive trading days ending on, and including, the trading day immediately before the date such distribution is announced, then each boundary conversion rate will be increased based on the following formula:

$$CR_1 = CR_0 \times \frac{OS + X}{OS + Y}$$

where:

CR_0	=	such boundary conversion rate in effect immediately before the close of business on such record date;
CR_1	=	such boundary conversion rate in effect immediately after the close of business on such record date;
OS	=	the number of shares of our common stock outstanding immediately before the close of business on such record date;
X	=	the total number of shares of our common stock issuable pursuant to such rights, options or warrants; and
Y	=	a number of shares of our common stock obtained by dividing (x) the aggregate price payable to exercise such rights, options or warrants by (y) the average of the last reported sale prices per share of our common stock for the 10 consecutive trading days ending on, and including, the trading day immediately before the date such distribution is announced.

To the extent such rights, options or warrants are not so distributed, each boundary conversion rate will be readjusted to the applicable boundary conversion rate that would then be in effect had the increase to such boundary conversion rate for such distribution been made on the basis of only the rights, options or warrants, if any, actually distributed. In addition, to the extent that shares of our common stock are not delivered after the expiration of such rights, options or warrants (including as a result of such rights, options or warrants not being exercised), each boundary conversion rate will be readjusted to the applicable boundary conversion rate that would then be in effect had the increase to such boundary conversion rate for such distribution been made on the basis of delivery of only the number of shares of our common stock actually delivered upon exercise of such rights, option or warrants.

For purposes of this paragraph (2), in determining whether any rights, options or warrants entitle holders of our common stock to subscribe for or purchase shares of our common stock at a price per share that is less than the average of the last reported sale prices per share of our common stock for the 10 consecutive trading days ending on, and including, the trading day immediately before the date the distribution of such rights, options or warrants is announced, and in determining the aggregate price payable to exercise such rights, options or warrants, there will be taken into account any consideration we receive for such rights, options or warrants and any amount payable on exercise thereof, with the value of such consideration, if not cash, to be determined by our board of directors.

(3) *Spin-Offs and Other Distributed Property*.

a. *Distributions Other than Spin-Offs*. If we distribute shares of our "capital stock" (as defined below under the caption "—Definitions"), evidences of our indebtedness or other assets or property of ours, or rights, options or warrants to acquire our capital stock or other securities, to all or substantially all holders of our common stock, excluding:

- dividends, distributions, rights, options or warrants for which an adjustment to the boundary conversion rates is required pursuant to paragraph (1) or (2) above;
- dividends or distributions paid exclusively in cash for which an adjustment to the boundary conversion rates is required pursuant to paragraph (4) below;
- rights issued or otherwise distributed pursuant to a stockholder rights plan, except to the extent provided below under the caption "—Stockholder Rights Plans";
- spin-offs for which an adjustment to the boundary conversion rates is required pursuant to paragraph (3) (b) below;
- a distribution solely pursuant to a tender offer or exchange offer for shares of our common stock, as to which the provisions described below in paragraph (5) will apply; and
- a distribution solely pursuant to a common stock change event, as to which the provisions described below under the caption "—Effect of Common Stock Change Event" will apply,

then each boundary conversion rate will be increased based on the following formula:

$$CR_1 = CR_0 \times \frac{SP}{SP - FMV}$$

where:

CR_0	=	such boundary conversion rate in effect immediately before the close of business on the record date for such distribution;
CR_1	=	such boundary conversion rate in effect immediately after the close of business on such record date;
SP	=	the average of the last reported sale prices per share of our common stock for the 10 consecutive trading days ending on, and including, the trading day immediately before the "ex-dividend date" (as defined below under the caption "—Definitions") for such distribution; and
FMV	=	the fair market value (as determined by our board of directors), as of such record date, of the shares of capital stock, evidences of indebtedness, assets, property, rights, options or warrants distributed per share of our common stock pursuant to such distribution.

However, if *FMV* is equal to or greater than *SP*, then, in lieu of the foregoing adjustment to each boundary conversion rate, each preferred stockholder will receive, for each share of mandatory convertible preferred stock held by such preferred stockholder on such record date, at the same time and on the same terms as holders of our common stock, the amount and kind of shares of capital stock, evidences of indebtedness, assets, property, rights, options or warrants that such preferred stockholder would have received in such distribution if such preferred stockholder had owned, on such record date, a number of shares of our common stock equal to the maximum conversion rate in effect on such record date.

To the extent such distribution is not so paid or made, each boundary conversion rate will be readjusted to the applicable boundary conversion rate that would then be in effect had the adjustment been made on the basis of only the distribution, if any, actually made or paid.

i. *Spin-Offs*. If we distribute or dividend shares of capital stock of any class or series, or similar equity interests, of or relating to an "affiliate" (as defined below under the caption "—Definitions") or subsidiary or other business unit of ours to all or substantially all holders of our common stock (other than solely pursuant to (x) a common stock change event, as to which the provisions described below under the caption "—Effect of Common Stock Change Event" will apply; or (y) a tender offer or exchange offer for shares of our common stock, as to which the provisions described below in paragraph (5) will apply), and such capital stock or equity interests are listed or quoted (or will be listed or quoted upon the consummation of the transaction) on a U.S. national securities exchange (a "spin-off"), then each boundary conversion rate will be increased based on the following formula:

$$CR_1 = CR_0 \times \frac{FMV + SP}{SP}$$

where:

CR_0	=	such boundary conversion rate in effect immediately before the close of business on the last trading day of the "spin-off valuation period" (as defined below) for such spin-off;
CR_1	=	such boundary conversion rate in effect immediately after the close of business on the last trading day of the spin-off valuation period;
FMV	=	the product of (x) the average of the last reported sale prices per share or unit of the capital stock or equity interests distributed in such spin-off over the 10 consecutive trading day period (the "spin-off valuation period") beginning on, and including, the ex-dividend date for such spin-off (such average to be determined as if references to our common stock in the definitions of "last reported sale price," "trading day" and "market disruption event" were instead references to such capital stock or equity interests); and (y) the number of shares or units of such capital stock or equity interests distributed per share of our common stock in such spin-off; and
SP	=	the average of the last reported sale prices per share of our common stock for each trading day in the spin-off valuation period.

Notwithstanding anything to the contrary, if the conversion date for any share of mandatory convertible preferred stock to be converted occurs during the spin-off valuation period, then, solely for purposes of determining the consideration due in respect of such conversion, such spin-off valuation period will be deemed to consist of the trading days occurring in the period from, and including, the ex-dividend date for such spin-off to, and including, such conversion date.

To the extent any dividend or distribution of the type described above in this paragraph (3)(b) is declared but not made or paid, each boundary conversion rate will be readjusted to the applicable boundary conversion rate that would then be in effect had the adjustment been made on the basis of only the dividend or distribution, if any, actually made or paid.

(4) *Cash Dividends or Distributions*. If any cash dividend or distribution is made to all or substantially all holders of our common stock, then each boundary conversion rate will be increased based on the following formula:

$$CR_1 = CR_0 \times \frac{SP}{SP - D}$$

where:

CR_0	=	such boundary conversion rate in effect immediately before the close of business on the record date for such dividend or distribution;
CR_1	=	such boundary conversion rate in effect immediately after the close of business on such record date;
SP	=	the last reported sale price per share of our common stock on the trading day immediately before the ex-dividend date for such dividend or distribution; and
D	=	the cash amount distributed per share of our common stock in such dividend or distribution.

However, if *D* is equal to or greater than *SP*, then, in lieu of the foregoing adjustment to the boundary conversion rates, each preferred stockholder will receive, for each share of mandatory convertible preferred stock held by such preferred stockholder on such record date, at the same time and on the same terms as holders of our common stock, the amount of cash that such preferred stockholder would have received in such dividend or distribution if such preferred stockholder had owned, on such record date, a number of shares of our common stock equal to the maximum conversion rate in effect on such record date. To the extent such dividend or distribution is declared but not made or paid, each boundary conversion rate will be readjusted to the applicable boundary conversion rate that would then be in effect had the adjustment been made on the basis of only the dividend or distribution, if any, actually made or paid.

(5) *Tender Offers or Exchange Offers*. If we or any of our subsidiaries makes a payment in respect of a tender offer or exchange offer for shares of our common stock, and the value (determined as of the expiration time by our board of directors) of the cash and other consideration paid per share of our common stock in such tender or exchange offer exceeds the last reported sale price per share of our common stock on the trading day immediately after the last date (the "expiration date") on which tenders or exchanges may be made pursuant to such tender or exchange offer (as it may be amended), then each boundary conversion rate will be increased based on the following formula:

$$CR_1 = CR_0 \times \frac{AC+(SP\times OS_1)}{SP\times OS_0}$$

where:

CR_0	=	such boundary conversion rate in effect immediately before the close of business on the last trading day of the "tender/exchange offer valuation period" (as defined below) for such tender or exchange offer;
CR_1	=	such boundary conversion rate in effect immediately after the close of business on the last trading day of the tender/exchange offer valuation period;
AC	=	the aggregate value (determined as of the time (the "expiration time") such tender or exchange offer expires by our board of directors) of all cash and other consideration paid for shares of our common stock purchased or exchanged in such tender or exchange offer;
OS_0	=	the number of shares of our common stock outstanding immediately before the expiration time (including all shares of our common stock accepted for purchase or exchange in such tender or exchange offer);
OS_1	=	the number of shares of our common stock outstanding immediately after the expiration time (excluding all shares of our common stock accepted for purchase or exchange in such tender or exchange offer); and
SP	=	the average of the last reported sale prices per share of our common stock over the 10 consecutive trading day period (the "tender/exchange offer valuation period") beginning on, and including, the trading day immediately after the expiration date;

provided, *however*, that such boundary conversion rate will in no event be adjusted down pursuant to the provisions described in this paragraph (5), except to the extent provided in the immediately following paragraph. Notwithstanding anything to the contrary, if the conversion date for any share of mandatory convertible preferred stock occurs during the tender/exchange offer valuation period for such tender or exchange offer, then, solely for purposes of determining the consideration due in respect of such conversion, such tender/exchange offer valuation period will be deemed to consist of the trading days occurring in the period from, and including, the trading day immediately after the expiration date to, and including, such conversion date.

To the extent such tender or exchange offer is announced but not consummated (including as a result of being precluded from consummating such tender or exchange offer under applicable law), or any purchases or exchanges of shares of common stock in such tender or exchange offer are rescinded, each boundary conversion rate will be readjusted to the applicable boundary conversion rate that would then be in effect had the adjustment been made on the basis of only the purchases or exchanges of shares of common stock, if any, actually made, and not rescinded, in such tender or exchange offer.

We will not be required to adjust the boundary conversion rates except as described above in this "Boundary Conversion Rate Adjustments—Generally" section (it being understood that adjustments to the applicable conversion rate may be made pursuant to the provisions described above under the captions "—Mandatory Conversion—Unpaid Accumulated Dividend Amount," "—Early Conversion at the Option of the Preferred Stockholders—Unpaid Accumulated Dividend Amount" and "—Conversion During a Make-Whole Fundamental Change Conversion

Period," and adjustments to the make-whole fundamental change conversion rates may be made pursuant to the provisions described above under the caption "—Conversion During a Make-Whole Fundamental Change Conversion Period"). Without limiting the foregoing, we will not be required to adjust the boundary conversion rates on account of:

- except as described above, the sale of shares of our common stock for a purchase price that is less than the market price per share of our common stock or less than the maximum conversion price or the minimum conversion price;
- the issuance of any shares of our common stock pursuant to any present or future plan providing for the reinvestment of dividends or interest payable on our securities and the investment of additional optional amounts in shares of our common stock under any such plan;
- the issuance of any shares of our common stock or options or rights to purchase shares of our common stock pursuant to any present or future employee, director or consultant benefit plan or program of, or assumed by, us or any of our subsidiaries;
- the issuance of any shares of our common stock pursuant to any option, warrant, right or convertible or exchangeable security of ours outstanding as of the initial issue date; or
- solely a change in the par value of our common stock.

Notice of Boundary Conversion Rate Adjustments

Upon the effectiveness of any adjustment to the boundary conversion rates pursuant to the provisions described above under the caption "—Boundary Conversion Rate Adjustments—Generally," we will promptly provide notice to the preferred stockholders containing (i) a brief description of the transaction or other event on account of which such adjustment was made; (ii) the boundary conversion rates and boundary conversion prices in effect immediately after such adjustment; and (iii) the effective time of such adjustment.

Voluntary Conversion Rate Increases

To the extent permitted by law and applicable stock exchange rules, we, from time to time, may (but are not required to) increase each boundary conversion rate (with a corresponding decrease to the boundary conversion prices pursuant to the definitions of those terms) by any amount if (i) our board of directors determines that such increase is in our best interest or that such increase is advisable to avoid or diminish any income tax imposed on holders of our common stock or rights to purchase our common stock as a result of any dividend or distribution of shares (or rights to acquire shares) of our common stock or any similar event; (ii) such increase is in effect for a period of at least 20 business days; (iii) such increase is irrevocable during such period; and (iv) each boundary conversion rate is increased by multiplying it by the same percentage factor for the period of such increase. No later than the first business day of such 20 business day period, we will provide notice to each preferred stockholder of such increase to the boundary conversion rates and corresponding decrease to the boundary conversion prices, the amounts thereof and the period during which such increase and decrease will be in effect.

Tax Considerations

A beneficial owner of the mandatory convertible preferred stock may, in some circumstances, including a cash distribution or dividend on our common stock, be deemed to have received a distribution that is subject to U.S. federal income tax as a result of an adjustment or the non-occurrence of an adjustment to the boundary conversion rates. Applicable withholding taxes (including backup withholding) may be withheld from dividends and payments upon conversion of the mandatory convertible preferred stock. In addition, if any withholding taxes (including backup withholding) are paid on behalf of a preferred stockholder, then those withholding taxes may be set off against payments of cash or the delivery of shares of common stock in respect of the mandatory convertible preferred stock (or, in some circumstances, any payments on our common stock) or sales proceeds received by, or other funds or assets of, that preferred stockholder. For a discussion of the U.S. federal income tax treatment of an adjustment to the conversion rate, see "Material United States Federal Income Tax Considerations."

Adjustments to the Maximum Conversion Price, the Minimum Conversion Price and the Floor Price

For the avoidance of doubt, at the time any adjustment to the boundary conversion rates pursuant to the provisions described above under the caption "—Boundary Conversion Rate Adjustments—Generally" becomes effective, each of the maximum conversion price, the minimum conversion price and the floor price will automatically adjust in accordance with the definition of such term.

Special Provisions for Adjustments that Are Not Yet Effective

Notwithstanding anything to the contrary, if:

- any share of mandatory convertible preferred stock is to be converted;
- the record date, effective date or expiration time for any event that requires an adjustment to the boundary conversion rates pursuant to the provisions described above under the caption "—Boundary Conversion Rate Adjustments—Generally" has occurred on or before the conversion date for such conversion, but an adjustment to the boundary conversion rates for such event has not yet become effective as of such conversion date;
- the consideration due upon such conversion includes any whole shares of our common stock; and
- such shares are not entitled to participate in such event (because they were not held on the related record date or otherwise),

then, solely for purposes of such conversion, we will, without duplication, give effect to such adjustment on such conversion date in determining the number of shares of our stock to be delivered. In such case, if the date we are otherwise required to deliver the consideration due upon such conversion is before the first date on which the amount of such adjustment can be determined, then we will delay the settlement of such conversion until the second business day after such first date.

Stockholder Rights Plans

If any shares of our common stock are to be issued upon conversion of any mandatory convertible preferred stock and, at the time of such conversion, we have in effect any stockholder rights plan, then the holder of such mandatory convertible preferred stock will be entitled to receive, in addition to, and concurrently with the delivery of, the consideration otherwise due upon such conversion, the rights set forth in such stockholder rights plan, unless such rights have separated from our common stock at such time, in which case, and only in such case, the boundary conversion rates will be adjusted pursuant to the provisions described above in paragraph (3)(a) under the caption "—Boundary Conversion Rate Adjustments—Generally" on account of such separation as if, at the time of such separation, we had made a distribution of the type referred to in such paragraph to all holders of our common stock, subject to readjustment as described above if such rights expire, terminate or are redeemed. We currently do not have a stockholder rights plan in effect.

Effect of Common Stock Change Event

Generally

If there occurs any:

- recapitalization, reclassification or change of our common stock, other than (x) changes solely resulting from a subdivision or combination of our common stock, (y) a change only in par value or from par value to no par value or no par value to par value or (z) stock splits and stock combinations that do not involve the issuance of any other series or class of securities;
- consolidation, merger, combination or binding or statutory share exchange involving us;
- sale, lease or other transfer of all or substantially all of the assets of us and our subsidiaries, taken as a whole, to any person; or
- other similar event,

and, as a result of which, our common stock is converted into, or is exchanged for, or represents solely the right to receive, other securities, cash or other property, or any combination of the foregoing (such an event, a "common stock change event," and such other securities, cash or property, the "reference property," and the amount and kind of reference property that a holder of one share of our common stock would be entitled to receive on account of such common stock change event (without giving effect to any arrangement not to issue or deliver a fractional portion of any security or other property), a "reference property unit"), then, notwithstanding anything to the contrary,

- from and after the effective time of such common stock change event, (i) the consideration due upon conversion of, or as payment for dividends on (including for purposes of determining whether a dividend non-payment event has occurred), any mandatory convertible preferred stock will be determined in the same manner as if each reference to any number of shares of common stock in the provisions described

under this "—Conversion Provisions of the Mandatory Convertible Preferred Stock" section or under the captions "—Dividends" above and "—Certain Provisions Relating to the Issuance of Common Stock" below, as applicable, or in any related definitions, were instead a reference to the same number of reference property units; and (ii) for purposes of the definition of "make-whole fundamental change," the terms "common stock" and "common equity" will be deemed to mean the common equity, if any, forming part of such reference property; and

- for these purposes, (i) the daily VWAP of any reference property unit or portion thereof that consists of a class of common equity securities will be determined by reference to the definition of "daily VWAP," substituting, if applicable, the Bloomberg page for such class of securities in such definition; and (ii) the daily VWAP of any reference property unit or portion thereof that does not consist of a class of common equity securities, and the last reported sale price of any reference property unit or portion thereof that does not consist of a class of securities, will be the fair value of such reference property unit or portion thereof, as applicable, determined in good faith by us (or, in the case of cash denominated in U.S. dollars, the face amount thereof).

If the reference property consists of more than a single type of consideration to be determined based in part upon any form of stockholder election, then the composition of the reference property unit will be deemed to be the weighted average of the types and amounts of consideration actually received, per share of our common stock, by the holders of our common stock. We will notify the preferred stockholders of such weighted average as soon as practicable after such determination is made.

We will not become a party to any common stock change event unless its terms are consistent with the provisions described under this "—Effect of Common Stock Change Event" caption.

Execution of Supplemental Instruments

On or before the date the common stock change event becomes effective, we and, if applicable, the resulting, surviving or transferee person (if not us) of such common stock change event (the "successor person") will execute and deliver such supplemental instruments, if any, as we reasonably determine are necessary or desirable to (i) provide for subsequent adjustments to the boundary conversion rates in a manner consistent with the provisions described above; and (ii) give effect to such other provisions, if any, as we reasonably determine are appropriate to preserve the economic interests of the preferred stockholders and to give effect to the provisions described above. If the reference property includes shares of stock or other securities or assets of a person other than the successor person, then such other person will also execute such supplemental instrument(s) and such supplemental instrument(s) will contain such additional provisions, if any, that we reasonably determine are appropriate to preserve the economic interests of preferred stockholders. Notwithstanding any other term described herein, no consent of holders shall be required for the taking of such actions by means of supplemental instrument(s) as described in this paragraph.

Notice of Common Stock Change Event

We will provide notice of each common stock change event to preferred stockholders no later than the effective date of the common stock change event.

Certain Provisions Relating to the Issuance of Common Stock

Equitable Adjustments to Prices

Whenever the certificate of designations requires us to calculate the average of the last reported sale prices or daily VWAPs, or any function thereof, over a period of multiple days (including to calculate the mandatory conversion stock price, the make-whole fundamental change stock price, the dividend make-whole stock price, the dividend stock price or an adjustment to the boundary conversion rates), we will make appropriate adjustments, if any, to those calculations to account for any adjustment to the boundary conversion rates pursuant to the provisions described above under the caption "—Conversion Provisions of the Mandatory Convertible Preferred Stock—Boundary Conversion Rate Adjustments—Generally" that becomes effective, or any event requiring such an adjustment to the boundary conversion rates where the ex-dividend date, effective date or expiration date, as applicable, of such event occurs, at any time during such period.

Reservation of Shares of Common Stock

We will reserve, out of our authorized but unissued and unreserved shares of common stock, for delivery upon conversion of the mandatory convertible preferred stock, a number of shares of common stock that would be sufficient to settle the conversion of all shares of mandatory convertible preferred stock then outstanding, if any, at the maximum conversion rate then in effect.

Status of Shares of Common Stock

Each share of common stock delivered upon conversion of, or as payment for all or any portion of any declared dividends on the mandatory convertible preferred stock of any preferred stockholder will be duly and validly issued, fully paid, non-assessable, free from preemptive rights and free of any lien or adverse claim (except to the extent of any lien or adverse claim created by the action or inaction of such preferred stockholder or the person to whom such share of common stock will be delivered). If our common stock is then listed on any securities exchange, or quoted on any inter-dealer quotation system, then we will cause each such share of common stock, when so delivered, to be admitted for listing on such exchange or quotation on such system. In addition, if such mandatory convertible preferred stock is then represented by a global certificate, then each such share of common stock will be so delivered through the facilities of the applicable depositary and (except to the extent contemplated by the provisions described above under the caption "—Dividends—Method of Payment—Securities Laws Matters") identified by an "unrestricted" CUSIP number (and, if applicable, ISIN number).

Taxes Upon Issuance of Common Stock

We will pay any documentary, stamp or similar issue or transfer tax or duty due on the issue of any shares of our common stock upon conversion of, or as payment for all or any portion of any declared dividends on the mandatory convertible preferred stock of any preferred stockholder, except any tax or duty that is due because such preferred stockholder requests those shares to be registered in a name other than such preferred stockholder's name.

No Preemptive Rights

Without limiting the rights of preferred stockholders described above (including in connection with the issuance of common stock or reference property upon conversion of, or as payment for dividends on, the mandatory convertible preferred stock), the mandatory convertible preferred stock will not have any preemptive rights to subscribe for or purchase any of our securities.

Calculations

Responsibility; Schedule of Calculations

Except as otherwise provided in the certificate of designations, we will be responsible for making all calculations called for under the certificate of designations or the mandatory convertible preferred stock, including determinations of the boundary conversion prices, the boundary conversion rates, the daily VWAPs, the floor price, the last reported sale prices and accumulated dividends on the mandatory convertible preferred stock. We will make all calculations in good faith, and, absent manifest error, our calculations will be final and binding on all preferred stockholders. We will provide a schedule of these calculations to any preferred stockholder upon written request.

Calculations Aggregated for Each Preferred Stockholder

The composition of the consideration due upon conversion of, or as payment for any declared dividends on the mandatory convertible preferred stock of any preferred stockholder will (in the case of a global certificate, to the extent permitted by, and practicable under, the depositary procedures) be computed based on the total number of shares of mandatory convertible preferred stock of such preferred stockholder being converted with the same conversion date, or held by such preferred stockholder at the close of business on the related regular record date, respectively. For these purposes, any cash amounts due to such preferred stockholder in respect thereof will be rounded to the nearest cent.

Notices

We will provide all notices or communications to preferred stockholders pursuant to the certificate of designations in writing by first class mail, certified or registered, return receipt requested, or by overnight air courier guaranteeing next day delivery, to the preferred stockholders' respective addresses shown on the register for the mandatory convertible preferred

stock. However, in the case of mandatory convertible preferred stock represented by one or more global certificates, we are permitted to provide notices or communications to preferred stockholders pursuant to the depositary procedures, and notices and communications that we provide in this manner will be deemed to have been properly sent to such preferred stockholders in writing.

Legally Available Funds

Without limiting the other rights of the preferred stockholders (including pursuant to the provisions described above under the captions "—Rights Upon Our Liquidation, Dissolution or Winding Up" and "—Voting Rights—Right to Designate Two Preferred Stock Directors Upon a Dividend Non-Payment Event"), if we do not have sufficient funds legally available to fully pay any cash amount otherwise due on the mandatory convertible preferred stock, then we will pay the deficiency promptly after funds thereafter become legally available therefor.

Definitions

"Affiliate" has the meaning set forth in Rule 144 under the Securities Act as in effect on the initial issue date.

"Applicable conversion rate" has the following meaning with respect to the conversion of any share of mandatory convertible preferred stock:

(i) if such conversion is a mandatory conversion, the conversion rate applicable thereto determined pursuant to the provisions described under the caption "—Conversion Provisions of the Mandatory Convertible Preferred Stock—Mandatory Conversion";

(ii) if such conversion is a make-whole fundamental change conversion, the conversion rate applicable thereto determined pursuant to the provisions described under the caption "—Conversion Provisions of the Mandatory Convertible Preferred Stock—Conversion During a Make-Whole Fundamental Change Conversion Period"; and

(iii) if such conversion is an early conversion that is not a make-whole fundamental change conversion, the conversion rate applicable thereto determined pursuant to the provisions described under the captions "—Conversion Provisions of the Mandatory Convertible Preferred Stock—Early Conversion at the Option of the Preferred Stockholders—Generally" and "—Unpaid Accumulated Dividend Amount."

"Board of directors" means our board of directors or a committee of such board duly authorized to act on behalf of such board.

"Boundary conversion prices" mean the minimum conversion price and the maximum conversion price.

“Boundary conversion rates” mean the minimum conversion rate and the maximum conversion rate.

“Business day” means any day other than a Saturday, a Sunday or any day on which the Federal Reserve Bank of New York is authorized or required by law or executive order to close or be closed.

“Capital stock” of any person means any and all shares of, interests in, rights to purchase, warrants or options for, participations in, or other equivalents of, in each case however designated, the equity of such person, but excluding any debt securities convertible into such equity.

“Close of business” means 5:00 p.m., New York City time.

“Common stock change event” has the meaning set forth above under the caption “—Conversion Provisions of the Mandatory Convertible Preferred Stock—Effect of Common Stock Change Event—Generally.”

“Conversion date” has the following meaning with respect to the conversion of any share of mandatory convertible preferred stock: (i) if such conversion is a mandatory conversion, the mandatory conversion date; and (ii) in all other cases, the early conversion date for such conversion.

“Daily VWAP” means, for any VWAP trading day, the per share volume-weighted average price of our common stock as displayed under the heading “Bloomberg VWAP” on Bloomberg page “SABR <EQUITY> AQR” (or, if such page is not available, its equivalent successor page) in respect of the period from the scheduled open of trading until the scheduled close of trading of the primary trading session on such VWAP trading day (or, if such volume-weighted average price is unavailable, the market value of one share of our common stock on such VWAP trading day, determined, using a volume-weighted average price method, by a nationally recognized independent investment banking firm we select, which may include any of the underwriters). The daily VWAP will be determined without regard to after-hours trading or any other trading outside of the regular trading session.

“Depositary” means, with respect to any conversion, transfer, exchange or transaction

“Depositary procedures” means, with respect to any conversion, transfer, exchange or transaction involving a global certificate representing any mandatory convertible preferred stock, or any beneficial interest in such certificate, the rules and procedures of the depositary applicable to such conversion, transfer, exchange or transaction.

“Director qualification requirement” means the requirement, as a condition to the election of any preferred stock director, that such election must not cause us to violate any rule of any securities exchange or other trading facility on which any of our securities are then listed or qualified for trading requiring that a majority of our directors be independent.

“Dividend junior stock” means any class or series of our stock whose terms do not expressly provide that such class or series will rank senior to, or equally with, the mandatory convertible preferred stock with respect to the payment of dividends (without regard to whether or not dividends accumulate cumulatively). Dividend junior stock includes our common stock. For the avoidance of doubt, dividend junior stock will not include any securities of our subsidiaries.

“Dividend make-whole stock price” has the following meaning with respect to the conversion of any share of mandatory convertible preferred stock: (i) if such conversion is a mandatory conversion, 97% of the mandatory conversion stock price; (ii) if such conversion is a make-whole fundamental change conversion, 97% of the make-whole fundamental change stock price for the relevant make-whole fundamental change; and (iii) if such conversion is an early conversion that is not a make-whole fundamental change conversion, the average of the daily VWAPs per share of common stock for each of the five consecutive VWAP trading days ending on, and including, the VWAP trading day immediately before the conversion date for such conversion.

A “Dividend non-payment event” will be deemed to occur when accumulated dividends on the outstanding mandatory convertible preferred stock have not been declared and paid in an aggregate amount corresponding to six or more dividend periods, whether or not consecutive. A dividend non-payment event that has occurred will be deemed to continue until such time when all accumulated and unpaid dividends on the outstanding mandatory convertible preferred stock have been paid in full, at which time such dividend non-payment event will be deemed to be cured and cease to be continuing. For purposes of this definition, a dividend on the mandatory convertible preferred stock will be deemed to have been paid if such dividend is declared and consideration in kind and amount that is sufficient, in accordance with the certificate of designations, to pay such dividend is set aside for the benefit of the preferred stockholders entitled thereto.

“Dividend parity stock” means any class or series of our stock (other than the mandatory convertible preferred stock) whose terms expressly provide that such class or series will rank equally with the mandatory convertible preferred stock with respect to the payment of dividends (without regard to whether or not dividends accumulate cumulatively). For the avoidance of doubt, dividend parity stock will not include any securities of our subsidiaries.

“Dividend payment date” means each March 1, June 1, September 1 and December 1 of each year, beginning on December 1, 2020 and ending on, and including, September 1, 2023.

“Dividend period” means each period from, and including, a dividend payment date (or, in the case of the first dividend period, from, and including, the initial issue date) to, but excluding, the next dividend payment date.

“Dividend senior stock” means any class or series of our stock whose terms expressly provide that such class or series will rank senior to the mandatory convertible preferred stock with respect to the payment of dividends (without regard to whether or not dividends accumulate

cumulatively). For the avoidance of doubt, dividend senior stock will not include any securities of our subsidiaries.

"Dividend stock price" means, with respect to any declared dividend on the mandatory convertible preferred stock, 97% of the average of the daily VWAPs per share of common stock for each VWAP trading day during the related dividend stock price observation period.

"Dividend stock price observation period" means, with respect to any declared dividend on the mandatory convertible preferred stock, the five consecutive VWAP trading days beginning on, and including, the sixth scheduled trading day immediately before the dividend payment date for such dividend.

"Early conversion" means the conversion of any share of mandatory convertible preferred stock other than a mandatory conversion.

"Early conversion date" means, with respect the early conversion (including a make-whole fundamental change conversion) of any share of mandatory convertible preferred stock, the first business day on which the requirements described above under the caption "—Conversion Provisions of the Mandatory Convertible Preferred Stock—Conversion Procedures—Make-Whole Fundamental Change Conversions and Other Early Conversions" for such conversion are satisfied.

"Ex-dividend date" means, with respect to an issuance, dividend or distribution on our common stock, the first date on which shares of our common stock trade on the applicable exchange or in the applicable market, regular way, without the right to receive such issuance, dividend or distribution (including pursuant to due bills or similar arrangements required by the relevant stock exchange). For the avoidance of doubt, any alternative trading convention on the applicable exchange or market in respect of our common stock under a separate ticker symbol or CUSIP number will not be considered "regular way" for this purpose.

"Exchange Act" means the U.S. Securities Exchange Act of 1934, as amended.

"Expiration date" has the meaning set forth above in paragraph (5) under the caption "—Conversion Provisions of the Mandatory Convertible Preferred Stock—Boundary Conversion Rate Adjustments—Generally."

"Expiration time" has the meaning set forth above in paragraph (5) under the caption "—Conversion Provisions of the Mandatory Convertible Preferred Stock—Boundary Conversion Rate Adjustments—Generally."

"Floor price" means, as of any time, an amount (rounded to the nearest cent) equal to 35% of the minimum conversion price in effect at such time. Whenever in this description of securities we refer to the floor price as of a particular date without setting forth a particular time on such date, such reference will be deemed to be to the floor price immediately before the close of business on such date.

"Future dividend present value amount" means, with respect to the make-whole fundamental change conversion of any share of mandatory convertible preferred stock, an amount equal to the present value, as of the effective date of the related make-whole fundamental change, of all regularly scheduled dividend payments on such share on each dividend payment date occurring after such effective date and on or before September 1, 2023, such present value to be computed using a discount rate equal to the stated dividend rate per annum; provided, *however*, that, for purposes of this definition, the amount of dividends payable on the dividend payment date immediately after such effective date will be deemed to be the following amount: (i) if such effective date is after a regular record date and on or before the next dividend payment date, and, as of the close of business on such effective date, we have declared part or all of the dividend scheduled to be paid on the mandatory convertible preferred stock on such dividend payment date, the excess, if any, of (x) the full amount of such dividend scheduled to be paid on such share on such dividend payment date (assuming the same were declared in full) over (y) the amount of such dividend actually so declared on such share (and, for the avoidance of doubt, the holder of such share as of the close of business on such regular record date will be entitled, notwithstanding such conversion, to receive such declared dividend on or, at our election, before such dividend payment date); and (ii) in all other cases, the full amount of dividends scheduled to be paid on such share on the dividend payment date immediately after such effective date, less an amount equal to dividends on such share that have accumulated from, and including, the dividend payment date immediately before such effective date to, but excluding, such effective date.

"Initial issue date" means the first date any mandatory convertible preferred stock offered was issued.

"Junior stock" means any dividend junior stock or liquidation junior stock.

"Last reported sale price" of our common stock for any trading day means the closing sale price per share (or, if no closing sale price is reported, the average of the last bid price and the last ask price per share or, if more than one in either case, the average of the average last bid prices and the average last ask prices per share) of our common stock on such trading day as reported in composite transactions for the principal U.S. national or regional securities exchange on which our common stock is then listed. If our common stock is not listed on a U.S. national or regional securities exchange on such trading day, then the last reported sale price will be the last quoted bid price per share of our common stock on such trading day in the over-the-counter market as reported by OTC Markets Group Inc. or a similar organization. If our common stock is not so quoted on such trading day, then the last reported sale price will be the average of the mid-point of the last bid price and the last ask price per share of our common stock on such trading day from each of at least three nationally recognized independent investment banking firms we select, which may include any of the underwriters.

"Liquidation junior stock" means any class or series of our stock whose terms do not expressly provide that such class or series will rank senior to, or equally with, the mandatory convertible preferred stock with respect to the distribution of assets upon our liquidation,

dissolution or winding up. Liquidation junior stock includes our common stock. For the avoidance of doubt, liquidation junior stock will not include any securities of our subsidiaries.

"Liquidation parity stock" means any class or series of our stock (other than the mandatory convertible preferred stock) whose terms expressly provide that such class or series will rank equally with the mandatory convertible preferred stock with respect to the distribution of assets upon our liquidation, dissolution or winding up. For the avoidance of doubt, liquidation parity stock will not include any securities of our subsidiaries.

"Liquidation preference" means, with respect to the mandatory convertible preferred stock, an amount equal to $100.00 per share of mandatory convertible preferred stock.

"Liquidation senior stock" means any class or series of our stock whose terms expressly provide that such class or series will rank senior to the mandatory convertible preferred stock with respect to the distribution of assets upon our liquidation, dissolution or winding up. For the avoidance of doubt, liquidation senior stock will not include any securities of our subsidiaries.

"Make-whole fundamental change" means any of the following events:

(i) a "person" or "group" (within the meaning of Section 13(d)(3) of the Exchange Act), other than us or our "wholly owned subsidiaries" (as defined below) has become the direct or indirect "beneficial owner" (as defined below) of shares of our common equity representing more than 50% of the voting power of all of our then-outstanding common equity;

(ii) the consummation of: (1) any sale, lease or other transfer, in one transaction or a series of transactions, of all or substantially all of the assets of us and our subsidiaries, taken as a whole, to any person; or (2) any transaction or series of related transactions in connection with which (whether by means of merger, consolidation, share exchange, combination, reclassification, recapitalization, acquisition, liquidation or otherwise) all of our common stock is exchanged for, converted into, acquired for, or constitutes solely the right to receive, other securities, cash or other property; or

(iii) our common stock ceases to be listed on any of The New York Stock Exchange, The Nasdaq Global Market or The Nasdaq Global Select Market (or any of their respective successors);

provided, *however*, that a transaction or event or series of transactions or events described in clause (i) or (ii) above will not constitute a fundamental change if at least 90% of the consideration received or to be received by the holders of our common stock (excluding cash payments for fractional shares or pursuant to dissenters rights), in connection with such transaction or event or series of transactions or events, consists of shares of common stock listed on any of The New York Stock Exchange, The Nasdaq Global Market or The Nasdaq Global Select Market (or any of their respective successors), or that will be so listed when issued or exchanged in connection with such transaction or event, and such transaction or event or series of transactions or events constitutes a common stock change event whose reference property consists of such consideration.

For the purposes of this definition, whether a person is a "beneficial owner," and whether shares are "beneficially owned" will be determined in accordance with Rule 13d-3 under the Exchange Act.

"Make-whole fundamental change conversion" means an early conversion of any share of mandatory convertible preferred stock with a conversion date that occurs during the related make-whole fundamental change conversion period.

"Make-whole fundamental change conversion period" means, with respect to a make-whole fundamental change, the period from, and including, the effective date of such make-whole fundamental change to, and including, the 20th calendar day after such effective date (or, if calendar day is not a business day, the next business day); *provided*, *however*, that the last day of such make-whole fundamental change conversion period is subject to extension pursuant to the provisions described above under the caption "—Conversion Provisions of the Mandatory Convertible Preferred Stock—Conversion During a Make-Whole Fundamental Change Conversion Period—Notice of the Make-Whole Fundamental Change."

"Make-whole fundamental change conversion rate" has the meaning set forth above under the caption "—Conversion Provisions of the Mandatory Convertible Preferred Stock—Conversion During a Make-Whole Fundamental Change Conversion Period."

"Make-whole fundamental change stock price" has the following meaning for any make-whole fundamental change: (i) if the holders of our common stock receive only cash in consideration for their shares of common stock in such make-whole fundamental change and such make-whole fundamental change is pursuant to clause (ii) of the definition of such term, then the make-whole fundamental change stock price is the amount of cash paid per share of our common stock in such make-whole fundamental change; and (ii) in all other cases, the make-whole fundamental change stock price is the average of the last reported sale prices per share of common stock for the five consecutive trading days ending on, and including, the trading day immediately before the effective date of such make-whole fundamental change.

"Mandatory conversion" means the conversion of any share of mandatory convertible preferred stock pursuant to the provisions described above under the caption "—Conversion Provisions of the Mandatory Convertible Preferred Stock—Mandatory Conversion."

"Mandatory conversion date" means the last VWAP trading day of the mandatory conversion observation period.

"Mandatory conversion observation period" means the 20 consecutive VWAP trading days beginning on, and including, the 21st scheduled trading day immediately before September 1, 2023.

"Mandatory conversion rate" has the following meaning with respect to any mandatory conversion:

(i) if the mandatory conversion stock price is equal to or greater than the maximum conversion price as of the mandatory conversion date, then the mandatory conversion rate is the minimum conversion rate as of the mandatory conversion date;

(ii) if the mandatory conversion stock price is less than the maximum conversion price as of the mandatory conversion date, but greater than the minimum conversion price as of the mandatory conversion date, then the mandatory conversion rate is an amount (rounded to the nearest fourth decimal place) equal to (x) the liquidation preference per share of mandatory convertible preferred stock, *divided by* (y) mandatory conversion stock price; and

(iii) if the mandatory conversion stock price is equal to or less than the minimum conversion price as of the mandatory conversion date, then the mandatory conversion rate is the maximum conversion rate as of the mandatory conversion date.

"Mandatory conversion stock price" means the average of the daily VWAPs per share of common stock for each VWAP trading day in the mandatory conversion observation period.

"Market disruption event" means, with respect to any date, the occurrence or existence, during the one-half hour period ending at the scheduled close of trading on such date on the principal U.S. national or regional securities exchange or other market on which our common stock is listed for trading or trades, of any material suspension or limitation imposed on trading (by reason of movements in price exceeding limits permitted by the relevant exchange or otherwise) in our common stock or in any options contracts or futures contracts relating to our common stock.

"Maximum conversion price" means, as of any time, an amount (rounded to the nearest cent) equal to (i) the liquidation preference per share of mandatory convertible preferred stock, *divided by* (ii) the minimum conversion rate in effect at such time. Whenever in this description of securities we refer to the maximum conversion price as of a particular date without setting forth a particular time on such date, such reference will be deemed to be to the maximum conversion price immediately before the close of business on such date.

"Maximum conversion rate" initially means 14.2857 shares of our common stock per share of mandatory convertible preferred stock, which amount is subject to adjustment as described above under the caption "—Conversion Provisions of the Mandatory Convertible Preferred Stock—Boundary Conversion Rate Adjustments." Whenever in this description of securities we refer to the maximum conversion rate as of a particular date without setting forth a particular time on such date, such reference will be deemed to be to the maximum conversion rate immediately before the close of business on such date.

"Minimum conversion price" means, as of any time, an amount (rounded to the nearest cent) equal to (i) liquidation preference per share of mandatory convertible preferred stock, *divided by* (ii) the maximum conversion rate in effect at such time. Whenever in this description of securities we refer to the minimum conversion price as of a particular date without setting forth a particular time on such date, such reference will be deemed to be to the minimum conversion price immediately before the close of business on such date.

"Minimum conversion rate" initially means 11.9048 shares of our common stock per share of mandatory convertible preferred stock, which amount is subject to adjustment as described above under the caption "—Conversion Provisions of the Mandatory Convertible Preferred Stock—Boundary Conversion Rate Adjustments." Whenever in this description of securities we refer to the minimum conversion rate as of a particular date without setting forth a particular time on such date, such reference will be deemed to be to the minimum conversion rate immediately before the close of business on such date.

"Number of incremental diluted shares" means the increase in the number of diluted shares of the applicable class or series of junior stock (determined in accordance with generally accepted accounting principles in the United States, as the same is in effect on the initial issue date, and assuming net income is positive) that would result from the grant, vesting or exercise of equity-based compensation to directors, employees, contractors and agents (subject to proportionate adjustment for stock dividends, stock splits or stock combinations with respect to such class or series of junior stock).

"Open of business" means 9:00 a.m., New York City time.

"Person" means any individual, corporation, partnership, limited liability company, joint venture, association, joint-stock company, trust, unincorporated organization or government or other agency or political subdivision thereof. Any division or series of a limited liability company, limited partnership or trust will constitute a separate "person."

"Preferred stock director" means any person elected to serve as our director in connection with a dividend non-payment event pursuant to the provisions described above under the caption "—Voting Rights—Right to Designate Two Preferred Stock Directors Upon a Dividend Non-Payment Event."

"Preferred stockholder" means any person in whose name any share of mandatory convertible preferred stock is registered on the registrar's books.

"Record date" means, with respect to any dividend or distribution on, or issuance to holders of, our common stock, the date fixed (whether by law, contract or our board of directors or otherwise) to determine the holders of our common stock that are entitled to such dividend, distribution or issuance.

"Regular record date" has the following meaning: (i) February 15, in the case of a dividend payment date occurring on March 1; (ii) May 15, in the case of a dividend payment date occurring on June 1; (iii) August 15, in the case of a dividend payment date occurring on September 1; and (iv) November 15, in the case of a dividend payment date occurring on December 1.

"Reference property" has the meaning set forth above under the caption "—Conversion Provisions of the Mandatory Convertible Preferred Stock—Effect of Common Stock Change Event—Generally."

"Reference property unit" has the meaning set forth above under the caption "—Conversion Provisions of the Mandatory Convertible Preferred Stock—Effect of Common Stock Change Event—Generally."

"Scheduled trading day" means any day that is scheduled to be a trading day on the principal U.S. national or regional securities exchange on which our common stock is then listed or, if our common stock is not then listed on a U.S. national or regional securities exchange, on the principal other market on which our common stock is then traded. If our common stock is not so listed or traded, then "scheduled trading day" means a business day.

"Securities Act" means the U.S. Securities Act of 1933, as amended.

"Spin-off" has the meaning set forth above in paragraph (3)(b) under the caption "—Conversion Provisions of the Mandatory Convertible Preferred Stock—Boundary Conversion Rate Adjustments—Generally."

"Spin-off valuation period" has the meaning set forth above in paragraph (3)(b) under the caption "—Conversion Provisions of the Mandatory Convertible Preferred Stock—Boundary Conversion Rate Adjustments—Generally."

"Stated dividend rate" has the meaning set for above under the caption "Dividends—Generally."

"Subsidiary" means, with respect to any person, (i) any corporation, association or other business entity (other than a partnership or limited liability company) of which more than 50% of the total voting power of the capital stock entitled (without regard to the occurrence of any contingency, but after giving effect to any voting agreement or stockholders' agreement that effectively transfers voting power) to vote in the election of directors, managers or trustees, as applicable, of such corporation, association or other business entity is owned or controlled, directly or indirectly, by such person or one or more of the other subsidiaries of such person; and (ii) any partnership or limited liability company where (x) more than 50% of the capital accounts, distribution rights, equity and voting interests, or of the general and limited partnership interests, as applicable, of such partnership or limited liability company are owned or controlled, directly or indirectly, by such person or one or more of the other subsidiaries of such person, whether in the form of membership, general, special or limited partnership or limited liability company interests or otherwise; and (y) such person or any one or more of the other subsidiaries of such person is a controlling general partner of, or otherwise controls, such partnership or limited liability company.

"Successor person" has the meaning set forth above in paragraph (5) under the caption "—Conversion Provisions of the Mandatory Convertible Preferred Stock—Boundary Conversion Rate Adjustments—Execution of Supplemental Instruments."

"Tender/exchange offer valuation period" has the meaning set forth above in paragraph (5) under the caption "—Conversion Provisions of the Mandatory Convertible Preferred Stock—Boundary Conversion Rate Adjustments—Generally."

"Trading day" means any day on which (i) trading in our common stock generally occurs on the principal U.S. national or regional securities exchange on which our common stock is then listed or, if our common stock is not then listed on a U.S. national or regional securities exchange, on the principal other market on which our common stock is then traded; and (ii) there is no "market disruption event" (as defined above in this "—Definitions" section). If our common stock is not so listed or traded, then "trading day" means a business day.

"Unpaid accumulated dividend amount" has the following meaning with respect to the conversion of any share of mandatory convertible preferred stock:

(i) if such conversion is a mandatory conversion, the aggregate accumulated dividends, if any, on such share that have not been declared, at or before the close of business on September 1, 2023, in respect of all dividend periods ending on or before September 1, 2023;

(ii) if such conversion is a make-whole fundamental change conversion, the sum (without duplication) of (1) the aggregate accumulated dividends, if any, on such share that have not been declared, at or before the close of business on the effective date for the related make-whole fundamental change, in respect of all dividend periods ending on a dividend payment date that is before such effective date; and (2) the amount of accumulated and unpaid dividends, if any, on such share for the period from, and including, the dividend payment date immediately before such effective date to, but excluding, such effective date; *provided*, *however*, that if such effective date is after a regular record date and on or before the next dividend payment date, and, as of the close of business on such effective date, we have declared the dividend due on the mandatory convertible preferred stock on such dividend payment date, then the unpaid accumulated dividend amount will not include any portion of such declared dividend (and, for the avoidance of doubt, the holder of such share as of the close of business on such regular record date will be entitled, notwithstanding such conversion, to receive such declared dividend on or, at our election, before such dividend payment date); and

(iii) if such conversion is an early conversion that is not a make-whole fundamental change conversion, the aggregate accumulated dividends, if any, on such share that have not been declared, at or before the close of business on the conversion date for such conversion, in respect of all dividend periods ending on a dividend payment date that is before such conversion date.

"Voting parity stock" means, with respect to any matter as to which preferred stockholders are entitled to vote pursuant to the provisions described above under the caption "—Voting Rights—Right to Designate Two Preferred Stock Directors Upon a Dividend Non-Payment Event" or "—Voting and Consent Rights with Respect to Specified Matters," each class or series of outstanding dividend parity stock or liquidation parity stock, if any, upon which similar voting rights are conferred and are exercisable with respect to such matter. For the avoidance of doubt, voting parity stock will not include any securities of our subsidiaries.

"VWAP market disruption event" means, with respect to any date, (i) the failure by the principal U.S. national or regional securities exchange on which our common stock is then listed, or, if our common stock is not then listed on a U.S. national or regional securities exchange, the

principal other market on which our common stock is then traded, to open for trading during its regular trading session on such date; or (ii) the occurrence or existence, for more than one half hour period in the aggregate, of any suspension or limitation imposed on trading (by reason of movements in price exceeding limits permitted by the relevant exchange or otherwise) in our common stock or in any options contracts or futures contracts relating to our common stock, and such suspension or limitation occurs or exists at any time before 1:00 p.m., New York City time, on such date.

"VWAP trading day" means a day on which (i) there is no VWAP market disruption event; and (ii) trading in our common stock generally occurs on the principal U.S. national or regional securities exchange on which our common stock is then listed or, if our common stock is not then listed on a U.S. national or regional securities exchange, on the principal other market on which our common stock is then traded. If our common stock is not so listed or traded, then "VWAP trading day" means a business day.

"Wholly owned subsidiary" of a person means any subsidiary of such person all of the outstanding capital stock or other ownership interests of which (other than directors' qualifying shares) are owned by such person or one or more wholly owned subsidiaries of such person.

Book Entry, Settlement and Clearance

Global Certificates

The mandatory convertible preferred stock will be initially issued in the form of one or more certificates (the "global certificates") registered in the name of Cede & Co., as nominee of DTC, and will be deposited with the transfer agent as custodian for DTC.

Only persons who have accounts with DTC ("DTC participants") or persons who hold interests through DTC participants may own beneficial interests in a global certificate. We expect that, under procedures established by DTC:

- upon deposit of a global certificate with DTC's custodian, DTC will credit the shares of mandatory convertible preferred stock represented by such global certificate to the accounts of the DTC participants designated by the underwriters; and
- ownership of beneficial interests in a global certificate will be shown on, and transfers of such interests will be effected only through, records maintained by DTC (with respect to interests of DTC participants) and the records of DTC participants (with respect to other owners of beneficial interests in the global certificate).

Book-Entry Procedures for Global Certificates

All interests in a global certificate will be subject to the operations and procedures of DTC. Accordingly, you must allow for sufficient time in order to comply with those operations and procedures if you wish to exercise any of your rights with respect to the mandatory convertible preferred stock. The operations and procedures of DTC are controlled by DTC and may be

changed at any time. None of us, the transfer agent or any of the underwriters will be responsible for those operations or procedures.

DTC has advised us that it is:

- a limited purpose trust company organized under the laws of the State of New York;
- a "banking organization" within the meaning of the New York State Banking Law;
- a member of the Federal Reserve System;
- a "clearing corporation" within the meaning of the Uniform Commercial Code; and
- a "clearing agency" registered under Section 17A of the Exchange Act.

DTC was created to hold securities for its participants and to facilitate the clearance and settlement of securities transactions between its participants through electronic book-entry changes to the accounts of its participants. DTC's participants include securities brokers and dealers (including the underwriters), banks and trust companies, clearing corporations and other organizations. Indirect access to DTC's book-entry system is also available to other "indirect participants," such as banks, brokers, dealers and trust companies, who directly or indirectly clear through or maintain a custodial relationship with a DTC participant. Purchasers of mandatory convertible preferred stock who are not DTC participants may beneficially own securities held by or on behalf of DTC only through DTC participants or indirect participants in DTC.

So long as DTC or its nominee is the registered owner of a global certificate, DTC or that nominee will be considered the sole owner or holder of the mandatory convertible preferred stock represented by that global certificate for all purposes under the certificate of designations. Except as provided below, owners of beneficial interests in a global certificate:

- will not be entitled to have mandatory convertible preferred stock represented by the global certificate registered in their names;
- will not receive or be entitled to receive physical, certificated mandatory convertible preferred stock registered in their respective names ("physical certificates"); and
- will not be considered the owners or holders of the mandatory convertible preferred stock under the certificate of designations for any purpose.

As a result, each investor who owns a beneficial interest in a global certificate must rely on the procedures of DTC (and, if the investor is not a participant or an indirect participant in DTC, on the procedures of the DTC participant through whom the investor owns its interest) to exercise any rights of a preferred stockholder under the certificate of designations.

Payments on any global certificates will be made to DTC's nominee as the registered holder of the global certificate. Neither we nor the transfer agent will have any responsibility or liability for the payment of amounts to owners of beneficial interests in a global certificate, for any aspect of the records relating to, or payments made on account of, those interests by DTC or for maintaining, supervising or reviewing any records of DTC relating to those interests. Payments

by participants and indirect participants in DTC to the owners of beneficial interests in a global certificate will be governed by standing instructions and customary industry practice and will be the responsibility of those participants or indirect participants and DTC.

Transfers between participants in DTC will be effected under DTC's procedures and will be settled in same-day funds.

Physical Certificates

A global certificate will be exchanged, pursuant to customary procedures, for one or more physical certificates only if:

- DTC notifies us or the transfer agent that it is unwilling or unable to continue as depositary for such global certificate or DTC ceases to be a "clearing agency" registered under Section 17A of the Exchange Act and, in each case, we fail to appoint a successor depositary within 90 days of such notice or cessation; or
- we, in our sole discretion, permit the exchange of any beneficial interest in such global certificate for one or more physical certificates at the request of the owner of such beneficial interest.

The information in this section concerning DTC and its book-entry system has been obtained from sources that we believe to be reliable, but we take no responsibility for the accuracy thereof.

Anti-Takeover Effects of Provisions of Our Certificate of Incorporation and Our Bylaws

Our Certificate of Incorporation and our Bylaws contain provisions that may delay, defer or discourage another party from acquiring control of us. We expect that these provisions will discourage coercive takeover practices or inadequate takeover bids. These provisions are also designed to encourage persons seeking to acquire control of us to first negotiate with the board of directors, which we believe may result in an improvement of the terms of any such acquisition in favor of our stockholders. However, they may also discourage acquisitions that some stockholders may favor. These provisions include:

Classified Board. Our Certificate of Incorporation provides that, commencing with the 2021 annual meeting of stockholders, the classification of our board of directors shall cease and all directors will be elected annually. However, directors elected to three year terms at the 2018 annual meeting of stockholders continue to serve the remainder of their elected terms. The remaining classification of directors has the effect of making it more difficult for stockholders to change the composition of our board. Our Certificate of Incorporation also provides that, subject to any rights of holders of preferred stock to elect additional directors under specified circumstances, the number of directors is fixed exclusively pursuant to a resolution adopted by the board of directors, provided that, the board of directors shall consist of not fewer than five directors, nor more than thirteen directors.

Authorized but Unissued or Undesignated Capital Stock. Our authorized capital stock consists of 1 billion shares of common stock and 225 million shares of preferred stock. A large quantity of authorized but unissued shares may deter potential takeover attempts because of the ability of our board of directors to authorize the issuance of some or all of these shares to a friendly party, or to the public, which would make it more difficult for a potential acquirer to obtain control of us. This possibility may encourage persons seeking to acquire control of us to negotiate first with our board of directors. The authorized but unissued stock may be issued by the board of directors in one or more transactions. In this regard, our Certificate of Incorporation grants the board of directors broad power to establish the rights and preferences of authorized and unissued preferred stock. The issuance of shares of preferred stock pursuant to the board of directors' authority described above could decrease the amount of earnings and assets available for distribution to holders of common stock and adversely affect the rights and powers, including voting rights, of such holders and may have the effect of delaying, deferring or preventing a change of control. The preferred stock could also be used in connection with the issuance of a shareholder rights plan, sometimes referred to as a "poison pill." Our board of directors is able to implement a shareholder rights plan without further action by our stockholders. The board of directors does not intend to seek stockholder approval prior to any issuance of preferred stock, unless otherwise required by law.

Action by Written Consent. Our Certificate of Incorporation provides that stockholder action can be taken only at an annual meeting or special meeting of stockholders and cannot be taken by written consent in lieu of a meeting.

Special Meetings of Stockholders. Our Certificate of Incorporation provides that special meetings of our stockholders may be called only by our board of directors or the chairman of the board of directors. Our Bylaws prohibit the conduct of any business at a special meeting other than as specified in the notice for such meeting.

Advance Notice Procedures. Our Bylaws establish advance notice procedures with respect to stockholder proposals and the nomination of candidates for election as directors, other than nominations made by or at the direction of the board of directors. In order for any matter to be "properly brought" before a meeting, a stockholder will have to comply with advance notice requirements and provide us with certain information. Generally, to be timely, a stockholder's notice must be received at our principal executive offices not earlier than the opening of business 120 days prior, and not later than the close of business 90 days before, the first anniversary date of the immediately preceding annual meeting of stockholders. Our Bylaws also specify requirements as to the form and content of a stockholder's notice. Under our Bylaws, the board of directors may adopt by resolution the rules and regulations for the conduct of meetings. Except to the extent inconsistent with such rules and regulations adopted by the board of directors, the chairman of the meeting of stockholders shall have the right to adopt rules and regulations for the conduct of meetings, which may have the effect of precluding the conduct of certain business at a meeting if the rules and regulations are not followed. These provisions may also defer, delay or discourage a potential acquirer from conducting a solicitation of proxies to elect the acquirer's own slate of directors or otherwise attempting to influence or obtain control of us.

Proxy Access. Our Bylaws permit a qualified stockholder or group of stockholders to include up to a specified number of director nominees in our proxy materials for an annual meeting of stockholders. To qualify, the stockholder (or group of up to 20 stockholders) must have continuously owned for at least three years 3% or more of our outstanding common stock. The maximum number of stockholder nominees permitted under the proxy access provisions of our Bylaws is generally the greater of (x) two or (y) 20% of the total number of our directors in office (rounded down to the nearest whole number) as of the last day on which notice of a nomination may be delivered. Notice of a nomination under these provisions must generally be received at our principal executive offices no earlier than 150 days and no later than 120 days before the anniversary of the date that we commenced mailing of our definitive proxy statement for the previous year's annual meeting of stockholders. The notice must contain certain information specified in our Bylaws. The complete proxy access provisions for director nominations are set forth in our Bylaws.

Business Combinations with Interested Stockholders

Pursuant to our Certificate of Incorporation, we are subject to the provisions of Section 203 of the DGCL, which regulates business combinations with "interested stockholders."

Corporate Opportunities

Our Certificate of Incorporation provides that we renounce, to the fullest extent permitted by applicable law, any interest or expectancy in the business opportunities of certain Exempted Persons (as defined in our Certificate of Incorporation). In addition our Certificate of Incorporation provides that the Exempted Persons have no obligation to offer us or even communicate to us an opportunity to participate in business opportunities presented to such Exempted Person even if the opportunity is one that we might reasonably have pursued (and therefore may be free to compete with us in the same business or similar businesses of which we or our affiliates now engage or propose to engage) and that, to the fullest extent permitted by applicable law, the Exempted Persons will not be liable to us or our stockholders for breach of any duty by reason of any such activities described immediately above. Stockholders are deemed to have notice of and consented to this provision of our Certificate of Incorporation.

Limitation of Liability and Indemnification of Officers and Directors

Our Certificate of Incorporation provides that no director shall be personally liable to us or any of our stockholders for monetary damages for breach of fiduciary duty as a director, except to the extent such exemption from liability or limitation thereof is not permitted under the DGCL. Our Bylaws provide that we will indemnify, to the fullest extent permitted by the DGCL, any person made or threatened to be made a party to any action or is involved in a proceeding by reason of the fact that the person is or was our director or officer, or our director or officer who, while a director or officer, is or was serving at our request as a director, officer, employee, agent or manager of another corporation, partnership, limited liability company, joint venture, trust or other enterprise or non-profit entity, including service with respect to an employee benefit plan. Our Bylaws also provide that, subject to applicable law, we may, by action of our board of directors, grant rights to indemnification and advancement of expenses to persons other than our

directors and officers with such scope and effect as the board of directors may then determine. We have entered into customary indemnification agreements with each of our directors that provide them, in general, with customary indemnification in connection with their service to us or on our behalf.

Insofar as indemnification for liabilities arising under the Securities Act of 1933, as amended (the "Securities Act"), may be permitted to directors, officers and controlling persons of the registrant pursuant to the foregoing provisions, or otherwise, the registrant has been advised that in the opinion of the SEC such indemnification is against public policy as expressed in the Securities Act and is, therefore, unenforceable. In the event that a claim for indemnification against such liabilities (other than the payment by the registrant of expenses incurred or paid by a director, officer or controlling person of the registrant in the successful defense of any action, suit or proceeding) is asserted by such director, officer or controlling person in connection with the securities being registered, the registrant will, unless in the opinion of its counsel the matter has been settled by controlling precedent, submit to a court of appropriate jurisdiction the question whether such indemnification by it is against public policy as expressed in the Securities Act and will be governed by the final adjudication of such issue.

Choice of Forum

Our Certificate of Incorporation provides that unless we consent to the selection of an alternate forum, the Court of Chancery of the State of Delaware is the sole and exclusive forum for any derivative action or proceeding brought on our behalf; any action asserting a breach of fiduciary duty; any action asserting a claim against us arising pursuant to the DGCL, our Certificate of Incorporation or Bylaws; or any action asserting a claim against us that is governed by the internal affairs doctrine. Any person or entity purchasing or otherwise acquiring any interest in our shares of common stock shall be deemed to have notice of and consented to the forum provisions in our Certificate of Incorporation.

Exhibit 10.103

EXECUTION VERSION
AMENDED AND RESTATED

[Certain confidential portions of this exhibit have been redacted pursuant to Item 601(b)(10)(iv) of Regulation S-K and marked with asterisks. The omitted information (i) is not material and (ii) would likely cause us competitive harm if publicly disclosed.]

AMENDED AND RESTATED MASTER SERVICES AGREEMENT

BY AND BETWEEN

CUSTOMER AND PROVIDER

This Amended and Restated Master Services Agreement (***"Master Agreement"***) is entered into as of August 1, 2020 (the ***"Effective Date"***), by and between:

1. Sabre GLBL Inc., a Delaware, on behalf of itself and its Affiliates;

AND

2. DXC Technology Services LLC, a Delaware limited liability company (***"Provider"***).

The Parties agree to the terms and conditions set forth in this Master Agreement (including the Exhibits referenced in this Master Agreement), and in each Service Agreement (including the Schedules referenced in each Service Agreement) executed by the Parties that references this Master Agreement. Capitalized terms used herein have the meaning set forth in the "Definitions" Exhibit (Exhibit 1) to this Master Agreement.

Signed for and on behalf of Customer:

Signature: /s/ Doug Barnett
Name: Doug Barnett
Title: Executive Vice President and Chief Financial Officer
Date: 12/10/20

Signed for and on behalf of Provider:

Signature: /s/ David Swift
Name: David Swift
Title: Vice President and General Manager, Americas
Date: 12/10/20

EXECUTION VERSION
AMENDED AND RESTATED

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EXHIBITS TO THE MASTER AGREEMENT

1. DEFINITIONS

All capitalized terms used in this Master Agreement (or any Exhibit hereto) and not defined shall have the meanings set forth in the "Definitions" Exhibit. All capitalized terms used in a Service Agreement (or any Schedule thereto) and not defined shall have the meanings set forth in the "Definitions" Exhibit or in the "Definitions" Schedule to the applicable Service Agreement.

2. CONTRACT DOCUMENTS; STRUCTURE OF AGREEMENT

2.1. Contract Documents

(a) Master Agreement

This Master Agreement, which includes the Exhibits hereto, sets forth the terms and conditions pursuant to which the Parties may enter into Service Agreements for the provision of Services.

(b) Service Agreements

Services will be provided by Provider in accordance with this Master Agreement and one or more supplements to this Master Agreement entered into by and between Customer (or another member of the Customer Group) and Provider, each substantially in the form of the "Form of Service Agreement" Exhibit, and including the Schedules thereto (each, a ***"Service Agreement"***). The terms and conditions of a particular Service Agreement apply only to such Service Agreement. The Customer Group member executing a Service Agreement hereunder shall be individually liable for its obligations under such Service Agreement, however, with respect to any individual Service Agreement, Customer will remain liable for all members of the Customer Group receiving Services under such Service Agreement, including the Charges therefor.

(c) Agreement

The term ***"Agreement"*** means collectively, the Master Agreement, the Service Agreements, the Procedures Manuals and all Change Orders, which documents are incorporated into the "Agreement" by this reference.

2.2. International Agreements

(a) Implementation

To implement the Agreement for Services provided by Provider outside the United States, as mutually agreed to by Customer and Provider, and to implement changes as appropriate to reflect differences in local laws, regulations and taxes or customary business practices or the scope of Services provided in each such country in which a Service Agreement is to be implemented ("***Local Differences***"): (i) the respective Affiliates of Customer and Provider in each such country may execute an

agreement or, in the case of jurisdictions where such an agreement already exists in respect of the Prior Agreement, an amendment (each, as amended from time to time, an ***"International Agreement"***) acceding to some or all of the terms and conditions of the Agreement in order to document agreed Local Differences or the performance of the Agreement between specific Affiliates of each of Customer and Provider on a local level, or (ii) Customer and Provider may adopt an amendment to the Agreement to be applicable for only specifically agreed countries in order to document agreed Local Differences to be applicable with respect to the performance of the Agreement in each such country. No such International Agreement is intended, nor shall any International Agreement be interpreted, to duplicate, enlarge, reduce or eliminate any responsibilities of either of the Parties under the Agreement except as required by local law or regulation. Performance or fulfillment by a Party or, on behalf of Provider by its delegate, of any obligation under the Agreement shall be considered performance or fulfillment of the corresponding obligation under the relevant International Agreement. Performance or fulfillment of any obligation by a party to the relevant International Agreement shall be considered performance or fulfillment of the corresponding obligation under this Agreement. Correspondingly, any defense, excuse or remedy available under the Agreement shall be available as a defense, excuse or remedy to the corresponding obligation under any International Agreement, provided that any such defenses, excuses or remedies and any and all claims under any International Agreement shall be exercised, invoked or asserted exclusively by the Parties to the Agreement under the procedures set forth in the Agreement. Any claim, defense, excuse or remedy available under any International Agreement shall be available to the Parties as a claim, defense, excuse or remedy to the corresponding obligation under the Agreement, provided, however, that the Parties hereby waive, to the fullest extent permitted by law, any claims, defenses, excuses or remedies available under local law of the country in which the International Agreement is to be performed and not set forth in the Agreement or the International Agreement at issue or otherwise provided by the laws of the United States or the State of Texas. Except as mandated by local laws or regulations, any International Agreements entered into are not intended to change in any substantive manner the terms and conditions of the Agreement, and any such purported changes shall not be effective without a written agreement between Customer Technical Alliance Manager and Provider Client Executive.

(b) Prior Agreement

After the Effective Date, if either Party perceives the need therefor, the Parties agree to discuss in good faith the implementation of International Agreements or additional amendments to the Agreement to document Local Differences. The Parties agree and acknowledge that references to the Prior Agreement (as defined below) in each International Agreement shall be deemed to be references to this Agreement after the Effective Date, and that the Parties will take any steps reasonably necessary to carry out this intent in the local jurisdictions (if any).

2.3. Priority

In the event of a conflict: (i) the terms of this Master Agreement shall govern over the terms of the Exhibits; (ii) the terms of a Service Agreement shall govern over the terms of its Schedules; (iii) the terms of this Master Agreement shall govern over the terms of each Service Agreement, unless the Service Agreement expressly and specifically notes the deviation(s) from the terms of this Master Agreement on a "Deviations From Master Agreement" Schedule to such Service Agreement; and (iv) this Master Agreement and the applicable Service Agreement(s) shall govern any Change Order, unless the Change Order expressly and specifically references the provisions of such documents which are to be superseded or amended.

2.4. Amendment and Restatement of Prior Agreement

(a) Customer and Provider entered into that certain Master Services Agreement, dated November 1, 2015, as amended prior to the Effective Date of this Master Agreement and including the Schedules thereto (the ***"Prior Agreement"***). The Parties entered into an amendment to the Prior Agreement effective as of August 1, 2020, pursuant to which the Parties agreed to revise key commercial terms and conditions, including the Term, the scope of services, pricing and new ITTP Projects. As part of such amendment, the Parties further agreed to undertake a post-signing review of the Prior Agreement documents to address descriptions of services and obligations that, pursuant to amendments and other agreed upon changes, (i) have been previously removed from scope in their entirety, (ii) have been revised and so are not accurately reflected in such documents or (iii) otherwise require updating. The Parties acknowledged and agreed that although the post-signing review and formal amendment may require a few months to complete, it would be effective as of August 1, 2020. As a result of such post-signing review, the Parties have entered in this Master Agreement in order to amend and restate the Prior Agreement in its entirety effective as of August 1, 2020.

(b) Neither Customer nor any Affiliate of Customer shall be responsible for any termination charges, wind down costs or other termination related charges or expenses associated with the amendment and restatement of the Prior Agreement and Provider hereby waives any minimum commitment (or similar rights), termination notices or other payment or termination related provisions in the Prior Agreement in connection with such amendment and restatement of the Prior Agreement.

(c) For the avoidance of doubt, neither Party, as a result of entering into this Master Agreement, will be deemed to have waived, or to have released the other Party from, any claim, issue or dispute arising after the Effective Date of this Master Agreement but relating to periods during the term of the applicable Prior Agreement, which such claims, issues or disputes shall be governed by this Master Agreement (except as otherwise set forth in this Master Agreement). Except as expressly set forth in the preceding sentence, this Master Agreement

shall govern all other claims, issues and disputes hereunder arising after the Effective Date. Notwithstanding anything to the contrary herein or in the Prior Agreement, any Company Information of one Party or its Affiliates that is, as of the Effective Date of this Master Agreement, in the possession of or under the control of the other Party shall become subject to the terms of Section 16 of this Master Agreement.

3. TERM OF AGREEMENT

3.1. Term of Master Agreement

Unless earlier terminated in accordance with the provisions of this Master Agreement, this Master Agreement will commence as of the Effective Date and will remain in effect until the later of: (i) December 31, 2030; or (ii) the anniversary of the first date on which no Service Agreement is in effect between the Parties (the ***"Term"***).

3.2. Term of Service Agreement

The term for each Service Agreement shall be as set forth therein, unless such Service Agreement is earlier terminated or extended in accordance with the provisions of this Master Agreement or such Service Agreement (the ***"Service Agreement Term"***).

3.3. Extension of Service Agreement

Customer may, at its sole option, extend the Service Agreement Term for a particular Service Agreement for up to three additional terms of up to 12 months each (each, an ***"Extension Period"***), by providing Notice to Provider at least 60 days prior to the scheduled expiration of the then-current Service Agreement Term. Any such Extension Period shall be on the terms, conditions and pricing in effect at the time of the commencement of such Extension Period, subject to any annual cost of living or other adjustment provided for in the "Charges" Schedule to such Service Agreement, and shall be considered an extension of the Service Agreement Term.

4. THE SERVICES

4.1. Services

(a) Obligation to Provide Services

Starting on the Commencement Date of each Service Agreement and continuing throughout the Service Agreement Term, Provider shall provide the Services to Customer and to other members of the Customer Group designated by Customer. The Parties acknowledge and agree that there are functions, responsibilities, activities and tasks not specifically described in the Agreement that are required for the proper performance and provision of the Services and are a necessary, customary part of the Customer Group's business or an inherent part of, or a necessary sub-part included within (i) any New Service, or (ii) with respect to the Services provided under Service Agreement No. 1, any

Service as of August 1, 2020 that is consistent with historical practices and, with respect to Services provided under any other Service Agreement, the Commencement Date of the applicable Service Agreement. Such functions, responsibilities, activities and tasks, shall be deemed to be implied and included within the scope of the Services to the same extent and in the same manner as if specifically described in the Agreement, and shall include (without limitation) all of the services, functions, processes, and responsibilities performed by Provider under Service Agreement No. 1 at any time during the twelve (12) month period prior to August 1, 2020 unless and when (A) expressly changed in this Agreement or (B) clearly no longer applicable due to the changes in the Services under the Transformation Plan or other evolution of Services hereunder.

(b) Affiliate Participation

(i) If Customer or any Affiliate of Customer merges with or otherwise acquires a Person or assets from a Third Party (an ***"Acquired Business"***), then, at Customer's election, such Acquired Business will become subject to this Agreement as a member of the Customer Group and: (i) the Services shall be provided to the Acquired Business; and (ii) (A) the Charges shall be adjusted in accordance with the terms of the Agreement and the applicable charging methodologies; or (B) if there are material changes in volumes of Services requested, the costs to deliver the Services, or the manner in which Services are delivered, resulting from the integration of such Acquired Business that are not contemplated by clause (A), the Parties will renegotiate in good faith all affected Charges to account for those material changes in accordance with the Change Control Procedures. Charges for the integration of such Acquired Business will be handled on a Project basis, according to the terms and pricing under the applicable Service Agreement. If the Acquired Business is a party to an agreement with Provider and the services under such agreement are integrated with the Services, then any termination charges under such agreement shall be waived.

(ii) If Customer or any Affiliate of Customer divests or no longer Controls one or more Affiliates or other asset, operation or entity that was receiving Services under the Agreement (a ***"Divested Business"***), then, at Customer's election, Provider shall continue to provide Services to such Divested Business, pursuant to a subcontract between Customer and the Divested Business, for the period requested by Customer, not to exceed 24 months after the closing date of such transaction (the ***"Divestiture Period"***). Provider shall provide the Services to the Divested Business in accordance with the terms and conditions (including pricing) of the Agreement (the terms of which, notwithstanding anything to the contrary set forth in the Agreement, may be disclosed to such Divested Business and its acquirer). Customer will continue to be responsible for the Divested Business under the Service Agreement, including the Charges for

such Services (based on existing charging methodologies), unless Provider and the Divested Business (or the acquirer of such Divested Business) enter into a separate agreement for provision of such Services. In such event, or upon the conclusion of the Divestiture Period, the applicable Service Agreement(s) shall be modified to reflect the reduction in Services and Charges.

(c) Authorized Recipients

Customer Group's rights under this Agreement include, without limitation, the right for Customer Group to: (i) include any Services in, or use any Services to offer or provide, any offering of products, services, information or associated access rights that are offered or provided by Customer Group to Authorized Recipients (or to perform contractual obligations to Authorized Recipients); or (ii) use any Services to receive products, services, information or associated access rights from Authorized Recipients (or to receive performance of contractual obligations by Authorized Recipients). Customer shall be responsible to Provider for any such use or access by Authorized Recipients.

4.2. New Services

(a) Procedures

If Customer requests that Provider perform any New Services reasonably related to the Services or other services generally provided by Provider, Provider shall, after receiving each request for New Services from Customer, either (i) promptly provide Notice to Customer that Provider will not bid on the New Services (each, a ***"No Bid"***), or (ii) prepare, at no additional charge to Customer, a New Services proposal for Customer's consideration within ten Business Days of Customer's request (unless a longer period of time is agreed upon by the Parties). Provider's New Services proposal shall include the elements set forth in Section 4.2(b) below, unless otherwise agreed by the Parties. Customer may accept or reject any New Services proposal in its sole discretion and Provider shall not be obligated to perform any New Services to the extent the proposal is rejected. If Customer accepts Provider's proposal, Provider will perform the New Services and will be paid in accordance with the proposal submitted by Provider, or other terms as may be agreed upon by the Parties, and the applicable provisions of the Agreement. Upon Customer's acceptance of a New Services proposal, the scope of the Services will be expanded to include such New Services and such accepted New Services proposal will be documented in a Change Order or in a new Service Agreement, as applicable. Notwithstanding any provision to the contrary: (i) Provider shall act reasonably and in good faith in formulating its pricing proposal, (ii) Provider shall use commercially reasonable efforts to identify potential means of reducing the cost to Customer, including utilizing Provider Agents as and to the extent appropriate, (iii) such pricing proposal shall be no less favorable to Customer than the lowest pricing and labor rates set forth in the Agreement for comparable or similar Services, and (iv) such pricing proposal shall take into account the existing and future volume of business between Customer and Provider.

(b) New Service Proposal

Provider's proposal for New Services requested by Customer shall include the following, as applicable:

(i) a detailed description of the implementation services and on-going services that Provider anticipates performing in connection with such New Services;

(ii) a commercially reasonable schedule and Transition Plan for implementing the New Services;

(iii) Provider's proposed charges for such New Services (in accordance with Section 4.2(a)), including a detailed breakdown of any such charges (which shall be quoted as a fixed fee or on a "time and materials" basis, as requested by Customer);

(iv) an estimate of Provider's human resources necessary to provide such new Services, including implementation and on-going services;

(v) a description of any new or additional Software, tools, Equipment or other resources required for Provider to implement and provide such New Services; and

(vi) any other information reasonably requested by Customer.

4.3. Performance and Service Levels

(a) Service Levels

Provider agrees that the performance of the Services will meet or exceed each of the applicable Service Levels set forth in the "Service Level Agreement" Schedule to each Service Agreement, subject to the limitations and in accordance with the provisions set forth in the Agreement. In addition, Provider will, on a continuous basis, and at no additional charge (i) identify ways to improve the Service Levels and (ii) identify and apply proven techniques and tools from other installations within its operations that would benefit Customer Group either operationally or financially. Any changes to the Service Levels are subject to Customer's approval. Provider will provide all Services without expressly defined Service Levels with at least the same degree of accuracy, quality, completeness, timeliness, responsiveness and efficiency as the level provided prior to the Effective Date by or for Customer Group. Provider will perform all tasks necessary to complete the Services in a timely and efficient manner, using standard methodology and tools.

(b) Modification of Service Levels

The Service Level Agreement for each Service Agreement will include procedures for implementing changes, modifications, deletions and replacements of and additions to, the Service Level and associated Service Level Credits.

(c) Performance Monitoring

Provider shall implement and operate all measurement and monitoring tools and procedures required to measure and report its performance relative to the applicable Service Levels, such that such measurement and reporting is clear and unambiguous and reasonably supported by objective data. To the extent not specified in the Service Level, Provider will use market standard measurement and monitoring tools where available, so long as such measurement and reporting tools provide clear and unambiguous reporting reasonably supported by objective data. The Service Level measurement, monitoring and reporting processes will be subject to audit by Customer in accordance with Section 14.

(d) Performance Reports

Each Service Level will be measured on at least a monthly basis, unless otherwise indicated in the applicable Service Agreement. Provider shall provide, as part of Provider's monthly performance reports, a set of hard- and soft-copy reports to verify Provider's performance and compliance with the Service Levels ***("Performance Reports")***. Provider shall provide Customer Group access to any details or supporting information used to generate such Performance Reports.

4.4. Customer Policies

Provider shall perform the Services in accordance with all policies and procedures of general application of Customer Group as set forth in the "Customer Policies" Exhibit, (collectively, ***"Customer Policies"***) and, subject to the Change Control Procedures, such amendments, updates and changes thereto, as published by Customer Group from time to time. For the avoidance of doubt, the Change Control Procedures shall govern the method of implementation and pricing with respect to amendments, updates and changes to the Customer Policies, but will not grant Provider any right to refuse to implement changes necessary to comply with amendments, updates and changes to the Customer Policies.

4.5. Provider to Provide and Manage Necessary Resources

Except as otherwise provided in the Agreement, Provider will have the responsibility and obligation to provide and administer, manage, support, maintain and pay for all resources (including personnel, hardware, software, facilities, furniture, fixtures, Equipment, space and all upgrades, improvements, replacements services and other items, however described) necessary or appropriate for Provider to provide, perform and deliver the Services.

4.6. Reports

Provider will provide those reports generally identified in the Agreement, including in the "Reports" Schedule to each Service Agreement, and such additional reports as agreed by the Customer Technical Alliance Manager and the Provider Client Executive during the Transition period and from time to time during the applicable Service Agreement Term (***"Reports"***), in accordance with the requirements (including any timing requirements) set forth in the Agreement, including in the "Reports" Schedule to each Service Agreement. Such Reports shall include: (i) reports detailing Provider's compliance with the Agreement, including the Performance Reports, and Provider's compliance with its responsibilities under the Service Agreement(s), Provider's regulatory requirements, Customer Compliance Requirements, Security Requirements, and such other aspects of the Services that Customer reasonably requests; and (ii) reports regarding Software compliance, Asset inventory, Software usage and Asset usage. For any Reports to be provided with a frequency of monthly or longer, such Reports and other documentation must be available in electronic format and provided to Customer in accordance with the agreed schedule for such Reports. With regard to Reports documenting Provider's performance, Provider will set forth any deviations from the performance requirements and include a plan for corrective action where such deviations are material.

Provider will provide those Reports identified in the "Reports" Schedule as being "current" or "standard" during the first month following the applicable Commencement Date. Provider will provide all other reports identified in the "Reports" Schedule within the time frame identified therein or, if not identified, within 60 days of the applicable Commencement Date, except to the extent that such Reports are to be provided less frequently than monthly, which Reports will be provided at the next scheduled time thereafter.

4.7. Development and Maintenance of Procedures Manual

The operational policies and procedures applicable to the provision of the Services described in each Service Agreement shall be set forth in an operational procedures manual to be developed by Provider in accordance with the "Procedures Manual Requirements" Schedule and the "Transition" Schedule, subject to the review and written approval of Customer (each, as approved by Customer, a ***"Procedures Manual"***). Provider will be responsible for the preparation, accuracy, maintenance and currency of the Procedures Manuals and will prepare and provide to Customer, in both print and electronic formats, proposed updates thereto as necessary to reflect any substantive changes therein or improvements thereto within a reasonable time prior to the implementation of such changes. Either Party may, from time to time, request updates or amendments to the Procedures Manuals. Changes to the Procedures Manuals will be made in accordance with the Change Control Procedures. Provider will perform its obligations under this Section 4.7, including any obligations required through the Change Control Procedures, at no cost to Customer. To the extent any portion of the Procedures Manuals does not constitute Work Product, and notwithstanding any other provisions in the Agreement to the contrary, Provider hereby grants to Customer Group an irrevocable, perpetual, nonexclusive, worldwide, paid-up license to use, execute, operate, reproduce, display, perform, modify, develop, and personalize the Procedures Manuals.

4.8. Provider Excused Performance

Except as provided in the remainder of this Section, Provider shall be responsible for the performance of the Services in accordance with the Agreement even if such Services are actually performed or dependent upon services performed by Provider Agents or Third Party Providers for whom Provider is financially or operationally responsible under the Agreement. Customer will perform its duties, obligations and responsibilities (***"Responsibilities"***) set forth in the Agreement. An act (other than in accordance with this Agreement), error or omission by Customer (or by a third party supplier independently hired by Customer in connection with performance of a Responsibility), or a failure by Customer to perform any Responsibilities (in each instance, a ***"Customer Failure"***), will excuse Provider's obligation to perform its obligations under the Agreement only if and to the extent Provider: (i) provides Notice to Customer of such Customer Failure within 72 hours after it first knew of, or should have known of (given the scope of its responsibilities), such Customer Failure (which Notice shall describe the effect of such Customer Failure on Provider's performance); (ii) provides Customer with every reasonable opportunity to correct such Customer Failure and mitigate the effect of such Customer Failure on Provider's performance; (iii) demonstrates that such Customer Failure was the direct cause of Provider's inability to perform and that neither Provider nor any Provider

Agent contributed to or caused such Customer Failure; (iv) identifies and pursues all commercially reasonable means to avoid or mitigate the impact of such Customer Failure; and (v) uses commercially reasonable efforts to perform notwithstanding such Customer Failure. Provider's sole remedy for any Customer Failure shall be the excuse provided for in this paragraph.

5. SERVICE LOCATIONS

5.1. Service Locations; Facilities

(a) Service Locations

Provider shall support, and provide Services to, the Customer Group locations specified in the "Service Locations" Schedule to the applicable Service Agreement. To the extent that Provider is providing on-site support Services to Customer Group at any such locations, such locations shall be identified in the "Service Locations" Schedule.

(b) Facilities

Provider shall provide the Services only at or from the Facilities specified in the applicable "Facilities" Schedule.

(c) Offshore Plan

Each Service Agreement that contemplates the provision of Services from any offshore Facilities shall include an offshore plan as part of the "Facilities" Schedule that provides, in reasonable detail: (i) the specific Services to be provided at each offshore Facility; (ii) the percentage of each Service that will be migrated to such offshore Facility; (iii) the timeframe within which each Service will migrate from the onshore Facility to such offshore Facility; (iv) the quality control and risk mitigation procedures to be followed by Provider in migrating Services offshore; and (v) any other relevant detail agreed upon by the Parties (the ***"Offshore Plan"***). Provider is not required to obtain Customer's approval to migrate Services offshore to the extent such migration is part of the Offshore Plan and is conducted in accordance with the Offshore Plan. Any material changes to the Offshore Plan will be subject to the Change Control Procedures.

(d) Other Offshore Considerations

In addition to the above, the Offshore Plan may include a maximum percentage of each Service that may be migrated to a particular offshore Facility. In such event, Provider may continue to migrate such Services (up to the maximum percentage) from an onshore Facility to such offshore Facility upon Notice to Customer (but without requiring Customer approval), even if such migration occurs after the date set forth in the Offshore Plan, provided the migration is in accordance with the other requirements of the Offshore Plan, including the quality control and risk mitigation procedures.

(e) Storage and Processing of Customer Data

[***] For the avoidance of doubt, Provider may Process any Customer Data which is not Personally Identifiable Information solely at or from a Facility. In addition to and without limitation of the foregoing, any and all Processing of Customer Data by Provider and Provider Agents shall be limited to such Processing as is necessary to perform and provide the Services to Customer Group and to otherwise fulfill Provider's obligations under the Agreement.

(f) Facility Relocation

The Parties shall use the Change Control Procedures to add, change or delete Facilities (each, a ***"Facility Relocation"***), provided, however, that Customer may withhold its consent, in its sole discretion, (i) to any Facility Relocation involving a Data Center (or any physical assets within the Data Center or any Services provided via operation of those physical assets); (ii) as set forth in paragraph (e) above with respect to storage or Processing of Personally Identifiable Information. In connection with any proposed Facility Relocation or Service Relocation, Provider shall address in writing to Customer the impact of any such move on Customer (including cost and timing of any such move and any potential impact of such move on the Disaster Recovery Services).

(g) Services Relocation

The Offshore Plan may include a list of those Services that are approved for Provider performance at or from each Facility. The Parties shall use the Change Control Procedures to move Services to another Facility (a ***"Service Relocation"***) and any such move shall require Customer's prior written consent, in its reasonable discretion and in accordance with the Change Control Procedures, unless such Service Relocation is provided for and conducted in accordance with the Offshore Plan, in which case Provider shall Notify Customer prior to the Service Relocation, but no such consent from Customer shall be required. Provider shall be financially responsible for all additional costs, taxes or expenses resulting from any Provider-initiated Facility Relocation, Service Relocation or relocation to an Alternate Facility (as defined in the applicable Offshore Plan), including any costs or expenses incurred or experienced by Customer Group as a result of such relocation. Customer shall be financially responsible for all additional costs, taxes or expenses resulting from any Customer-initiated Facility Relocation or Service Relocation. The consent requirements of this Section 5.1(g) are in addition to and without limitation of the other consent requirements set forth in this Section 5.

(h) Physical Safety and Security

Provider will maintain and enforce at the Provider Facilities physical safety and security procedures that are at least equal to industry standards for locations similar to the Provider Facilities and any higher standard agreed on by the Parties, and that otherwise comply with the Security Requirements.

(i) Offshore Facilities; Customer-Required Relocation.

(i) Without limitation of the other provisions of this Section 5, no Services will be provided in any offshore Facility without the prior written consent of Customer, in its reasonable discretion (or, in those cases in which Customer's sole consent is required, in its sole consent), unless and to the extent specified in the "Facilities" Schedule. Provider will be responsible for obtaining any and all necessary approvals, and for complying with any and all necessary approvals, and for complying with any and all applicable Laws, including any export and import control Laws, associated with providing Services from an offshore Facility, in each case to the extent applicable to Provider.

(ii) Customer may require a Facility Relocation upon: (a) the occurrence or threat of one or more acts of terrorism in any jurisdiction in which a Provider Facility is located; or (b) the declaration or initiation of war (digital or physical) or acts related to war (digital or physical) or the threat thereof, in or related to any jurisdiction in which a Provider Facility is located, where Customer determines in its reasonable and good faith discretion that the events in (a) or (b) will: (y) cause or reasonably threaten to cause material damage or disadvantage to Customer Group, or any Assets, business or personnel of Customer Group; or (z) materially limit or reasonably threaten to materially limit Provider's ability to provide such Services or Customer Group's ability to receive and use such Services (***"Customer Required Relocation"***). In such event, the Parties will use the Change Control Procedures to document the relocation and any costs or Charges adjustments in connection with same. Both Parties will use commercially reasonable efforts to minimize costs and expenses incurred in connection with the foregoing.

(j) Changes to Service Locations

At any time during the Service Agreement Term, Customer may add, change or remove a Service Location and, in accordance with the applicable "Service Description" Schedule, and the Change Control Procedures, Provider shall assist Customer with such addition, change or removal in accordance with this Section 5.1.

5.2. Use of Customer Facilities

Customer shall provide Provider with access to and the use of Customer Facilities identified in the applicable Service Agreement for the periods and Services specified therein, subject to the following:

(a) Customer Facility Restrictions

(i) Provider may occupy such space solely for purposes of providing the Services and not for the provision or marketing of services to other customers of Provider.

(ii) In the use of such space, Customer agrees to supply reasonable office services and supplies, such as water, sewer, heat, lights, air conditioning, electricity and office equipment for Provider Personnel; provided, however, that Provider Personnel will supply their own cell phones and internet access. Office space will be provided in accordance with Customer's space standards, which Customer may revise from time to time in its sole discretion.

(iii) Provider will be solely responsible for the conduct, welfare and safety of the Provider Personnel while in Customer Facilities and will take all necessary precautions to prevent the occurrence of any injury to persons or property or any interference with Customer Group's operations while occupying such space.

(iv) When working at any Customer Facility, Provider Personnel will comply with Customer Group's security, information security, administrative, safety and other rules, regulations, policies and procedures, including the Security Requirements. Customer will make such policies and procedures available to Provider prior to Provider Personnel entering any Customer Facility, and will notify Provider of any subsequent modifications or amendments thereto.

(v) No interest in any such Customer owned or leased Facility is conferred upon Provider beyond the limited right to use such Facility for purposes of the Agreement. Provider will not take any action that results in the placement of any lien on any Customer Facility or any Customer Group property.

(vi) Provider recognizes that Customer Group's resources, including office equipment and supplies, computer software and hardware, and data/voice/image storage and transmission equipment, are intended for Customer Group business use only. Provider shall use any such resources only in connection with the performance of Services under the Agreement.

(vii) Provider recognizes that Customer does not guarantee the privacy or security of documents and messages stored in Customer Group-owned files, desks, storage areas, or electronic media and that Provider shall have no expectation of privacy or security in such documents and messages. Customer Group personnel shall have access to information stored in or on property or equipment owned or leased by Customer Group.

(b) No Warranty

THE CUSTOMER FACILITIES ARE PROVIDED BY CUSTOMER TO PROVIDER ON AN AS-IS, WHERE-IS BASIS. CUSTOMER EXPRESSLY DISCLAIMS ANY WARRANTIES, EXPRESS OR IMPLIED, AS TO THE CUSTOMER FACILITIES, OR THEIR CONDITION OR SUITABILITY FOR USE BY PROVIDER.

5.3. Shared Service Locations

If (i) Provider provides the Services to Customer Group from a Provider Facility that is shared with a Third Party or Third Parties or from a Provider Facility from which Provider provides services to a Third Party or Third Parties, or (ii) any part of the business of Provider or any such Third Party is now or is in the future competitive with any part of the business of Customer Group, then Provider shall develop a process, subject to Customer's written consent, to restrict physical and logical access in any such shared environment to Customer Group's Company Information so that Provider Personnel providing services to any competitor of Customer Group do not have access to Customer Group's Company Information. Such process shall be in compliance with Section 16.

6. CONTINUED PROVISION OF SERVICES

6.1. Disaster Recovery and Business Continuity Services

(a) Disaster Recovery Services

Disaster Recovery Services and responsibilities shall be provided pursuant to a Service Agreement and subject to the applicable Charges set forth therein.

(b) Disaster

Upon Provider's determination that a disaster or business disruption has occurred or is imminent, Provider shall promptly notify Customer and undertake all applicable actions and precautions required pursuant to the "Disaster Recovery and Business Continuity Requirements" Schedule, or the applicable disaster recovery or business continuity plan developed pursuant thereto, and diligently pursue them as necessary to avoid or, if unavoidable, minimize any interruption of Services. During any disaster, Provider will notify Customer at least daily of the status of the disaster or business disruption. Upon completion of a disaster or business disruption, Provider will, as soon as reasonably practicable, provide Customer with an incident report detailing the reason for the disaster or business disruption and all actions taken by Provider to resolve the disaster or business disruption.

6.2. Force Majeure

(a) Generally

If and to the extent that a Party's performance is prevented or delayed as a result of a Force Majeure Event, then the affected performance will be excused for so long as the Force Majeure Event continues to prevent or delay performance and the Party continues efforts to recommence performance to the extent possible without delay, including through the use of alternate sources and workaround plans. The affected Party will promptly notify the other Party verbally (to be confirmed in writing within 24 hours of the inception of the delay), describing the Force Majeure Event and the affected performance obligations in reasonable detail, and shall thereafter provide the other Party with daily updates (and more frequent updates if requested) as to the status of its efforts to recommence performance and Notice upon conclusion of the Force Majeure Event.

(b) Alternate Source

If any Force Majeure Event substantially prevents, hinders, or delays performance of the Services necessary for the performance of Customer Group's critical functions for more than three consecutive days or a total of five days within any 30-day period, then Customer may:

(i) procure such Services from an alternate source until Provider is able to provide the Services. During the Force Majeure Event, Customer shall not be obligated to pay the Charges or any other amounts to Provider for the relevant Services, and, to the extent that payments charged by the alternate source for such replacement services exceed what Provider's Charges hereunder for the Services so provided would have been, Provider and Customer will equally share such incremental charges until such time as Provider is able to restore the Services and meet the Service Levels, but in no event for more than 180 days; and

(ii) both Parties shall use commercially reasonable efforts to minimize any charges to be incurred from an alternate source. At such time as Provider is able to restore the Services and meet the Service Levels, Provider shall no longer be obligated to pay an alternate source for the provision of Services to Customer Group.

(c) Non-Excused Obligations

Notwithstanding Section 6.2(a) or 6.2(b), Force Majeure Events do not excuse any of Provider's disaster recovery and business continuity obligations under Section 6.1 or its obligations to meet the Security Requirements, except to the extent such failure to meet Provider's disaster recovery or business continuity obligations is the direct result of the Force Majeure Event and provided Provider continues to use commercially reasonable efforts to mitigate the impact or consequence of the event on Customer Group

and to recommence performance whenever and to whatever extent possible without delay. In no event shall the non-performing Party be excused under this Section 6.2 for (i) any non-performance of its obligations under the Agreement having a greater scope or longer period than is justified by the Force Majeure Event; or (ii) the performance of obligations that should have been performed prior to the Force Majeure Event.

6.3. No Payment for Unperformed Services

Customer is not required to pay for those Services that are not performed, whether because of a disaster, Force Majeure Event or otherwise, regardless of whether such non-performance is excused.

6.4. Allocation of Resources

Whenever a Force Majeure Event or a disaster causes Provider to allocate limited resources among Provider's customers, Provider will not give other customers to which Provider provides a similar scope of services priority over Customer or redeploy or reassign any Key Personnel (except as permitted under this Agreement) to another Provider customer.

7. COMPLIANCE WITH LAWS

7.1. Compliance Generally

(a) Compliance with Laws

Provider shall perform the Services in compliance with:

(i) all Laws applicable to Provider as a provider of data processing services in its performance and delivery of the Services;

(ii) all Laws (including any guidance, bulletins, white papers, pronouncements, reports or similar communications issued by any Governmental Authority or applicable self-regulatory or industry body, that have the force of law or are treated in the industry as having the force of law, [***]) applicable to the portion of the operations of Customer Group performed by Provider as part of the Services, just as if Customer Group performed the Services themselves, as interpreted, augmented and modified by the Customer Compliance Directives (collectively, the ***"Customer Compliance Requirements"***); and

(iii) subject to the provisions of Section 7.2 below, all Customer Compliance Directives issued to Provider by Customer in writing.

(b) Privacy Laws

Without limiting Provider's other obligations under this Section 7, Provider (i) acknowledges that the Customer Data may be subject to Privacy Laws, and (ii) will

comply with all Privacy Laws applicable to the Customer Data and the Services, as more particularly set forth in the "Privacy Requirements" Exhibit. In addition, Provider shall comply with the requirements of the Data Processing Addendum entered into by the Parties as of May 17, 2018 (the "***DPA***"). The DPA is hereby incorporated into and made part of the Agreement. In the event of a conflict between the "Privacy Requirements" Exhibit and the DPA, the DPA shall control.

7.2. Changes in Laws

Provider and Customer will work together to identify the effect of changes in Laws or Customer Compliance Requirements on the provision and receipt of the Services and will promptly discuss the changes to the Services, if any, required to comply with all Laws and Customer Compliance Requirements. Any changes required as a result of a change in Laws shall be implemented in accordance with the provisions of Sections 7.2(a) and 7.2(b) and the Change Control Procedures.

(a) Provider Laws

Provider shall conform the Services in a timely manner to any changes in Laws referred to in Section 7.1(a)(i) at no additional charge to Customer.

(b) Customer Compliance Requirements

Provider shall conform the Services in a timely manner to any change in Customer Compliance Requirements (including new or revised Customer Compliance Directives), subject to Customer's approval as to the manner of such conformance. Provider is authorized to act and rely on each Customer Compliance Directive in the performance and delivery of the Services.

(i) With respect to any such modifications in Customer Compliance Requirements, [***].

(ii) In a quote submitted to Customer for review and acceptance, Provider shall identify the changes to the Services necessary to comply with such new or revised Customer Compliance Requirement and propose a method of integrating such changes, pursuant to the Change Control Procedures. Such changes shall: (x) be integrated in a cost-effective manner and without unnecessary disruption of Customer Group's ongoing operations (as modified by such changes); (y) equitably account for any efficiencies, economies or reduced or increased resource requirements resulting from any changes in the Services (including any efficiencies resulting from Provider's implementation of applicable changes for its other affected customers) or Service Levels resulting from such changes; and (z) include modified Charges that have been determined based on the rates agreed in the applicable Service Agreement and where no such rates are agreed, on a commercially reasonable basis consistent with the other Charges.

8. CHARGES; NEW SERVICES; INVOICES; AND PAYMENTS

8.1. Charges

In consideration of the Services under each Service Agreement, Customer will pay Provider the Charges set forth in the "Charges" Schedule to each Service Agreement, which will include the payments and payment-related terms. Except as expressly set forth in the Agreement, including the "Charges" Schedule, to the applicable Service Agreement, no other amounts are payable under the Agreement. Undisputed Charges are due and payable 60 days after receipt of invoice from Provider. Customer's payment shall be made by wire transfer to an account designated by Provider. Any unused credits against future payments (including Service Level Credits) owed to either Party by the other pursuant to a Service Agreement will be paid to the applicable Party within 60 days after the expiration or termination of the Service Agreement.

8.2. Invoices

Provider will invoice the Charges under each Service Agreement as set forth in the "Charges" Schedule, with invoices to include such detail as provided in the Service Agreement. No invoice for Charges for any of the Services shall be delivered to Customer until after the Services that are the subject of such invoice have been provided to Customer Group. However, any Services that are expressly stated in the applicable "Charges" Schedule as prepaid or paid in advance shall be excluded from the limitation of this provision to the extent, but only to the extent, expressly set forth in the Agreement. Provider shall not invoice, and Customer is not liable to pay, any Charges not invoiced within 90 days (or 180 days with respect to any Pass Through Charges) after the end of the month to which such Charges correspond. [***]

8.3. Taxes

(a) Responsibility

Customer shall be responsible and liable for Taxes arising from any provision of services or any transfer or lease of property by Provider to Customer, or imposed on any Charges, pursuant to this Agreement. Provider shall be responsible for all Taxes that are imposed on acquisition, ownership, or use of property or services by Provider or a Provider Affiliate in the course of providing property or services to Customer, it being understood and agreed that this provision shall not relieve Customer of its responsibility and liability for Taxes under this Section 8.3(a) which are imposed upon any transfer or lease of such property from Provider to Customer. Customer shall not be responsible for any Taxes (i) on Taxes previously paid or incurred by Provider or a Provider Affiliate, (ii) on Taxes imposed by a third party where Provider or a Provider Affiliate is acting as an agent and Customer has the responsibility to pay Taxes on charges associated with Managed Agreements; (iii) that are non-recoverable by Customer based on failure by Provider or a Provider Affiliate to register in foreign jurisdictions or provide an invoice in compliance with applicable law; or (iv) arising from the provision of services or the transfer or lease of property that are erroneously charged by Provider or a Provider Affiliate or third party provider where Provider or a Provider Affiliate serves as a pass

through agent and are otherwise nontaxable or exempt under applicable Tax law. Customer shall be responsible and liable for all customs fees, duties and tariffs imposed on the importation of any goods provided by Provider or any Provider Affiliate to Customer or any Customer Affiliate hereunder. Provider shall be responsible and liable for all value added taxes, goods and services taxes, and similar types of taxes in the nature of a value added or goods and services tax, which are imposed upon the importation into any taxing jurisdiction of any property by Provider or a Provider Affiliate.

(b) Withholding Taxes

If a member of the Customer (i) receives notice or other instructions from a taxing authority that such Customer member is required to withhold Withholding Taxes or (ii) otherwise reasonably believes that it is required under applicable law to withhold Withholding Taxes from payments to Provider or any Affiliate of Provider, Customer (or such Customer member) may withhold Withholding Taxes from such payments, in which case it will timely (a) remit such Withholding Taxes to the appropriate taxing authority and (b) provide to Provider copies of official tax receipts or other evidence sufficient to establish that any such Withholding Taxes have been remitted to appropriate taxing authorities. Provider may provide to Customer an exemption certificate acceptable to Customer and to the relevant taxing authority, in which case Customer will not withhold the Withholding Taxes covered by such certificate. Provider acknowledges that it will be responsible for all Withholding Taxes.

(c) Exemptions

Customer and each member of Customer shall pay or reimburse Provider for any Taxes for which it is responsible or liable under this Agreement that are invoiced by Provider or charged under a Managed Agreement by Provider to Customer or a member of Customer, or that are otherwise determined to be due and payable by a relevant taxing authority, unless Customer or the Customer member provides Provider or a Provider Affiliate with a valid and applicable exemption certificate, multi-state benefit certificate, or resale certificate or written explanation explaining why Customer or the Customer member believes the Tax is not applicable. In the event that Customer provides such a written explanation to Provider or a Provider Affiliate, Provider may at any time require Customer to deliver an opinion letter from outside counsel, selected by Customer and reasonably acceptable to Provider, that Customer’s position is reasonable under the applicable tax law. The cost of such letter shall be paid by Customer. If such a letter is not delivered within 30 days of the request, Customer must pay the Taxes invoiced. Such certificate or written explanation does not relieve Customer or the Customer member of ultimate liability for the Tax to the extent the taxing authority disagrees with the Customer or the Customer member’s position that no such Tax is due; provided, that Customer shall have no liability for Taxes either not yet due and payable or Taxes being contested (unless payment is a condition to contest) in accordance with subsection (e) of this Section.

(d) Reporting and Payment

Provider shall be responsible for reporting and payment of any real or personal property or ad valorem taxes due on property Provider or a Provider Affiliate owns and property taxes Provider or a Provider Affiliate otherwise has a responsibility to remit, and Customer and each member of the Customer shall be responsible for reporting and payment of any real or personal property or ad valorem taxes due on property it owns and property taxes it otherwise has a responsibility to remit.

(e) Tax Claims

If Provider or a Provider Affiliate receives notice from any taxing authority with respect to an assessment or potential assessment or imposition of any Tax that Customer would be responsible for paying pursuant to Section 8.3(a) or 8.3(c) of this Agreement, Provider shall immediately send Notice to Customer of such notice. To the extent directed by Customer in a Notice sent to Provider within 30 days of Customer's receipt of the Notice from Provider (as described above), Provider and any relevant Provider Affiliate shall timely contest at Customer's direction relating to all actions to be taken to contest such proposed Tax and with Customer's participation, or, if Customer so directs and it is feasible for Provider and any relevant Provider Affiliate to segregate out the portion of the Tax claim that relates solely to Customer, permit Customer to contest, to the extent permissible under applicable Tax law and procedures, such proposed Tax, at Customer's expense and in a forum selected by Customer and with counsel selected by Customer and reasonably acceptable to Provider, until such assessment has been upheld by the decision of an appellate court; except that prior to any judicial contest Provider may require (as a condition to such judicial contest) an opinion letter from counsel selected by Customer and reasonably acceptable to Provider that there is a reasonable tax basis for such contest. Any Notice to a Party under this Section 8.3(e) shall also be copied directly to the tax department of that Party, in care of the Vice President-Tax Administration. To the extent Provider or a Provider Affiliate contests a proposed Tax at Customer's direction, and such contest involves claims with respect to Taxes for which Customer would not be responsible under Section 8.3(a) or 8.3(c), Customer shall be responsible only for that portion of expenses of Provider and any relevant Provider Affiliate as are reasonably allocable to the contest of Taxes for which Customer would be responsible under Section 8.3(a) or 8.3(c). Provider and any relevant Provider Affiliate may compromise, settle, or resolve such a Tax contest under this Section 8.3(e) without Customer's consent (provided such compromise, settlement, or resolution is limited only to the Taxes for the tax period involved) if Provider waives any indemnity rights Provider and any relevant Provider Affiliate has against Customer with respect to the Taxes being contested. Otherwise, neither Provider nor any relevant Provider Affiliate may compromise, settle, or resolve such Tax contest without Customer's consent. Notwithstanding the foregoing, should Customer (i) not direct Provider either to contest or permit Customer to contest, a proposed Tax within 30 days of Customer's receipt of the Notice from Provider described in the first sentence of this paragraph or (ii) revoke its Notice directing Provider to either contest or permit Customer to contest a proposed Tax,

Provider shall be entitled to contest such proposed Tax at Provider's expense or compromise, settle, or resolve any contest with respect to such proposed Tax and Customer will be responsible for and liable for such Tax, as otherwise provided for in Section 8.3(a) or 8.3(c).

(f) Refunds

Customer and each member of the Customer shall be entitled to any Tax refunds or rebates granted to the extent such refunds or rebates are of Taxes that were borne by Customer or a Customer member. Customer or each Customer member may require Provider and any relevant Provider Affiliate, at the sole expense of Customer, to (i) apply for and diligently pursue a refund of Taxes otherwise payable by Customer or the Customer member, or (ii) if permitted by law, assign its rights to a refund claim for such Taxes to Customer or the Customer member.

(g) Cooperation

The Parties agree to reasonably cooperate with each other to enable each to more accurately determine its own tax liability (including Taxes, Withholding Taxes and property taxes) and to minimize such liability to the extent legally possible. Invoices issued by Provider or a Provider Affiliate shall separately state the amounts of any Taxes Provider or a Provider Affiliate is collecting from Customer. In the case of Customer, such cooperation shall include providing Provider or any relevant Provider Affiliate any applicable exemption or resale certificates, and information regarding out-of-province or out-of-country sales and use of equipment. In the case of Provider, such cooperation shall include providing Customer, at the reasonable and written request of Customer, with applicable information regarding delivery or use of materials, services, or sales, and taking reasonable additional steps to minimize Taxes, examples of which include providing Customer with thorough invoices and/or additional billing information that may be reasonably requested in order to determine the taxability of specific goods and services provided under this Agreement. If any Taxes are assessed on the provision of any of the Services, including telecommunications, or any portion of the Services that is treated as a sale or rental of tangible personal property to Customer, the Parties will work together to segregate all payments under this Agreement into three (3) payment streams: (i) those for taxable Services (separated into types of taxable Services) and taxable sale or rental of tangible personal property; (ii) those for nontaxable services; and (iii) those in which Provider or a Provider Affiliate functions merely as a payment agent for Customer in receiving goods, supplies or services (including telecommunications) that otherwise are nontaxable or have previously been subject to tax.

(h) Stamp Taxes

Responsibility for any stamp taxes (in all cases including any interest and penalties thereon) incurred with respect to International Agreements shall be as follows:

(i) Except as otherwise provided in Section 8.3(h)(ii) below or as otherwise specified in an International Agreement, Customer shall be responsible for any stamp taxes incurred with respect to International Agreements.

(ii) Provider shall be responsible for any stamp taxes incurred with respect to an International Agreement if such stamp taxes arise in connection with any of the following actions by Provider or any Provider Affiliate.

(1) [***]

(2) [***]

(A) [***]

(B) [***]

(C) [***]

(D) [***]

(E) [***]

(F) [***]

8.4. Market Currency and Benchmarking Procedures

Provider will perform reviews of the competitiveness of the Services and the Charges with respect to price and technology and process best practices, and Customer may require a benchmarking assessment and related adjustment of Charges as set forth in the "Market Currency Procedures" Exhibit. Notwithstanding anything herein or otherwise to the contrary, the Parties agree that (1) the benchmarking assessment conducted in 2020 is concluded and no further action is required by either Party in connection therewith and (2) the results of the benchmarking assessment conducted in 2020 are fully reflected in this Agreement and that neither Party will have (and each Party hereby waives) any claim or cause of action against the other resulting from such benchmarking assessment. For the avoidance of doubt, the Parties agree that no further benchmarks shall be conducted until the next date specified in the "Market Currency Procedures" Exhibit.

8.5. Service Level Credits

If Provider fails to provide the Services in accordance with the Service Levels set forth in any "Service Level Agreement" Schedule to a Service Agreement, Provider shall apply the resulting Service Level Credits against the Charges owed to Provider for the month following the month in which the Service Level Credits were incurred, or as otherwise described in such "Service Level Agreement" Schedule. Provider acknowledges and agrees that (i) the Service Level Credits shall not be deemed or understood to be liquidated damages and (ii) neither the Service Level Credits nor any express non-financial remedy hereunder shall be deemed or

understood to be a sole and exclusive remedy or in derogation of any other rights and remedies Customer has hereunder or otherwise at law or at equity.

8.6. Rights of Set-Off

Customer shall have the right to set off against amounts owed by Customer under the Agreement any amount that Provider is obligated to pay or credit Customer under this Agreement, including Service Level Credits, except to the extent such setoffs occur across different countries. Any such set-off shall not be treated as disputed under Section 8.7 or otherwise count towards the Aggregate Disputed Amount unless it is in fact the subject of a dispute.

8.7. Disputed Charges/Credits

Customer may withhold payment of any portion of an invoice that it disputes in good faith, up to an aggregate amount of [***] per Service Agreement (unless the Service Agreement provides for a different amount) ("***Aggregate Disputed Amount***"). Customer shall notify Provider of any such Dispute as soon as practicable after the discrepancy has been discovered. The Parties will investigate and resolve the Dispute using the Dispute Resolution Procedures. Unpaid amounts that are the subject of a good faith Dispute may be withheld by Customer and will not be considered a basis for monetary default under, or a breach of, the Agreement. Any undisputed amounts will be paid by Customer in accordance with Section 8.1. Customer's failure to dispute or withhold a payment will not operate as a waiver of the right to dispute and recover such amount. Customer shall deposit into an interest-bearing escrow account any disputed amount in excess of the Aggregate Disputed Amount within three Business Days after such disputed amounts are due, provided that Customer shall retain any and all rights to contest Provider's entitlement to such disputed amount. Customer shall promptly furnish evidence of any escrow deposit to Provider. The escrow account will be established pursuant to an escrow agreement with a major national bank that provides that (i) the costs of such escrow account will be shared equally by the Parties, and (ii) the funds therein (including Charges and Taxes), including the accrued interest, will be disbursed to Customer or Provider, as applicable, in accordance with the results of the Dispute Resolution Procedures or by mutual agreement of the Parties. If Customer fails to escrow disputed amounts in accordance with this Section 8.7 within 30 days after Notice from Provider of Customer's failure to do so, Provider may, after giving Customer at least 15 days prior Notice, apply to a court of competent jurisdiction to seek injunctive relief for such failure.

8.8. Changes in Customer Business

(a) Changes

If Customer Group experiences or reasonably anticipates significant changes in the scope or nature of its business which have caused or are reasonably expected to cause an increase or decrease in the utilization of Services under any Service Agreement by more than [***], for a period of three months or more, such changes shall be governed by this Section 8.8; provided, that such decreases are not due to Customer's resuming the provision of such Services by itself or Customer transferring the provision of such Services to another Third Party Provider. Examples of the kinds of events that might cause such substantial increases or decreases include but are not limited to: (i) changes in Customer Group's products or markets; (ii) mergers, acquisitions or divestitures; (iii) changes in market priorities; (iv) reduction in demand for Customer Group's products or services; or (v) general business or economic downturn.

(b) Plan for Adjustment

Customer will notify Provider of any event or discrete set of events which qualifies under this Section 8.8, and Provider will identify any changes that can be made to accommodate such decrease or increase of resource requirements in a cost-effective manner without disruption to Customer Group's ongoing operations, and the cost savings that will result therefrom, in a plan that will be submitted to Customer for review and acceptance. Such changes shall:

(i) equitably account for any efficiencies, economies or reduced or increased resource requirements resulting from any changes in the Services proposed by Provider; and

(ii) provide for changes to the Charges and other terms that have been determined on a commercially reasonable basis consistent with the other Charges and terms.

(c) Implementation of Adjustment

Upon acceptance by Customer, Provider will make any applicable adjustments to the Charges and the related Resource Unit volumes (if applicable) and other terms to reflect the foregoing and distribute an amended "Charges" Schedule and executed a Change Order to the affected Service Agreements to Customer.

9. PROVIDER OBLIGATIONS

9.1. Cooperation and Good Faith

The Parties covenant to timely and diligently cooperate in good faith to effect the purposes and objectives of the Agreement. Except as otherwise provided herein, neither Party shall unreasonably withhold or delay any consent, approval or request by the other Party required

under the Agreement. Each Party recognizes that Provider Personnel providing Services to Customer Group under this Agreement may perform similar services for others, except as otherwise specified in the Agreement or as otherwise agreed to by the Parties in writing. Provider shall not without the prior written consent of Customer use any of the assets owned, licensed or leased by Customer on or after the Effective Date to perform services for others.

9.2. Services

Provider shall render Services using personnel that have the necessary knowledge, training, skills, experience, qualifications and resources to provide and perform the Services in accordance with the Agreement, and shall render Services in a prompt, professional, diligent, and workmanlike manner, consistent with industry standards applicable to the performance of such Services.

9.3. Continuous Improvement

Provider shall diligently and continuously improve the performance and delivery of the Services by Provider and the elements of the policies, processes, procedures and systems that are used by Provider to perform and deliver the Services, including re-engineering, tuning, optimizing, balancing and reconfiguring the processes, procedures and systems used to perform, deliver, track and report on, the Services, subject to the approval of Customer in accordance with the Change Control Procedures. From time to time, Customer may request that Provider work together with Customer or Third Parties to identify ways to achieve reductions in the cost of, and greater efficiencies with, delivering the Services and corresponding reductions in the Charges and provide a report to Customer regarding the same. If so requested by the Customer Technical Alliance Manager, Provider will, at its own expense, promptly prepare and deliver to Customer, within 60 days (or such longer period as may be agreed), a detailed proposal identifying all viable means of achieving the desired reductions without, to the extent practically possible, adversely impacting business objectives or requirements identified by Customer. Customer will not be obligated to accept or implement any such proposal.

9.4. Technology; Best Practices

Provider will: (i) provide the Services using technology at a level current with the technology that Provider implements for its general internal operations and at least comparable to the level of technology generally adopted from time to time for provision of similar services in the information technology industry; (ii) keep knowledgeable about changes and advancements over time in the technology necessary to provide the Services; and (iii) in performing the Services, utilize processes, procedures and practices that are consistent with the best practices it utilizes in performing services similar to the Services for its other customers, which practices will, at a minimum, be consistent with the best practices of similarly situated providers offering similar services within the information technology industry.

9.5. No Solicitation

During the Term, neither Party shall knowingly solicit any employee or subcontractor of the other Party or its Affiliates who is or was actively involved in the performance, provision or use of any of the Services, or knowingly hire any employee or subcontractor of the other Party or its Affiliates who is or was actively involved in the performance, provision or use of any of the Services, unless otherwise agreed in writing by the Parties and except as permitted upon termination or expiration as provided for in Section 18.6(b). Notwithstanding the foregoing, the Parties acknowledge and agree that this Agreement will not prohibit (i) solicitations through general public advertisements or other publications of general public circulation not targeted directly or indirectly at the other Party's employees, or (ii) the solicitation for employment or employment by one Party of a former employee or an individual subcontractor of the other Party who, at the date of such solicitation or employment, was not an employee or an individual subcontractor of such Party and either (a) had not been an employee or individual subcontractor of such Party at any time during the previous 12 months or (b) had been an employee or individual subcontractor of such Party at some time during the previous 12 months, but had been laid off or had their employment otherwise involuntarily terminated by such Party.

9.6. Export; Regulatory Approvals

(a) Export Laws

(i) The Parties acknowledge that the export, re-export, transfer, provision or release of products, services, technology, technical data and software ("items") undertaken pursuant to this Agreement may be subject to licensing requirements or other restrictions under export and sanctions laws and regulations of the United States and other national governments, which include, without limitation, the Export Administration Regulations, 15 C.F.R. Parts 730-774, administered by the U.S. Department of Commerce's Bureau of Industry and Security and the regulations and sanctions programs administered by the U.S. Department of the Treasury's Office of Foreign Assets Control, 31 C.F.R. Parts 500-599; and the laws and regulations of other countries with jurisdiction over the export, re-export, or in-country transfer of items. Each Party agrees to comply with their respective responsibilities under applicable export and sanctions laws and regulations when, directly or indirectly, exporting, re-exporting, or transferring items pursuant to this Agreement.

(ii) For any items provided by Customer Group to Provider (***"Customer Export Materials"***), Customer shall be responsible for obtaining all reviews, licenses or other authorizations necessary for the export, re-export, transfer, provision or release of such Customer Export Materials from Customer Group to Provider or Provider Agents, where Provider has directed, the Agreement provides, or the Parties have otherwise agreed that Customer Group will export such Customer Export Materials directly

to a member of Provider's enterprise or a Provider Agent. Provider shall be responsible for obtaining all reviews, licenses or other authorizations necessary for the export, re-export, transfer, provision or release of such Customer Export Materials (i) within Provider's enterprise; (ii) from Provider to Provider Agents; or (iii) from Provider Agents to Provider.

(iii) Customer will provide to Provider not less than 30 days prior written notice in the event that any Customer Export Materials that must be used or accessed by Provider in providing the Services is controlled for export and will, if requested by Provider, provide ECCN classification of any such item or the similar classification as appropriate under other applicable law (unless Provider otherwise has such ECCNs).

(iv) Provider shall be responsible for determining applicable export requirements and obtaining all reviews, licenses, or other authorizations necessary for the export, re-export, transfer, provision or release of any items provided by Provider or Provider Agents to Customer Group.

(v) Each Party will reasonably cooperate with the other and will provide to the other promptly upon request any end-user certificates, affidavits regarding re-export or other certificates or documents as are reasonably requested to obtain authorizations, consents, licenses and/or permits required for any payment or any export or import of items or services under this Agreement.

(b) Prohibited Countries and Parties

Provider agrees that neither Provider nor any Provider Agent will, in connection with Services provided to Customer Group, engage in any business, directly or indirectly, in or with any country subject to a comprehensive sanctions program or embargo (e.g. Cuba, Iran, North Korea, Sudan, Syria), or with persons or entities that are listed on the Consolidated Screening List or otherwise prohibited.

(c) Approvals

Provider will timely obtain and maintain all necessary approvals, licenses and permits (required by Law or otherwise) applicable to its business and the provision of the Services, including any relating to trans-border data flows and the Customer Data, applicable to Provider, Customer Group or use of any products or services under the Third Party Agreements.

9.7. Malware

Provider will take commercially reasonable diligent measures (consistent with the following sentence) to prevent the coding, introduction or proliferation of Malware into (i) any Provider Information System, or (ii) any Customer Systems supported by Provider as part of the

Services. Provider will continue to review, analyze and implement improvements to and upgrades of its Malware prevention, correction and monitoring programs and processes that are commercially reasonable and consistent with the then current information technology industry's standards and, in any case, not less robust than the programs and processes implemented by Provider with respect to its own information systems. Without limiting Provider's other obligations under the Agreement, if Malware is found to have been introduced into the systems referenced in (i) and (ii) above, Provider shall promptly notify Customer and take commercially reasonable diligent efforts to eliminate the effects of the Malware; provided, however, Provider shall take immediate action if required due to the nature or severity of the Malware's proliferation. [***] All remediation efforts with respect to Malware must be in accordance with all applicable requirements of the "Information Security Requirements" Exhibit and as may otherwise be expressly provided in a Service Agreement. At Customer's request, Provider will report to Customer the nature and status of all Malware elimination and remediation efforts.

9.8. Data

Provider will cause all data and information supplied by it to be timely and accurate.

9.9. Services Not to be Withheld

Provider will not refuse to provide all or any portion of the Services in violation or breach of the terms of the Agreement or any Service Agreement.

10. REPRESENTATIONS AND WARRANTIES

10.1. Representations and Warranties of Customer

Customer represents and warrants to Provider as follows as of the Effective Date and as of the Execution Date of each Service Agreement:

(a) Organization; Power

Customer: (i) is a corporation duly organized, validly existing and in good standing under the laws of the State of Delaware; and (ii) has full corporate power to own, lease, license and operate its properties and assets and to conduct its business as currently conducted and to enter into the Agreement.

(b) Authorized Agreement

The Agreement has been, and each Service Agreement will be, duly authorized, executed and delivered by Customer and constitutes or will constitute, as applicable, a valid and binding agreement of Customer, enforceable against Customer in accordance with its terms.

(c) No Default

Neither the execution and delivery of the Agreement or any Service Agreement by Customer, nor the consummation of the transactions contemplated hereby or thereby, shall result in the breach of any term or provision of, or constitute a default under, any charter provision or bylaw, agreement (subject to any applicable consent), order, law, rule or regulation to which Customer is a party or which is otherwise applicable to Customer.

10.2. Representations and Warranties of Provider

Provider represents and warrants to Customer as follows as of the Effective Date and as of the Execution Date of each Service Agreement:

(a) Organization; Power

Provider: (i) is a corporation, duly organized, validly existing and in good standing under the Laws of Delaware; and (ii) has full corporate power to own, lease, license and operate its properties and assets and to conduct its business as currently conducted and to enter into the Agreement.

(b) Authorized Agreement

The Agreement has been and each Service Agreement will be duly authorized, executed and delivered by Provider and constitutes or will constitute, as applicable, a valid and binding agreement of Provider, enforceable against Provider in accordance with its terms.

(c) No Default

Neither the execution and delivery of the Agreement or any Service Agreement by Provider, nor the consummation of the transactions contemplated hereby or thereby, shall result in the breach of any term or provision of, or constitute a default under, any organizational documents of Provider, or any agreement (subject to any applicable consent), order, Law, rule or regulation to which Provider is a party or that is otherwise applicable to Provider.

(d) Consents

Except as otherwise provided in the Agreement, no authorizations or other consents, approvals or notices of or to any Person are required in connection with: (i) the execution, delivery and performance by Provider of the Agreement; (ii) the development, implementation or operation of the Provider Software, Provider Equipment and systems provided by Provider and necessary for Provider to perform the Services in accordance with this Agreement, or (iii) the validity and enforceability of the Agreement.

(e) No Infringement

(i) Provider is the owner of the Provider Owned Software and has the authority to grant the licenses in the Provider Licensed Software to be granted hereunder;

(ii) the Provider Software and the Provider Equipment do not knowingly infringe or misappropriate the Intellectual Property Rights of any third party; and

(iii) as of the Effective Date, there is no claim or proceeding pending or threatened alleging that any of the Provider Software or the Provider Equipment infringes or misappropriates the Intellectual Property Rights of any third party.

(f) Date Warranty

The Services will not be adversely affected in any way by any date data, date setting, date value, date input or other date related data and any combination thereof (including leap year), excluding Services failures caused by date-related defects in the Customer Owned Software.

(g) Performance Warranty

The Services will conform in all material respects to the description of the Services set forth in each Service Agreement.

(h) Capability to Provide Services

Provider has the requisite and necessary skills and experience to perform and provide the Services, and owns and possesses sufficient rights to grant all of the rights and licenses granted or to be granted, in accordance with the Agreement.

(i) Currency Compliance

The Provider Software and any other software provided or made available by Provider to Customer Group hereunder or used by Provider in performance of the Services will be Currency Compliant.

(j) Data Processing and Transfers

With respect to each transfer of Personally Identifiable Information, Provider: (i) has full legal authority to Process such Personally Identifiable Information in each jurisdiction where Personally Identifiable Information will be Processed; (ii) will use such Personally Identifiable Information for purposes consistent with those for which it was collected or subsequently authorized by the data subject; and (iii) has complied, and

will comply, with all applicable Laws with respect to the Processing or any transfer of Personally Identifiable Information to a Third Party.

(k) Compliance with Immigration Laws

Provider will at all times comply with all applicable Laws relating to the screening, hiring and employment of all labor forces used in connection with the Services, including those relating to citizenship or legal work status, including the U.S. Immigration Reform and Control Act of 1986, as amended, and its successors, if any, and any implementing regulations therefor. Provider will not assign Services to be performed to any Provider Personnel who are unauthorized aliens, and if any Provider Personnel performing any of the Services is discovered to be an unauthorized alien, Provider will immediately remove such Provider Personnel from performing Services hereunder and replace such Provider Personnel with Provider Personnel who is not an unauthorized alien.

(l) Employment Eligibility and Insurance

Provider will maintain at Provider's expense all of the necessary certification and documentation such as Employment Eligibility Verification Form I-9s as well as all necessary insurance for its employees, including workers' compensation and unemployment insurance. Provider will be solely responsible for the withholding and payment, if any, of employment taxes, benefits and workers' compensation insurance.

(m) Conduct of the Services

The Services shall not knowingly contain or use injurious, deleterious or defamatory material, writing or images. Provider shall not take any action or conduct its operations in such manner as to bring public ridicule, contempt, censure or disparagement upon Customer Group, or any names, trademarks, service marks or logos of Customer Group.

(n) Open Source

Without Customer's prior written consent, Provider will not incorporate any Open Source Software (whether in source code or object code format) into the Deliverables or the Customer Software (collectively, ***"Affected Products"***). In addition, Provider will not use any Open Source Software in providing the Services in a manner, subject to or distributed under any license, other agreement or understanding, that: (i) would require the distribution of source code with the Affected Products or require source code to be made available when such is distributed to any Third Party; (ii) would impact, restrict or impair in any way Customer Group's ability to license the Affected Products pursuant to terms of Customer Group's choosing; or (iii) would impact or limit Customer Group's ability to enforce Customer Group's Intellectual Property Rights in the Affected Products against any Third Party in any manner.

(o) Disabling Code

Provider will not knowingly insert any Disabling Code that could be invoked to disable or otherwise shut down all or any portion of the Services in any Software or Materials without the prior approval of Customer. In addition, with respect to any Disabling Code that may be part of the Software, Provider shall not knowingly invoke or cause to be invoked such Disabling Code at any time, including upon expiration or termination of this Agreement or any Service Agreement, in whole or in part, for any reason, without Customer's prior approval. Provider shall not knowingly use Third Party Software containing Disabling Code without the prior approval of Customer. For purposes of this provision, code that serves the function of ensuring software license compliance (including passwords) shall not be deemed Disabling Code, provided that Provider notifies Customer in advance of all such code and obtains Customer's approval prior to installing such code in any Software, Equipment or System.

(p) No Litigation.

There is no action, suit, proceeding or investigation pending or, to Provider's knowledge, threatened, that questions the validity of the Agreement or Provider's right to enter into the Agreement or any Service Agreement or to consummate any of the transactions contemplated by them.

(q) Foreign Corrupt Practices Act

(i) For purposes of this Section 10.2(q), ***"Provider Group"*** means DXC Technology Services LLC and its Affiliates, and all of their respective officers, directors, employees and agents. Provider represents, warrants and covenants that the Provider Group has not and shall not violate, or cause Customer Group to violate the United States Foreign Corrupt Practices Act or any other applicable anticorruption laws or regulations (***"FCPA"***) in connection with the Services provided under the Agreement and that the Provider Group has not, and agrees that the Provider Group shall not, in connection with the transactions contemplated by the Agreement, or in connection with any other business transactions involving Customer Group, pay, offer, promise, or authorize the payment or transfer of anything of value, directly or indirectly to:

(1) any government official or employee (including employees of government owned or controlled companies or public international organizations) or to any political party, party official, or candidate for public office; or

(2) any other person or entity if such payments or transfers would violate the laws of the country in which such payments or transfers are made, or the laws of the United States.

(ii) It is the intent of the Parties that no payments or transfers of value by Customer Group or any member of the Provider Group in connection with the Agreement shall be made which have the purpose or effect of public or commercial bribery, or acceptance of or acquiescence in, extortion, kickbacks, or other unlawful or improper means of obtaining business.

(iii) Provider represents, warrants and covenants that it is familiar with the provisions of the FCPA and agrees that:

(1) no member of the Provider Group involved in the provision of Services hereunder is a government official or employee (including an employee of a government-owned or government-controlled company or of a public international organization), is a political party official or employee of a political party, or is a candidate for public office, in each case in a non-U.S. location; and

(2) the Provider Group has not previously engaged in conduct that would have violated the FCPA had Provider Group been subject to its terms.

(iv) Provider represents, warrants and covenants that it has disclosed in writing the non-U.S. locations, if any, of all Provider Personnel anticipated to perform Services under the Agreement. Provider agrees to provide prompt advance Notice to Customer in the event that Provider desires to use any additional non-U.S. locations in the provision of Services to Customer Group under and in all cases subject to Customer's advance written consent and otherwise consistent with the terms and conditions of the Agreement.

(v) Provider acknowledges and agrees that Customer may, in accordance with Section 13.6, impose additional obligations upon Provider Group at Customer's discretion consistent with best practices to ensure compliance with the FCPA. Disclosures and Notice required under this provision shall be sent to the Customer addressee(s) set forth in Section 23.7 of the Master Agreement.

(r) Financial Statements

In the event that Provider is no longer required to file (or does not file) periodic reports pursuant to Section 13 or 15(d) of the Securities Exchange Act of 1934, Provider shall provide Customer, in reasonable detail and together with such supporting information as Customer may reasonably request: (i) within 45 days after the end of each fiscal quarter of Provider, unaudited consolidated interim financial statements representing the financial position and results of operations of Provider and Provider Parent as of the date thereof and for the period then ended; and within 90 days after the end of each of Provider's fiscal year, audited consolidated annual financial statements

representing the financial position and results of operations of Provider and Provider Parent as of the date thereof and for the period then ended, in each case together with a certification by the Chief Financial Officer of Provider that such financial statements are true and correct and comply in all material respects with GAAP.

(s) Provider Parent

Provider is a wholly-owned subsidiary of Provider Parent.

(t) Intellectual Property Rights

Provider does not have any commitments to Third Parties under which Provider is obligated to assign or license to a Third Party any Intellectual Property Rights in conflict with Provider's obligations to Customer Group pursuant to this Agreement.

(u) Deliverables Warranty

Unless otherwise agreed to in writing by the Parties in the applicable Work Order or other relevant document, Provider warrants that each Deliverable will not materially deviate from the applicable specifications for such Deliverable and will remain free of any material defects for: (i) 90 days after such Deliverable is accepted by Customer and (ii) additionally for Deliverables with cyclical events, an additional five days after the first occurrence of the cyclical event applicable to such Deliverables for errors that manifest in connection with such cyclical events (for example, month-end, quarter-end and year-end processing, but in no event greater than an annual cyclical event) occurring during the Term and after the Deliverable was Accepted (the ***"Warranty Period"***) (regardless of whether such Deliverable was put into production). If any Deliverable does not conform to this warranty during the applicable Warranty Period, Provider will promptly remedy such defects at no cost to Customer.

10.3. Pass-Through Warranties

In the event Provider purchases or procures any Third Party products or services for Customer Group in connection with the provision of the Services, in addition to the foregoing representations, warranties and covenants, Provider shall pass through or assign to Customer the rights Provider obtains from the manufacturers and vendors of such products and services (including warranty and indemnification rights), all to the extent that such rights are assignable.

10.4. Disclaimer

EXCEPT AS OTHERWISE EXPRESSLY PROVIDED IN THIS AGREEMENT OR IN ANY SERVICE AGREEMENT, THE PARTIES MAKE NO REPRESENTATIONS, WARRANTIES OR CONDITIONS, EXPRESS OR IMPLIED, REGARDING ANY MATTER, INCLUDING THE MERCHANTABILITY, SUITABILITY, FITNESS FOR A PARTICULAR USE OR PURPOSE, OR RESULTS TO BE DERIVED FROM THE USE OF ANY SERVICE,

SOFTWARE, HARDWARE, DELIVERABLES, WORK PRODUCT OR OTHER MATERIALS PROVIDED UNDER THIS AGREEMENT.

11. TRANSITION AND TRANSFORMATION

11.1. Transition Generally

(a) Transition Plan

Provider shall, if provided for in a Service Agreement, provide the Transition Services described in the "Transition" Schedule to such Service Agreement. The "Transition" Schedule shall include an initial transition plan that sets forth: (i) the Transition Services necessary to completely migrate the Services to, or implement the Services by, Provider; (ii) an allocation of responsibilities between the Parties for the performance of such Transition Services; (iii) the transition of the administration, management, operation under and financial responsibility for applicable Third Party Agreements from Customer Group to Provider; (iv) the transition to Provider of the performance of and responsibility for the other functions, responsibilities and tasks currently performed by Customer Group (or by a Third Party on behalf of Customer Group) which comprise the Services; (v) Service Levels applicable to the Transition Services; (vi) the Services, projects, tasks, responsibilities and timelines for activities to be performed in connection with the evolution, integration and transformation of the functions comprising the Services in accordance with the agreed upon plan; and (vii) such other information and planning as are necessary to ensure that the Transition takes place on schedule and without disruption to Customer Group's operations (each, a ***"Transition Plan"***). The final Transition Plan shall be mutually-agreed upon by the Parties not later than the date specified in the Service Agreement.

(b) Critical Transition Milestones

Each Transition Plan shall include those milestones that are critical to the success of the Transition (the ***"Critical Transition Milestones"***). For each Critical Transition Milestone, the Transition Plan shall set forth: (i) the transition activities that must be completed by Provider or Customer, as applicable, in order for the Critical Transition Milestone to be deemed to have been achieved (the ***"Critical Transition Activities"***); (ii) the applicable Acceptance Criteria; and (iii) the date by which the Critical Transition Milestone must be achieved. A Critical Transition Milestone will not be accepted until such time as each Critical Transition Activity included within the Critical Transition Milestone has satisfied all applicable Acceptance Criteria.

(c) Conduct of the Transition

Provider and Customer shall plan, prepare for and conduct the Transition in accordance with the written Transition Plan, which shall constitute part of the Agreement and with minimal disruption to Customer Group's business operations. The Customer Technical Alliance Manager and the Provider Client Executive shall meet as required

(but in any case, no less than once per week) to ensure the appropriate execution and completion of the Transition Plans.

(d) Transition Charges

Provider will be responsible for all costs associated with the Transition activities executed by Provider, including travel and living expenses. Customer will be responsible for all costs associated with the Transition activities executed by Customer, including travel and living expenses. Charges for the Transition, if any, will be itemized and included in the applicable "Charges" Schedule.

(e) Affected Employees

Customer may agree in any Service Agreement to provide Provider with the opportunity to offer employment to certain of the employees of Customer Group in connection with the execution of such Service Agreement. The "Affected Employees" Schedule to such Service Agreement shall set forth the Parties' agreement with respect to such employees.

11.2. Transformation

(a) Transformation Plan

Provider shall, if provided for in a Service Agreement, enhance the performance and delivery of Services through the transformational activities described in the "Transformation" Schedule to such Service Agreement. The "Transformation" Schedule shall include an initial transformation plan that describes the Services, projects, tasks, responsibilities and timelines for activities to be performed in connection with the evolution and transformation of the functions comprising the Services and such other information and planning as are necessary to ensure that the Transformation takes place on schedule and without disruption to Customer Group's operations (the ***"Initial Transformation Plan"***). The final Transformation Plan shall be mutually-agreed upon by the Parties not later than the date specified in the "Transformation" Schedule. Provider shall perform transformation activities as part of the Services and in accordance with the timeframes provided in the Transformation Plan. Detailed plans describing how such activities will be performed and implemented shall be drafted and proposed by Provider within the time frames specified in the Transformation Plan and are subject to approval by Customer.

(b) Critical Transformation Milestones

Each Transformation Plan shall include those milestones that are critical to the success of the Transformation (the ***"Critical Transformation Milestones"***). For each Critical Transformation Milestone, the Transformation Plan shall set forth: (i) the transformation activities that must be completed by Provider or Customer in order for the Critical Transformation Milestone to be deemed to have been achieved (the ***"Critical***

Transformation Activities"); (ii) the applicable Acceptance Criteria; and (iii) the date by which the Critical Transformation Milestone must be achieved. A Critical Transformation Milestone will not be accepted until such time as each Critical Transformation Activity included within the Critical Transformation Milestone has satisfied all applicable Acceptance Criteria.

(c) Conduct of the Transformation

Provider shall plan, prepare for and conduct the Transformation in accordance with the written Transformation Plan, which shall constitute part of the Agreement and with minimal disruption to Customer Group's business operations. The Customer Technical Alliance Manager and the Provider Client Executive shall meet as required (but in any case, no less than once per week) to ensure the appropriate execution and completion of the Transformation Plans.

(d) Transformation Charges

Provider will be responsible for all costs associated with the Transformation, including travel and living expenses. Charges for the Transformation, if any, will be itemized and included in the applicable "Charges" Schedule.

12. GOVERNANCE

12.1. Account Governance

Customer's account will be governed in accordance with the "Account Governance" Exhibit. The Services shall include all Provider obligations set forth in the "Account Governance" Exhibit, and all other project management, governance and related management activities described herein and in the Service Agreements or Schedules thereto, and shall be performed by Provider at no additional cost to Customer.

12.2. Provider Client Executive

(a) Appointment

Provider will designate a senior-level individual who will be primarily dedicated to Customer's account and shall have a primary office in Southlake, Texas (the ***"Provider Client Executive"***). The Provider Client Executive (i) must be approved by Customer, (ii) will be the primary contact for Customer in dealing with Provider under this Agreement, (iii) will have overall responsibility for managing and coordinating the delivery of the Services, (iv) will meet regularly with the Customer Technical Alliance Manager, (v) will have the power and authority to make decisions with respect to actions to be taken by Provider in the ordinary course of day-to-day management of Customer's account in accordance with the Agreement, and (vi) will serve as an escalated point of contact for Service delivery issues in accordance with the Dispute Resolution Procedures.

(b) Replacement

Provider shall maintain the initial Provider Client Executive on Customer's account for a period of at least [***] following his or her appointment to the Customer account (which may precede the Effective Date), and each of the subsequent Provider Client Executives for a period of at least [***] from his or her appointment to the Customer account, unless such Provider Client Executive: (x) voluntarily resigns from Provider, (y) is unable to work due to his or her death, injury or disability, or (z) is removed from the Customer assignment at the request of Customer (***"Permitted Client Executive Reassignment Exceptions"***). Provider shall give Customer at least [***] advance Notice of a change of the Provider Client Executive. If Provider is unable to provide [***] advance Notice as a result of a Permitted Client Executive Reassignment Exception, the longest Notice otherwise possible. Provider shall address, to Customer's satisfaction, any concerns that Customer may have with the proposed change or promptly propose a different individual for such position.

12.3. Customer Technical Alliance Manager

During the Term, Customer will designate a senior level individual (i) who will serve as Customer's primary contact for Provider in dealing with Customer under this Agreement, (ii) who will have the power and authority to make decisions with respect to actions to be taken by Customer in the ordinary course of day-to-day management of this Agreement, and (iii) who will serve as an escalated point of contact for any Service delivery issues in accordance with the Dispute Resolution Procedures (the ***"Customer Technical Alliance Manager"***). The Customer Technical Alliance Manager may designate in writing a reasonable number of additional Customer employees to be points of contact for Customer with respect to particular subject matters relating to this Agreement. Customer may from time to time replace the individual serving as the Customer Technical Alliance Manager by providing notice to Provider.

12.4. Provider Client Executive and Customer Technical Alliance Manager Meetings

During the Term, the Customer Technical Alliance Manager and Provider Client Executive shall meet periodically, as specified in the "Account Governance" Exhibit, at such times and locations as reasonably requested by either Party, to review their respective performance under the Agreement. For each such meeting, the Customer Technical Alliance Manager and Provider Client Executive shall agree to and publish an agenda sufficiently in advance of the meeting to allow meeting participants a reasonable opportunity to prepare for the meeting.

12.5. Governance and Committees

The Parties shall form and participate in the committees required by the "Account Governance" Exhibit.

12.6. Technology Governance; New Technology

(a) Technology Governance

At least once every six months during the Term (or as otherwise set forth in a Service Agreement), Provider will meet with Customer to: (i) discuss any new information processing technology Provider is developing or information processing trends and directions of which either Party is otherwise aware that could reasonably be expected to have an impact on Customer Group's business; and (ii) identify, jointly with Customer, cost-efficient methods to implement technological changes and methodologies that could be beneficial to Customer Group in connection with the Services, all in accordance with the "Account Governance" Exhibit. If Customer requests Changes to the technology or methodologies Provider uses to provide the Services as a result of such discussions, the Parties will discuss implementation of any such new technology and methodologies in accordance with the applicable Procedures Manual and Change Control Procedures and make appropriate adjustments to Charges, if any.

(b) Technology Changes

In all instances, Provider must provide Customer sufficient Notice of Provider's intent to implement new technology or methodologies that could impact the Services, and sufficient information in order that Customer may analyze the effect of the new technology or methodologies on Customer Systems. Any agreed-upon Changes will be implemented in accordance with the Change Control Procedures and Customer will be given sufficient opportunities to acceptance test any such implementation.

(c) Technology Recommendations

Provider shall, with respect to any new technology or methodologies proposed by Provider after the Commencement Date that comprise or could impact the Services, or that would constitute New Services, analyze and consider all applicable industry standard technology or methodologies (including technology or methodologies manufactured or owned by Provider competitors) prior to making a recommendation to Customer. Provider's review and analysis of, and recommendation for, any such new technology or methodologies shall be conducted in accordance with the "Account Governance" Exhibit and shall, at a minimum, take into account Customer Group's best interests, including Customer's ability to in-source the Services or outsource the Services to a Successor Provider upon any termination or expiration of the Agreement, a Service Agreement or any of the Services.

13. RELATIONSHIP PROTOCOLS

13.1. Alternate Providers; Provider Cooperation

(a) Non-Exclusive Relationship

The relationship between the Parties is non-exclusive. Customer Group shall have the right during the Term to retain Third Parties to perform any service, function,

responsibility, activity or task that is within the scope of the Services, or to perform any service, function, responsibility, activity, or task internally (i.e., insourcing), only by exercising its termination rights under the Agreement; provided, however, the foregoing shall not (i) prevent Customer Group from exercising its rights to engage a Third Party or perform a Service itself as expressly provided for in the Agreement; (ii) prevent Customer Group from reducing Service volumes in the normal course of business, subject to the pricing mechanism for such adjustments set forth in the applicable "Charges" Schedule; or (iii) otherwise preclude Customer Group from retiring or ceasing Services, reducing Service volumes or insourcing or re-sourcing Services in connection with an agreed upon Transformation Plan or Transition Plan under a Service Agreement [***], or as otherwise expressly contemplated in the Agreement, and Customer shall not be required to exercise its termination rights in connection with (i), (ii) or (iii) above. In the case of Customer's termination of Services under this Section 13.1(a), the Charges for the remaining Services will be as set forth in the applicable Service Agreement or if not addressed in such Service Agreement, the Charges will be equitably adjusted to reflect those Services that are no longer required.

(b) Cooperation; Obligations of Alternate Providers

Provider shall cooperate with any Third Parties and Customer as requested by Customer from time to time. Such cooperation shall include: (i) Provider's performance of Termination Assistance Services in accordance with Section 18.5 of the Master Agreement and the "Termination Assistance Services" Schedule to the applicable Service Agreement; (ii) providing reasonable physical and logical access to any facilities used by Provider to provide the Services and to the data, books and records in the possession of Provider regarding the Customer Business or the Services; (iii) providing such information to Customer and the Third Party regarding the operating environment, system constraints and other operating parameters used to provide the Services; and (iv) such other reasonable cooperation as may be requested by Customer. Provider's obligations hereunder shall be subject to the Third Party's compliance with reasonable facilities, data and Physical Security and other applicable standards and procedures, execution of appropriate and reasonable confidentiality agreements, and reasonable scheduling of computer time and access to other resources to be furnished by Provider pursuant to the Agreement.

13.2. Personnel Resources

(a) Key Personnel

(i) The Parties will designate those Provider employees serving as Key Personnel in the "Key Personnel; Restricted Personnel" Schedule to each Service Agreement. Unless otherwise set forth in the applicable "Key Personnel; Restricted Personnel" Schedule, all Key Personnel will be dedicated full-time to the provision of the Services. Before assigning any individual to a Key Personnel position, Provider will: (A) give Customer prior Notice of the assignment, introduce the individual to the Customer

Technical Alliance Manager or his or her designee(s) and provide information reasonably requested by Customer about the individual; and (B) obtain Customer's consent. Except as provided in Section 13.2(a)(ii) below, such consent may not be unreasonably withheld. Provider may not substantially change the role of a Key Personnel as it pertains to the Services without Customer's prior written consent.

(ii) Unless earlier removed in accordance with the Agreement, a Key Personnel will retain his or her status as a Key Personnel for the [***] period commencing on the date such individual commences work on the Customer account as a Key Personnel, unless a longer or shorter period is provided for in the "Key Personnel; Restricted Personnel" Schedule. Without Customer's prior consent, which it may withhold in its sole discretion, Provider will not replace or reassign (1) the Provider Client Executive, for the applicable time period set forth in Section 12.2(b), or (2) any other Key Personnel for a [((( ] period commencing on the date such individual commences work on the Customer account as a Key Personnel (or such time period as is provided for in the "Key Personnel; Restricted Personnel" Schedule). This paragraph (ii) does not apply to replacement of an individual who (a) voluntarily resigns from Provider, (b) is dismissed by Provider for cause (e.g., fraud, drug abuse, theft or failure to perform duties and responsibilities) or (c) dies or is unable to work because of a disability. In addition to the foregoing and except as otherwise set forth in the "Key Personnel; Restricted Personnel" Schedule, Provider shall maintain [***] resourcing / succession plans with respect to Key Personnel to ensure required skill levels continue to be available to Customer Group, as further described in the applicable "Key Personnel; Restricted Personnel" Schedule.

(iii) [***]

(iv) Key Personnel may not be transferred or re-assigned until a suitable replacement has been proposed by Provider and approved by Customer, provided, however, if any Key Personnel leaves his or her employment with Provider or continued performance of any such Key Personnel in such role is impossible due to illness, disability, death or termination of employment, Provider may temporarily replace such person with a qualified person without Customer's consent. Any replacement of Key Personnel must be conducted in accordance with a mutually agreed upon transition plan for such position that includes at least the following: (a) technical requirements (if not already defined); (b) a timetable for integration of the replacement Key Personnel; and (c) replacement methodology designed to minimize the loss of knowledge as a result of losing the Key Personnel.

(v) Provider will assume any and all costs and expenses associated with the: (a) departure or re-assignment of Key Personnel; and (b) development and implementation of the transition plan, including costs and expenses associated with knowledge transfer, integration and training of replacement personnel.

(b) Turnover Rate; Retention of Experienced Resources

(i) Provider will provide a semi-annual turnover report of the Provider Personnel, and the Parties will work together to reduce the turnover rate. Provider will ensure that all replacement personnel receive sufficient information and training, without additional charge to Customer, to assure continuity of Services without adverse impact on Customer Group or the Services. Provider will take steps to keep the turnover rate at a level reasonably acceptable to Customer.

(ii) If Provider fails to meet the Service Levels persistently or continuously and if Customer reasonably believes such failure is attributable in whole or in part to Provider's reassignment, movement, or other changes in the Provider Personnel, Customer will notify Provider of such belief and the basis for such belief. Upon receipt of such Notice from Customer, Provider (a) will promptly provide to Customer a report setting forth Provider's position regarding the matters raised by Customer in its Notice; (b) will meet with Customer to discuss the matters raised by Customer in its Notice and Provider's positions with regard to such matters; and (c) will promptly and diligently take commercially reasonable action to address any Provider human resource practices or processes identified by Customer as adversely impacting the performance and delivery of the Services by Provider.

(c) Customer Requested Replacement of Provider Personnel

Customer shall have the right at any time, in its sole discretion and at no cost to Customer (including costs associated with the: (i) departure or re-assignment of Provider Personnel; and (ii) knowledge transfer, integration and training of replacement personnel) to give Provider Notice requiring that any Provider Personnel or proposed Provider Personnel (as applicable) not be appointed, or be removed from, the Provider Personnel group servicing Customer Group, and be replaced with another Provider Personnel. Promptly after its receipt of such a Notice, Provider shall remove the Provider Personnel identified in Customer's Notice.

(d) Background Investigations

Provider shall have performed a background investigation of all of Provider Personnel who will perform any of the Services, or any part thereof or related thereto, or will have physical or logical access to any of Customer Group's Company Information,

in accordance with the requirements set forth in the "Background Investigations" Exhibit. Provider shall not knowingly assign any personnel to Customer's account or otherwise permit any of its personnel to have physical or logical access to Customer Group's Company Information who have been found to have engaged in criminal acts that involve fraud, dishonesty, or breach of trust, or violated any provision of the Federal Crime Bill, or that constitute a felony under applicable Law (collectively, ***"Felony"***). Provider will have the ongoing duty, upon learning that one of Provider's employees or Provider Agents has been convicted of a Felony to remove such individual immediately from the Customer account and notify Customer that such individual was removed as a result of a Felony conviction.

(e) Independent Contractor

Except to the extent of the limited agency appointment in Section 13.5(c), neither Provider nor Provider Personnel are or shall be deemed to be employees or agents of Customer Group. Provider shall be solely responsible for the payment of compensation (including provision for employment taxes, federal, state and local income taxes, workers compensation and any similar taxes) associated with the employment of Provider Personnel. Provider acknowledges and agrees that only eligible employees of Customer Group are entitled to benefits under Customer Group's: (i) pension and welfare plans (as the Employment Retirement Income Security Act defines those terms); and (ii) any other benefit arrangements, and that Provider's status as an independent contractor makes Provider Personnel ineligible to participate in these plans and arrangements. Provider shall also be solely responsible for obtaining and maintaining all requisite work permits, visas, and any other documentation. Provider Personnel that will be performing work at any time at Customer Facilities shall receive from Provider a form W-2 or the equivalent proof of an employer-employee relationship for employees domiciled outside the United States, and, unless Provider requests, and Customer approves in advance in writing, all such Provider Personnel will not be a consultant, independent contractor or subcontractor of Provider.

13.3. Use of Provider Agents

(a) No Subcontracting Without Consent

Provider shall not subcontract: (i) to one or more Third Parties (through one or more agreements) with respect to performance of Services in any one Service Tower for fees in any [***]. Before subcontracting any portion of the Services that requires Customer consent, Provider must notify Customer of the proposed subcontractor, the scope of the services proposed to be subcontracted, and, only with respect to dedicated subcontracts, the terms of the proposed subcontract (including whether Provider has sufficient rights under such subcontract to permit Customer to audit such Provider Agent in accordance with Section 14.2(b)), and obtain Customer's approval of such subcontractor and terms. Before amending or supplementing any dedicated subcontract, Provider will notify Customer of the terms of the proposed amendment, modification or supplement and will obtain Customer's approval thereof. Any Provider Agent approved

by Customer as of the Service Agreement Execution Date shall be set forth on the "Approved Provider Agents" Schedule to the applicable Service Agreement

(b) Provider Retains Responsibility

(i) Provider is responsible for the work and activities of each of the Provider Agents and Provider Personnel employed by Provider Agents, and Provider will continually monitor and manage such Provider Agents. Provider will remain Customer's sole point of contact regarding the Services. For purposes of determining Provider's liability and its obligations with respect to the performance of the Services, any time the term ***"Provider"*** or the term ***"Party"*** (where such term relates to a Provider liability or obligation) is used in this Agreement it includes all Provider Agents performing any part of this Agreement on behalf of Provider.

(ii) Provider is responsible for all payments to Provider Agents. Provider will promptly pay for all services, materials, equipment and labor used by Provider in providing the Services and Provider will promptly cause any Provider Agent to remove any lien on Customer Group's premises in favor of such Provider Agent.

(iii) If Customer is dissatisfied with the performance of any Provider Agent, Customer will promptly provide Provider Notice and Provider and Customer will discuss and implement, as soon as possible thereafter, a means for Provider to resolve the issue to Customer's satisfaction. If Provider does not resolve the issue within a reasonable amount of time (as determined by Customer), Provider will promptly replace such Provider Agent with a Person that meets Customer's standards, or perform the activities itself.

(iv) If Customer has a claim or cause of action against Provider and a Provider Agent arising out of the performance, non-performance or conduct of the Provider Agent in the performance of any of the Services, the aggregate liability of Provider and the applicable Provider Agent for such claim or cause of action to Customer shall be subject to the limitations on liability (and the exceptions to any such limitations on liability) set forth in Section 19 of this Master Agreement.

(c) Provider Agent Agreements

Provider shall enter into written agreements with any Provider Agents performing Services that: (i) require such Provider Agents to comply with the Customer Policies, the Security Requirements and other data privacy and security-related obligations under the Agreement in performing the Services, (ii) require the Provider Agents to comply with confidentiality provisions no less protective of Customer's Confidential Information than

this Agreement, (iii) contains such provisions for the assignment of Intellectual Property Rights as are necessary for Customer to receive ownership of Work Product, and (iv) otherwise enables Provider to comply with the provisions of the Agreement.

(d) Cooperation with Customer

Provider will ensure that each Provider Agent engaged by Provider to perform a portion of the Services will make, execute and deliver to Customer such disclosures and agreements as Customer may from time to time reasonably request in order to comport with the requirements of applicable Laws and Third Party Agreements.

(e) Assignment

With respect to any subcontracts for Services dedicated solely to Customer, Provider shall (and with respect to all other subcontracts for Services, Provider shall use commercially reasonable efforts), in any new, amended or renewed agreement between Provider and a subcontractor to specifically provide that Customer may take an assignment of the agreement from Provider without payment of a fee or other penalty in the event that (i) this Agreement or the applicable Service Agreement is terminated in whole or in part or expires, or (ii) Provider is in material breach of this Agreement or the applicable Service Agreement.

13.4. Contract Management

Provider will be responsible for administering, managing and maintaining the Third Party Agreements, Managed Agreements, Assumed Agreements, Provider Third Party Agreements and Replacement Agreements, in each case as set forth on the applicable "Third Party Agreements" Schedule.

13.5. Required Consents

(a) Consents

Provider will, at its own expense, (i) obtain, maintain and comply with all of the Provider Consents; and (ii) comply with the Customer Consents. Customer will, with assistance as requested from Provider, obtain, maintain and comply with the Customer Consents. Each Party will cooperate with the other Party, as requested by the other Party, in the other Party's obtaining the Required Consents that such other Party is required to obtain pursuant to this Section 13.5.

(b) Workaround

If any Customer Consent is not obtained, then, unless and until such Customer Consent is obtained, the Parties will (in addition to the limited agency appointment in Section 13.5(c) below) cooperate with each other in achieving a reasonable alternative arrangement to continue Provider's provision of the applicable Services that does not

have an adverse impact on Customer Group or result in any additional cost or expense to Customer Group.

(c) Limited Agency Appointment

Customer hereby designates Provider as its agent, and Provider accepts such appointment as a part of the Services, for the limited purposes of administering, managing, supporting, operating under and paying under all Third Party Agreements as to which Customer Consents are required and have not been obtained. Customer does not appoint Provider as its agent for any other purpose. Provider will perform its obligations and responsibilities as an agent pursuant to this paragraph (c) under all Third Party Agreements subject to the provisions of this Section 13.5 and the Agreement. Upon Customer's request, Provider will provide to Customer all information and documentation Customer may reasonably request related to Provider's activities as Customer's agent with regard to such Third Party Agreements. Customer may terminate or provide additional restrictions on Provider's agency appointment with respect to any Third Party Agreement at any time in Customer's discretion. To the extent that any such termination or restrictions interferes with Provider's ability to perform the Services or increases Provider's costs to provide the Services, such termination or restrictions will be implemented in accordance with the Change Control Procedures.

13.6. Change Control Procedures

(a) Operational Change Control

The procedures that will govern (i) the process by which a Party may propose or request operational Changes, (ii) the process to be followed by the Parties in analyzing the effects of, and deciding whether to implement, any such Change, and (iii) the manner in which any agreed upon Changes are to be implemented (the ***"Operational Change Control Procedures"***), are set forth in the applicable Procedures Manual. Among other things, the Operational Change Control Procedures will provide that:

(i) no Change will be implemented without Customer's prior written approval, except as may be necessary on a temporary basis to maintain the continuity of the Services;

(ii) with respect to all Changes, other than those Changes made on a temporary basis to maintain the continuity of the Services, Provider will prepare and deliver to the Customer Technical Alliance Manager a written analysis describing any changes in products, services, assignment of personnel and other resources that Provider believes would be required, together with, as appropriate or applicable (A) an estimation of the increase or decrease, if any, in the Charges that would be required, (B) a description of how the Change would be implemented, (C) a description of the effect, if any, such Change would have on this Agreement, including on Service Levels and Winddown Expenses, (D) an estimation of all

resources required to implement such Change, including a description of the delivery risks and associated risk mitigation plans, and (E) such other information as may be relevant to the Change;

(iii) with respect to all Changes, other than those Changes made on a temporary basis to maintain the continuity of the Services, Provider will (a) schedule Changes so as not to unreasonably interrupt Customer's business operations, (b) prepare and deliver to Customer each month a rolling schedule for ongoing and planned Changes for the next three month period, and (c) monitor and report to Customer the status of Changes that are in-progress against the applicable schedule; and

(iv) with respect to any Change made on a temporary basis to maintain the continuity of the Services, Provider will document and provide to Customer notification (which may be given orally, provided that any oral notice must be confirmed in writing to Customer within five Business Days) of the Change no later than the next Business Day after the Change is made.

(b) Contract Change Control

The procedures that will govern (i) the manner in which a Party may propose or request modifications to this Agreement, its Schedules or any other attachments, (ii) the process to be followed by the Parties in analyzing the effects of, and deciding whether to adopt, any such modifications, and (iii) the manner in which any agreed upon modifications are to be reflected in this Agreement (the ***"Contract Change Control Procedures"***), are set forth in the "Change Control Procedures" Exhibit. The Contract Change Control Procedures apply also to any modifications required to be made to this Agreement to reflect modifications agreed upon by the Parties pursuant to the Operational Change Control Procedures. All modifications to this Agreement, its Schedules or any other attachments hereto require the prior written approval of the Customer Technical Alliance Manager or his or her designee.

(c) Asset Changes

The procedures that will govern the manner in which Asset Changes are conducted are set forth in the "Change Control Procedures" Exhibit.

(d) Changes to Procedures

The Parties will update and revise the Operational Change Control Procedures and the Contract Change Control Procedures (collectively, the ***"Change Control Procedures"***) as they deem necessary or advisable from time to time, in each case in accordance with the Contract Change Control Procedures then in effect.

14. INSPECTIONS AND AUDITS

14.1. Audit Rights

(a) Provider Records

Provider shall maintain, at all times during the Term and at no additional charge to Customer, complete and accurate records and supporting documentation pertaining to: (i) all Charges and financial matters under this Agreement, in all cases prepared in accordance with GAAP; (ii) all other transactions, reports, filings, returns, analyses, Work Product, data and information created, generated, collected, accessed, processed or stored by Provider and any Provider Agent in the performance of the Services; and (iii) all controls relevant to Provider's internal controls relating to the Services and those controls provided for in any Service Agreement to be executed by Provider and relating to Customer's control over the activities of Provider (collectively, ***"Provider Records"***), all in a manner sufficient to permit the Audits in accordance with this Section 14.

(b) Operational Audits

Provider shall provide to Customer and to internal and external auditors, inspectors, regulators and other representatives that Customer may designate from time to time (***"Customer Auditors"***) access in accordance with Section 14.2(b) below to perform operational audits and inspections of Provider, Provider Agents and their respective facilities (***"Operational Audits"***), to: (i) verify the integrity of the Customer Data; (ii) examine the systems that access, process, store, support and transmit that data and examine the results of external Third Party data processing audits or reviews relating to Provider's operations relevant to the Services; (iii) verify whether the Services comply with Customer Compliance Requirements and the requirements of the "Privacy Requirements" Exhibit; (iv) evaluate Provider's compliance with the requirements of the "Information Security Requirements" Exhibit (i.e., Provider's physical and logical security and Disaster Recovery Services), including examination of all self-conducted and Third Party intrusion vulnerability and penetration assessments and reports; (v) confirm that the Services are being provided in accordance with the Agreement, including the Service Levels; (vi) verify the integrity of Provider's Performance Reports (including raw data from which such Performance Reports are compiled); (vii) facilitate Customer Group's compliance with Customer Compliance Requirements; and (viii) examine, test and assess Provider's systems, policies and procedures relating to intrusion detection and interception with respect to the Provider systems used to provide the Services, provided that any penetration testing on Shared Systems or any other system which would reasonably impact a Provider customer shall be subject to Provider's security policies and the prior written consent of the Third Party with whom such system is shared, which Provider shall use commercially reasonable efforts to obtain.

(c) Financial Audits

Provider shall provide to Customer and Customer Auditors access in accordance with Section 14.2(b) below to perform financial audits and inspections ***("Financial Audits"***) to: (i) verify the accuracy and completeness of Provider Records; and (ii) verify

the accuracy and completeness of Provider's invoices and Charges. If an Audit reveals that errors have been made in connection with the Charges, then the Parties will work together to correct the error and any overpayments revealed by the Audit will be promptly paid by Provider or credited to Customer and any underpayments revealed, will be promptly paid by the Customer. [***] If repeated Audits reveal that there are consistent errors in connection with Charges, this problem will be escalated in accordance with the Dispute Resolution Procedures.

(d) Regulatory Audits

(i) Upon written request made by a Governmental Authority to Provider or to Customer Group, or by Customer in response to a Governmental Authority request, Provider will (i) promptly make available to the Governmental Authority or Customer Auditors Provider Records and other information relating to Provider's and Provider Agents' compliance with Section 7 of this Master Agreement and, (ii) if so requested, provide the requesting Governmental Authority or Customer Auditors access in accordance with Section 14.2(b) to examine Provider's or Provider Agents' compliance with Section 7 of this Master Agreement and for purposes of facilitating Customer Group's compliance with applicable Customer Compliance Requirements (***"Regulatory Audits"***).

(ii) If the request is received by Provider directly from a Governmental Authority, Provider shall notify Customer in a timely manner. Provider shall respond to any Regulatory Audit regarding Customer Group according to Customer's direction, subject to Provider's obligations under Law. Provider may provide information to Governmental Authorities only under the direction of the Controller of Customer (or his or her designates and agents). Provider shall provide such information in a timely manner either to Customer or, at Customer's request, directly to the applicable Governmental Authority. As part of a Regulatory Audit, Provider shall answer questions from Governmental Authorities with respect to their processing of certain transactions for Customer Group. Customer shall be entitled to send a representative to be present at all such discussions with such Governmental Authorities if and to the extent not prohibited by Law.

(e) Provider Audits and Reporting

(i) Provider shall provide to Customer at Customer's request, and for no additional compensation, all reports reasonably deemed necessary or desirable by Customer to support the review, audit and preparation of audit reports relating to the Services and Customer Group's financial statements and reports, which reports shall include those referenced in paragraph (ii) below (collectively, ***"Provider Audits"***).

(ii) At all times during the SOX Compliance Period, Provider will, and will cause each of the Provider Agents to:

(1) maintain in effect the controls, operations and systems that are sufficient for Customer Group to comply with its obligations under SOX and update the controls, documentation, and Procedures Manuals to meet SOX requirements for all activities it performs for Customer Group. Any changes in the Services, as defined at the Effective Date, that Customer determines are required to comply with SOX are subject to the Change Control Procedures. Unless otherwise directed by Customer, Provider shall not make any changes to Customer Group environment after [***] during any calendar year;

(2) provide to Customer or Customer Auditors, on a timely basis, (A) access to the books and records and personnel of Provider and Provider Agents as Customer may reasonably request, and (B) all information, reports and other materials requested by Customer to evaluate and confirm that Customer is in compliance with its obligations under SOX and to enable Customer Auditors to attest to and report on the assessment of Customer's management as to the effectiveness of its internal control structure and procedures under SOX, including (i) Control activities/objectives for the SSAE 18 (or successor standard approved by Customer) SOC 1 Type II audit report by [***];

(3) generally cooperate with Customer and Customer Auditors in any other way that Customer or Customer Auditors may request to enable Customer Group to comply, and Customer and Customer Auditors to evaluate whether Customer Group complies, with SOX as it relates to the Services; and

(4) comply with future guidance relating to SSAE 18 (or ISAE 3402 if requested by Customer) (or successor standard approved by Customer) as issued by the American Institute of CPAs (AICPA), International Auditing and Assurance Standards Board (IAASB), the Securities and Exchange Commission or the Public Company Accounting Oversight Board.

(iii) If Provider is unable to timely deliver to Customer an unqualified opinion or certification, Provider shall, [***]: (A) provide Customer, on the date such opinion or certificate is delivered, or is due to be delivered, with a written statement describing the circumstances giving rise to any delay in delivering such opinion or certificate or any qualification to such opinion or certificate; (B) immediately take such actions as shall be necessary to resolve such circumstances and deliver an unqualified

opinion or certificate as promptly as practicable thereafter; and (C) permit Customer and its external auditors to perform such procedures and testing of Provider's controls and processes as are reasonably necessary for their assessment of the operating effectiveness of Provider's controls and of Customer's internal controls applicable to the Services and the related business functions of Customer Group.

(iv) Customer shall have the right to provide all such reports, opinions and certifications delivered hereunder to its investors, attorneys, accountants and other advisors, who shall be entitled to rely thereon and to otherwise disclose such matters as it determines to be necessary or desirable. In addition, Customer shall have the right to provide copies of its SSAE Type II audits, or similar certification, to current customers of Customer Group whose data is processed on Provider-managed operating systems, subject to such customer's prior agreement to hold such information in confidence.

14.2. Audit Procedures

(a) Audit Plan

During the initial Transition period, and thereafter on an annual basis, the Contract Managers will determine the timing and schedule for Audits for such year and agree upon audit guidelines and scope in accordance with this Section 14 (the ***"Annual Audit Plan"***). The Annual Audit Plan will include: (i) Operational and Financial Audits to be performed by or on behalf of Customer during such year; and (ii) the timing and scope of Provider Audits to be provided by Provider to Customer as part of the Services. All changes or additions to the Annual Audit Plan will be proposed on at least 30 days' Notice except where shorter notice periods are required by a Governmental Authority. Notwithstanding the previous statement, Provider acknowledges and agrees that a Governmental Authority may require an Audit without prior notice to Customer or Provider and further acknowledges and agrees that Customer may conduct an Operational Audit without Notice following a Security Breach. Customer Auditors shall have the reasonable access set forth in Section 14.2(b) and shall observe such procedures as Provider may reasonably require to protect the confidentiality and security of Provider Confidential Information, and that of its other customers. Customer agrees that Customer Auditors shall perform planning, entry and exit interviews in accordance with the agreed audit guidelines.

(b) General Principles Regarding Audits

(i) Access. Provider shall provide Customer and Customer Auditors and applicable Governmental Authorities with reasonable access at reasonable times and after reasonable notice in accordance with the Annual Audit Plan (unless circumstances reasonably preclude such notice) to: (i) the parts of any Provider Facility where Provider is providing the Services;

(ii) Assets used by Provider to provide the Services; (iii) Provider Personnel providing the Services; (iv) subject to Section 13.3(a), Provider Agents who perform any portion of the Services (including to such entity's personnel, facilities, records, systems, controls, processes and procedures) to the extent permitted under Provider's contracts with such Provider Agents; and (v) all Provider Records. Customer Audits will be conducted in a manner that does not unreasonably disrupt or delay Provider's performance of services for its other customers. Customer's access to the Provider Records shall include the right to inspect and photocopy same, and the right to retain copies of such Provider Records outside of the Provider Facilities or other Provider or Provider Agent premises, in accordance with Sections 16 and 17 if such retention is deemed necessary by Customer.

(ii) Cooperation. Provider shall provide full cooperation to Customer, Customer Auditors and Governmental Authorities, including the installation and operation of audit software (provided that such installation and operation of audit software can be done without materially compromising, and shall be subject to, Provider's information system and security procedures).

(iii) Copies of Audit Reports; Notice of Deficiency. Upon completion of any Provider Audit, Provider shall provide Customer and, upon request, Customer Auditors: (1) a copy of the Provider Audit reports, and (2) written Notice of any deficiencies, significant deficiencies or material weaknesses found or reported as a result of the Provider Audit. Provider acknowledges and agrees that Customer and Customer Auditors, upon receiving a copy of the Provider Audit report, shall have the right to review the auditor work papers at the auditor premises, as well as interview the auditor personnel who did the actual audit work in the event Customer or Customer Auditors require clarification on the Provider Audit report and work papers.

(iv) Completion of Customer Audits. Upon completion of any Operational Audit and upon completion of any Financial Audit (collectively, the ***"Customer Audits"***), Customer shall notify Provider of any deficiencies, significant deficiencies or material weaknesses found as a result of the Customer Audit, and provide Provider with copies of portions of Customer Audit reports reflecting or based upon information obtained from Provider.

(v) Access to Provider Agents. Provider shall require all Provider Agents to comply with the applicable provisions of this Section 14 by insertion of the requirements hereof in a written agreement between Provider and each Provider Agent.

(vi) Survival. Provider's obligations under this Section 14 shall extend beyond the Agreement Term for the period specified by Customer's record retention policy, as it may be modified from time to time.

(c) Remediation Plan

As part of the Services, in the event any Audit reveals a deficiency or material weakness Provider shall provide Customer and Customer Auditors with a plan of action to correct the deficiency or material weakness, which plan of action shall be subject to Customer's written approval and shall, at a minimum, include: (i) details of actions to be taken by Provider and Provider Agents to correct the deficiency or material weakness; and (ii) target dates for successful correction of the deficiency or material weakness (***"Remediation Plan"***). Provider shall provide the Remediation Plan within [***] of Provider's identification or Customer's Notice of such deficiency or material weakness and shall implement the Remediation Plan as soon as practicable but in no event later than [***] after Customer's approval of such plan, or within another time period agreed by the Parties. Provider shall also provide Customer with Notice of: (A) Provider's successful completion of each action identified in the Remediation Plan; and (B) any delays in Provider's completion of the actions identified in the Remediation Plan, accompanied by an explanation of the cause of such delay. During the execution of any Remediation Plan, the Parties shall meet monthly to discuss the plan until the correction of each deficiency or material weakness is complete. The Parties agree that, for Operational Audits, the deficiencies or material weaknesses shall be assessed against Provider's written obligations pursuant to the Master Agreement and the Service Agreements.

(d) Cost of Audits

The costs of Audits shall be borne as follows: (i) Provider shall be responsible for its costs to perform (including any Provider Agents' costs) the Provider Audits and for Provider's and Provider Agents' reasonable cooperation and provision of access for Regulatory Audits and Customer Audits; and (ii) Customer shall be responsible for all costs associated with Customer Audits (other than Provider's reasonable cooperation, support and provision of access), except (A) in the event an audit determines that Provider is in material breach of the "Information Security Requirements" Exhibit, in which case Provider will reimburse Customer for all of its costs of such audit, or (B) as provided for in Section 14.1(c). Notwithstanding the foregoing, if Discretionary Customer Audits under a given Service Agreement require in excess of [***] hours of support from Provider Personnel during any contract year, Customer will be responsible for payment of Provider Personnel required to support such Discretionary Audits at the rates set forth in the Charges Schedule (unless clause (A) of the immediately preceding sentence applies). ***"Discretionary Customer Audits"*** as used herein means Customer Audits, other than Customer Audits (i) conducted to enable Customer Group's to meet Customer Compliance Requirements, including any financial reporting requirements, (ii) following a breach (or suspected breach) by Provider of any material obligations under

the Agreement, or (iii) following a proposed adjustment in Charges in connection with a change in the Services.

Upon Customer's request, Provider shall provide SSAE reports in addition to the SSAE 18 (or successor standard approved by Customer) SOC 1 Type II audits described above, provided that, subject to the next sentence, Customer shall reimburse Provider for its reasonable, incremental costs in connection with providing such additional reports to Customer. Notwithstanding the preceding sentence, if Provider generally makes available additional SSAE Reports to its customer base at a lesser or no cost, Provider shall provide such additional SSAE reports to Customer on the same or better terms. Provider shall notify Customer of any additional charges associated with the provision of such additional or enhanced reports (when applicable), and shall obtain Customer's approval of such charges before beginning work on such additional or enhanced reports.

(e) Provider Records Retention

Provider shall safeguard and retain all Provider Records for such period as may be specified in any Service Agreement or as required by any law, rule or regulation applicable to Customer Group or pursuant to the document retention policies of Customer Group provided to Provider from time to time (but in any event, at least seven years after termination of the applicable Service Agreement). If Provider is notified by Customer of a current and continuing obligation to retain Provider Records related to a legal matter, Provider will suspend its normal retention practices related to the relevant documents until Customer notifies Provider the legal hold for records has been lifted. All such Provider Records shall be maintained in such form (for example, in paper or electronic form) as Customer may direct.

(f) Permitted Auditors

Employees and designees of the Customer and third party auditors who (a) are from time to time designated by Customer and (b) agree in writing to the security and confidentiality obligations and procedures reasonably required by Provider ("***Permitted Auditors***") shall be entitled to conduct Audits, provided, however, use of any Third Party auditor that is a Specified Provider Competitor shall be subject to Provider's prior written approval, such approval not to be unreasonably withheld or delayed (provided that no such approval shall be required to use the auditing services of a "Big Four" accounting firm). For the avoidance of doubt, Permitted Auditors include, at the discretion of Customer, third party consultants with expertise in the types of Services performed under the Agreement.

(g) Certifications in Lieu of Audit

In lieu of conducting any Audit or any portion of any Audit, Provider may tender to Customer and Customer may, in its sole discretion, accept from Provider, a certification, report or other official recognition prepared by an independent third party in accordance with generally accepted auditing procedures, including, without limitation,

SSAE Reports, (a "***Certification***") which certifies that the Services, Service Levels, Charges, Provider's performance of its obligations under the Agreement and the Schedules thereto or any other matter sought to be Audited by Customer complies with standards against which the same are to be measured. Provider shall bear the sole cost and expense for obtaining any Certification. In no event shall the tender of a Certification by Provider or the acceptance by Customer of a Certification preclude Customer from conducting an Audit of the matter covered by the Certification.

15. TECHNOLOGY; INTELLECTUAL PROPERTY RIGHTS

15.1. Technology – Allocation and Refresh

(a) Asset Allocation Matrix

The ownership and operational responsibility for the procurement and maintenance of Equipment, Software and other Assets used in connection with the Services are set forth in the "Asset Allocation Matrix" Schedule to each Service Agreement (each, an ***"Asset Allocation Matrix"***). The Asset Allocation Matrix may be modified only in accordance with the Change Control Procedures.

(b) Technology Refresh

At its expense (including the costs associated with disposing of displaced/outdated Assets), Provider will refresh the Assets in accordance with the refresh requirements and schedule set forth in the Asset Allocation Matrix and any additional terms set forth in a Service Agreement regarding refresh. To the extent expressly provided in the Asset Allocation Matrix, Provider agrees to maintain the Assets in accordance with manufacturer recommendations, industry standards and as necessary to ensure that such Assets have sufficient capacity to allow Provider to perform its responsibilities under the Service Agreements and achieve the Service Levels.

15.2. Customer Materials

(a) Customer Software

The initial list of Customer Owned Software and Customer Licensed Software, if any, that is necessary for the Provider to use, access, manage or maintain in connection with its performance of the Services shall be identified in the "Customer Software" Schedule to each Service Agreement and shall be updated by the Parties as provided therein.

(b) Ownership

As between the Parties, Customer shall be the sole and exclusive owner of: (i) all Customer Software; (ii) all other Materials owned or licensed by Customer Group as of or after the Effective Date, (iii) all enhancements and Derivative Works of such Customer Software and Materials, and (iv) the Work Product (but excluding Performance Work

Product) (collectively, together with any Intellectual Property Rights therein, the ***"Customer Materials"***).

(c) License

Customer hereby grants to Provider a worldwide, royalty-free, non-exclusive, non-transferable and fully paid-up license during the applicable Service Agreement Term (which includes any Termination Assistance Period) to use, maintain, modify and enhance, as applicable, Customer Owned Software for the sole purpose of providing the Services as required under this Agreement. Subject to the Parties having obtained any Required Consents for the Customer Licensed Software, Customer grants to Provider, for the sole purpose of providing the Services, the right to use such Customer Licensed Software under the terms and scope of the license granted to Customer by the provider thereof. Provider shall comply with the duties, including use and non-disclosure restrictions imposed on Customer by the license agreements for such Customer Licensed Software. In addition, Provider will use the Customer Licensed Software in compliance with any applicable use restrictions: (i) that are disclosed by Customer to Provider; or (ii) that are contained in the agreements governing the use of any Customer Licensed Software that are provided or made available to Provider. Provider shall establish an access control procedure designed to limit Provider's physical and logical access and use accordingly. Unless otherwise stated, Provider shall be solely responsible for obtaining, installing, operating and maintaining at its expense any Customer Licensed Software that Provider, or any Third Party on Provider's behalf, installs or operates from within Provider's own or any Third Party's computing environment (i.e., its own copy), and Provider shall be solely responsible for the payment of all fees applicable thereto.

(d) Disclaimer

THE CUSTOMER MATERIALS ARE PROVIDED BY CUSTOMER ON AN AS-IS, WHERE-IS BASIS. CUSTOMER EXPRESSLY DISCLAIMS ANY REPRESENTATIONS OR WARRANTIES, EXPRESS OR IMPLIED, AS TO SUCH MATERIALS, OR THE CONDITION OR SUITABILITY OF SUCH MATERIALS FOR USE BY PROVIDER TO PROVIDE THE SERVICES, INCLUDING WARRANTIES OF MERCHANTABILITY, NON-INFRINGEMENT, OR FITNESS FOR A PARTICULAR PURPOSE. The disclaimer in this Section 15.2(d) does not limit Customer's indemnity obligations in Section 20.2(a).

15.3. Provider Materials

(a) Provider Software

The initial list of Provider Owned Software and Provider Licensed Software that is necessary for Provider to perform the Services shall be identified in the "Provider Software" Schedule to each Service Agreement. Each "Provider Software" Schedule shall be updated from time to time as needed, with the prior approval of Customer. Unless otherwise expressly stated, Provider shall be solely responsible for obtaining, installing,

operating and maintaining at its expense any Provider Software needed to provide the Services and the Work Product and as necessary for Customer Group to use and receive the Services or Exploit the Work Product, including the payment of all applicable fees.

(b) Ownership

As between the Parties, Provider shall be the sole and exclusive owner of: (i) all Provider Software; (ii) all other Materials that, as of or after the Effective Date, are owned by Provider or licensed by Provider from Third Parties; (iii) all enhancements and Derivative Works of such Provider Software and Materials; and (iv) all Performance Work Product (collectively, including all Intellectual Property Rights therein, the ***"Provider Materials"***).

(c) License During Provision of Services

Provider hereby grants to Customer Group during the applicable Service Agreement Term (which includes any Termination Assistance Period) a non-exclusive, royalty-free, fully paid, non-transferable license to use, execute, operate, reproduce, display, perform, modify, develop, and personalize the Provider Materials to the extent required for Customer Group to (i) receive and use Services under the applicable Service Agreement, or (ii) to transition Services from Provider to Customer Group (or its designee) in connection with any insourcing of Services by Customer Group.

(d) License Rights Upon Expiration or Termination of a Service

(i) Upon expiration or termination of a Service Agreement (in whole or in part) or termination of any particular Service(s), Provider hereby grants to Customer Group a nonexclusive, worldwide, royalty-free, perpetual, paid-up license to use, execute, operate, reproduce, display, perform, modify, develop, and personalize (A) all Provider Owned Software (object code and source code) (excluding DXC Commercially Available Software), (B) all Performance Work Product and (C) all Provider Materials, which, in each case, on the relevant date of expiration or termination, Provider is using to perform the Services then being terminated (together with all Provider Intellectual Property Rights therein). Provider hereby grants equivalent rights to such Software, Performance Work Product and Materials to any Successor Provider. Customer shall not be obligated to reimburse Provider for any one-time fees that may otherwise be chargeable for such Software, Performance Work Product or Materials. Notwithstanding the foregoing, with respect to DXC Proprietary Tools that are not DXC Commercially Available Software which, on the relevant date of expiration or termination of a Service Agreement (in whole or in part) or termination of any particular Service(s), Provider is using to provide the Services then being terminated, such license shall not be perpetual but shall only be for a reasonable commercial period for Customer Group to obtain comparable replacement tools, but in any event

not greater than (i) [***] from the expiration or termination of the applicable Service or (ii) the end of the Termination Assistance Period, whichever is longer.

(ii) Upon expiration or termination of a Service Agreement (in whole or in part) or termination of any particular Service(s), Provider hereby grants to Customer Group a nonexclusive, worldwide, object code license to use, execute, operate, reproduce, display, and perform all DXC Commercially Available Software which, on the relevant date of expiration or termination, Provider is using to perform the Services then being terminated. The license terms will be consistent with the terms generally applicable to the public for such Software (including without limitation term and termination, and rights to source code, if any); provided that notwithstanding the other terms of this Section 15.3(d)(ii), the license for tools included in DXC Commercially Available Software will be royalty free and fully paid up for the first [***] but no longer than the Termination Assistance Period. Provider will work with Customer to minimize any one-time license fees that may be due for such license (with respect to DXC Proprietary Tools, at the end of the period specified in Section 15.3(d)(i) above). Provider hereby grants equivalent rights to such DXC Commercially Available Software to any Successor Provider.

(iii) The licenses granted pursuant to this Section 15.3(d) shall be subject to the following terms and conditions:

(1) such license shall be granted (A) solely to the extent necessary for Customer Group, or a Successor Provider, to continue providing the Services (and other similar services or portions thereof) to Customer Group and Authorized Recipients, (B) solely for the normal business purposes and practices of Customer Group as such existed prior to the effective date of termination or expiration, as the same may evolve in the ordinary course of business, and (C) not as part of any commercial exploitation as a stand-alone product or separately from the Services for which it is a part. Such license shall be provided “As Is”; provided, however, that such license shall be subject to any warranties generally provided to other users of such Software, Performance Work Product or Materials. Such license shall be non-assignable and non-transferable.

(2) Provider hereby reserves all rights not expressly granted in this Section 15.3(d) to Customer Group and Successor Providers with respect to such Software, Performance Work Product and Materials.

(3) Unless mutually agreed otherwise, Provider shall not be required to maintain, which includes correcting any defects or providing any upgrades to, such Software, Performance Work Product and

Materials; provided, however, that if Provider is then making maintenance available to other customers with respect to any such item of Software, Performance Work Product or Materials, then Provider will offer maintenance with respect to such item on commercially reasonable terms and conditions (including pricing terms and conditions).

(e) Third Party Materials Upon Termination or Expiration

For third party Software and Materials which, on the date of expiration or termination of a Service Agreement (in whole or in part) or termination of any particular Service(s), Provider is using:

(i) solely to provide the Services (or the Services then being terminated) to Customer Group, upon Customer's request and to the extent permissible under the applicable third party agreement, Provider will assign or transfer its license (or provide reasonable assistance to Customer obtain such assignment or transfer if prohibited by the terms of such agreement), if any, to such Software and Materials to Customer or its designee upon Customer's reimbursement to Provider of any initial, one-time license or purchase charges in an amount equal to the remaining unamortized value, if any, for the Software and Materials, depreciated over a five-year life, and any transfer fees imposed by the applicable third party; and

(ii) to provide the Services then being terminated to Customer Group and other customers (and/or Provider for its own internal use), Provider will provide reasonable assistance to Customer in obtaining licenses for such Software and Materials (and, failing that, in obtaining a mutually agreeable commercially available substitute, if available, to perform the same functions).

(f) License to Embedded Provider Materials

Provider shall not incorporate any Provider Materials that are Software or documentation or Third Party Software or documentation into Work Product (other than Performance Work Product), even if such items are generally commercially available, without Customer's prior written consent. Unless Customer has agreed otherwise in writing in connection with providing its consent, Provider hereby grants to Customer Group (in addition to and without limitation of any other license rights granted to Customer Group hereunder) a non-exclusive, royalty-free, fully paid, perpetual and worldwide license to use, execute, reproduce, sublicense, display, perform, distribute, create Derivative Works and make modifications and improvements (as part of the Work Product, but not separately therefrom) to any Provider Materials that are incorporated into any Work Product (other than Performance Work Product); provided, however, that (i) this license will not permit the commercial exploitation of such Provider Materials on a stand-alone basis, (ii) [***], and (iii) this license will not apply to Provider Materials for

which Customer has expressly approved different license terms in writing prior to the incorporation of such Provider Materials into, or the use of such Provider Materials in connection with, the applicable Work Product. [***]

15.4. Proprietary Rights

(a) Ownership of Deliverables

(i) Customer shall own all right, title and interest, including worldwide ownership of copyright and patent rights, in and to all Intellectual Property Rights in and to the [***]. Provider hereby irrevocably assigns to Customer without further consideration all right, title and interest in and to such [***], including patent, copyright, trade secret and other Intellectual Property Rights therein. To the extent permitted by applicable Law, Provider hereby unconditionally and irrevocably waives any moral rights (or other similar rights however denominated in a jurisdiction) otherwise exercisable with respect to such [***]. Upon Customer's request, Provider will execute and deliver any documents or take such other actions as may reasonably be necessary to effect or perfect such assignment or waiver. Customer acknowledges that Provider shall own all right, title and interest, including worldwide ownership of copyright and patent rights, in and to all Intellectual Property Rights in and to the Performance [***].

(ii) During the Term, Provider shall disclose promptly to Customer any improvements made or conceived by Provider or any Provider Personnel as a part of the work done in connection with a Deliverable, including network diagrams, templates, datasets, Software and reasonably detailed descriptions of processes and procedures.

(iii) To the extent any [***] is not deemed a "work for hire" by operation of law, Provider hereby irrevocably assigns, transfers and conveys to Customer, and shall cause the Provider Personnel to assign, transfer and convey to either Customer or Provider (which then assigns, transfers and conveys to Customer pursuant to this Section 15.4(a)(iii), in each case without further consideration, all of its and their right, title and interest in and to such [***], including all Intellectual Property Rights in and to such [***].

(iv) The assignment of the Intellectual Property Rights in the [***] by Provider and the Provider Personnel to Customer shall be royalty-free, absolute, irrevocable and perpetual.

(v) Customer grants and will grant to Provider, a perpetual, irrevocable, worldwide, non-exclusive and royalty-free right and license to make, have made, use, import, sell, offer to sell separate and distinct products and services developed by Provider and the right to sublicense to a customer of

Provider a right under any patent right assigned by Provider to Customer pursuant to this Agreement to use separate and distinct products and services developed by Provider for the benefit of such customer. For the avoidance of doubt, such license shall not include any copyright to any Work Product nor shall Provider have any license to any Customer Data or Company Information of Customer.

15.5. Source Code

If any Deliverable created includes Software, Provider shall provide Customer with the object code, source code and documentation for such Software (including any Provider Software embedded therein). Such source code and technical documentation shall be sufficient to allow a reasonably knowledgeable and experienced programmer to maintain and support such Software, and the user documentation for such Software shall accurately describe in terms understandable by a typical end user the functions and features of such Software and the procedures for exercising such functions and features.

16. CONFIDENTIALITY AND DATA

16.1. Obligations

Customer and Provider will each refrain from misuse, unauthorized access, storage and disclosure, will hold as confidential and will use the same level of care (including both facility Physical Security and electronic security) to prevent misuse, unauthorized access, storage, disclosure, publication, dissemination to or use by Third Parties of, the Company Information of the other Party as it employs to avoid misuse, unauthorized access, storage, disclosure, publication, dissemination or use of its own information of a similar nature, but in no event less than a reasonable standard of care. The concept of a "reasonable standard of care" shall include compliance by the Party receiving Company Information of the other Party with all Laws and, as to Provider, Customer Compliance Requirements, applicable to the security (Facility Physical Security and logical access and data security), access, storage, disclosure, publication, dissemination and use of such Company Information in the receiving Party's possession, as well as all Laws applicable to the security (Facility Physical Security and logical access and data security), access, storage, disclosure, publication, dissemination and use of such Company Information in the disclosing Party's possession. Notwithstanding the foregoing confidentiality and similar obligations in this Section 16 (but subject to compliance with applicable Laws), the Parties may disclose to and permit use of the Company Information by, in the case of Customer, other members of Customer Group, the ultimate parent company of Customer and any direct or indirect wholly or partially owned subsidiaries of such ultimate parent company, and in the case of both Parties and the other members of Customer Group, the ultimate parent company of such Party and its subsidiaries, their respective legal counsel, auditors, contractors and subcontractors where: (a) such disclosure and use is reasonably necessary, and is only made with respect to such portion of the Company Information that is reasonably necessary to permit the Parties to perform their obligations or exercise their rights hereunder, for the ultimate parent company of Customer to manage its investment in Customer and its other such subsidiaries, or for their respective legal counsel, auditors, contractors and

subcontractors to provide the Services to or on behalf of Customer Group or for Customer Group to use the Services or to assist with the management activities of the ultimate parent company of Customer; (b) such auditors, contractors and subcontractors are bound in writing by obligations of confidentiality, non-disclosure and the other restrictive covenants set forth in this Section 16, at least as restrictive and extensive in scope as those set forth in this Section 16; and (c) Provider in the case of Customer Group's Company Information, and Customer in the case of Provider Company Information, assumes full responsibility for the acts or omissions of the persons and entities to which each makes disclosures of the Company Information of the other Party no less than if the acts or omissions were those of Provider and Customer respectively. Without limiting the generality of the foregoing, neither Party will publicly disclose the terms of the Agreement, except to the extent permitted by this Section 16 or to enforce the terms of the Agreement, without the prior written consent of the other Party. For the purposes of this Section 16, neither Provider nor any Provider Agent shall be considered contractors or subcontractors of Customer Group.

16.2. Exclusions

(a) General Exclusions

Notwithstanding the foregoing and excluding the Customer Data, this Section 16 shall not apply to any information which Provider or Customer can demonstrate was or is: (a) at the time of disclosure to it, in the public domain; (b) after disclosure to it, published or otherwise becomes part of the public domain through no fault of the receiving Party; (c) without a breach of duty owed to the disclosing Party, is in the possession of the receiving Party at the time of disclosure to it; (d) received after disclosure to it from a Third Party who had a lawful right to and, without a breach of duty owed to the disclosing Party, did disclose such information to it; or (e) independently developed by the receiving Party without reference to or use of, including any actions authorized in Section 16.1, the Company Information of the disclosing Party. Further, excluding the Customer Data, either Party may disclose the other Party's Company Information to the extent required by Law, or an order of a court or governmental agency. Further, with the exception of the Customer Data, either Party may disclose the other Party's Company Information to the extent required by Law (including in filings made under the Securities Act of 1933, as amended, and the Securities Exchange Act of 1934, as amended), or the rules of any national stock exchange or any listing agreement with such stock exchange to which such Party is or has elected to become subject. However, in the event of disclosure pursuant to an order of a court or governmental agency, and subject to compliance with Law, the recipient of such Company Information shall give the disclosing Party prompt Notice to permit the disclosing Party an opportunity, if available, to obtain a protective order or otherwise protect the confidentiality of such information, all at the disclosing Party's cost and expense; provided, that Customer shall not be obligated to delay the filing or effectiveness of any registration statement under the Securities Act of 1933, as amended, or the offering or sale of any securities pursuant to any such registration statement to accommodate such opportunity.

(b) RFP Assistance

Notwithstanding anything to the contrary in this Section 16, Provider shall provide Customer with information related to the Services that Customer reasonably requests to enable Customer to draft an RFP for some or all of the Services or any New Services and to provide (subject to reasonable confidentiality protections) due diligence information to recipients of an RFP (irrespective of whether Provider is a recipient of such RFP), and in each case Customer may provide such RFP and information to prospective service providers (subject to reasonable confidentiality protections). Provider further agrees to provide other reasonable RFP assistance to Customer, provided Customer does not release the Provider Company Information, except to the extent permitted by, or otherwise in accordance with, the terms of this Section 16. To the extent additional resources are required, Provider shall be compensated on a time and materials basis for resources and materials used to provide assistance to Customer pursuant to this Section 16.2(b) at the then-current rates provided in the "Charges" Schedule, or if not provided in the "Charges" Schedule, on a commercially reasonable basis consistent with the other Charges.

16.3. Residual Knowledge

The terms of confidentiality under this Section 16 shall not be construed to limit either Party's right to independently develop or acquire products without use of the other Party's Company Information. The disclosing Party acknowledges that the receiving Party may currently, or in the future, be developing information internally, or receiving information from other Persons, that is similar to the Company Information. Accordingly, nothing in this this Section 16 will be construed as a representation or agreement that the receiving Party will not develop or have developed for it, products, concepts, systems or techniques that are similar to or compete with the products, concepts, systems or techniques contemplated by or embodied in the Company Information, provided that the receiving Party does not violate any of its obligations under the Agreement in connection with such development. Further, either Party shall be free to use, for any purpose, Residuals resulting from access to or work with any Company Information, provided that such Party shall maintain the confidentiality of the Company Information as provided herein and provided such use does not infringe or otherwise violate any Intellectual Property Rights of the other Party. The term ***"Residuals"*** means information in non-tangible form which may be retained in the "unaided memory" by Persons who have had access to the Company Information, including ideas, concepts, know-how or techniques contained therein, provided such Company Information is not expressly incorporated in a tangible form provided by the disclosing Party. For purposes of the Agreement, "unaided memory" means to be remembered by an individual without reference to, use of, or the aid of information in any tangible form, and that is not purposefully or intentionally memorized or retained by such individual prior to or after the Effective Date.

17. DATA OWNERSHIP AND SECURITY

17.1. Data Ownership; Customer Data

(a) Data Ownership

All Customer Group's Company Information (including Customer Data, records and reports related to Customer Group, the Customer Business and the Services) whether in existence at the Commencement Date of a Service Agreement or compiled thereafter in the course of performing the Services, shall be treated by Provider and Provider Agents as the exclusive property of Customer Group and the furnishing of such Customer Group's Company Information to, or access to such items by, Provider or Provider Agents shall not grant any express or implied interest in Provider or Provider Agents relating to such Customer Group's Company Information, and Provider's and Provider Agents' use of such Customer Group's Company Information shall be limited to such use as is necessary to perform and provide the Services to Customer Group and fulfill its obligations under this Master Agreement. It is not the intent of the Parties for Provider to use or receive any benefit from Customer Data. Upon request by Customer at any time and from time to time and without regard to the default status of the Parties under the Agreement, Provider and Provider Agents shall promptly and securely deliver to Customer the Customer Group's Company Information (including all data, records and related reports regarding Customer Group, the Customer Business and the Services) in secured electronic format and in such hard copy as exists on the date of the request by Customer. Customer shall be responsible for Provider's actual and reasonable costs associated with the delivery of Customer Group's Company Information where such delivery is solely for the convenience of Customer. For the avoidance of doubt, any delivery of Company Information requested by Customer (i) in connection with the expiration or termination of this Agreement, any Service Agreement or any Services as set forth in Section 18.6(d); or (ii) for diagnostic or operational purposes, shall in each case be provided at no cost or charge to Customer Group. Without in any way limiting the foregoing, the Parties agree that Provider is a "Service Provider" under the California Consumer Privacy Act, Cal. Civ. Code §§ 1798.100, et seq. and § 1798.140(v), and that nothing about the Agreement or the Services involves a "selling" or a "sale" of Customer Data under Cal. Civ. Code § 1798.140(t)(1).

(b) Copies of Data for Customer

Upon written request to Provider, Provider will return the Customer Data to Customer on such media and in such format as reasonably requested by Customer. Provider will never refuse for any reason, including Customer's material breach of this Agreement, to provide Customer with the Customer Data in accordance with this paragraph. Without limiting any other provision of this Agreement, Provider hereby agrees that Customer is entitled to obtain injunctive relief to enforce the provisions of this Section 17.1. As a part of Provider's obligation to provide Customer Data pursuant to this paragraph, Provider will also provide Customer any data maps, documentation,

software, or other materials necessary for Customer to use, translate, interpret, extract and convert the Customer Data for use by Customer or any Third Party.

17.2. Loss of or Unauthorized Access to Company Information

(a) Security Requirements

Customer's guidelines for logical security control measures, written rules, regulations, policies and procedures applicable to Provider's delivery of the Services in effect as of the Effective Date and Customer's guidelines for Physical Security control measures at the Facilities are set forth in the "Information Security Requirements" Exhibit and the "Customer Security Requirements" Schedule to the applicable Service Agreement (the ***"Security Requirements"***). Customer shall notify Provider in writing of any changes, updates, modifications or amendments of the Security Requirements. Within a commercially reasonable period of time, and subject to the Change Control Procedures, Provider will comply, and will ensure that Provider Agents comply (in the manner provided for in Section 13.3(c) of the Master Agreement), with the Security Requirements, as amended by Customer from time to time. For the avoidance of doubt, the Change Control Procedures shall govern the method of implementation and pricing with respect to amendments, updates and changes to the Security Requirements, but will not grant Provider any right to refuse to implement changes necessary to comply with amendments, updates and changes to the Security Requirements.

(b) Information Security Requirements

Provider shall comply with Customer's requirements for administrative, technical and physical control measures applicable to Provider's delivery of the Services and Customer's requirements for Physical Security at the Facilities, which are set forth in the Security Requirements. Any changes, updates, modifications or amendments to the Security Requirements and Provider shall be handled through the Change Control Procedures.

(c) Safeguards

In addition to any specific requirements set forth in the "Information Security Requirements" Exhibit, Provider shall establish an information security program with respect to Personally Identifiable Information and other Customer Data (and provide a copy of same to Customer) which: (i) ensures the security, confidentiality, integrity and availability of such Personally Identifiable Information and other Customer Data; (ii) protects against any anticipated threats or hazards to the security, confidentiality, availability or integrity of such Personally Identifiable Information or other Customer Data; (iii) protects against any unauthorized access to, use or disclosure of such Personally Identifiable Information or other Customer Data; and (iv) ensure the proper and secure disposal of Personally Identifiable Information and other Customer Data. Provider shall also establish and maintain network and internet security procedures, protocols, security gateways and firewalls with respect to such Personally Identifiable

Information and other Customer Data. All of the foregoing shall be consistent with the Security Requirements and: (y) no less rigorous than those administrative, technical and physical control measures maintained by Customer prior to the Commencement Date of the applicable Service Agreement; and (z) no less rigorous than those maintained by Provider for its own data and information of a similar nature.

(d) Physical Security

Provider will maintain and enforce at any Provider Facility safety and security procedures that are in accordance with the most rigorous industry standards and at least as rigorous as those procedures in effect at Customer Facilities as of the Effective Date. In addition, Provider will comply with all reasonable requirements of Customer with respect to security at the Facilities.

(e) Security Assessment

Without limiting the generality of the foregoing, Provider's information security policies shall provide for: (i) regular assessment and re-assessment of the risks to the confidentiality, integrity and availability of Customer Data and systems acquired or maintained by Provider and its agents and contractors in connection with rendering information technology and business process outsourcing services, including (A) identification of internal and external threats that could result in a Security Breach, (B) assessment of the likelihood and potential damage of such threats, taking into account the sensitivity of such data and systems, and (C) assessment of the sufficiency of policies, procedures, and information systems of Provider and Provider Agents, and other arrangements in place, to control risks; and (ii) protection against such risks.

(f) Media

Provider shall remove all Customer Data from any media taken out of service and shall destroy or securely erase such media in accordance with the Security Requirements, applicable Laws and otherwise in a manner designed to protect against unauthorized access to or use of any Customer Data in connection with such destruction or erasure. No media on which Customer Data is stored may be used or re-used to store data of any other customer of Provider or to deliver data to a Third Party, including another Provider customer, unless securely erased.

(g) Security Breach

[***]. All actions undertaken pursuant to this Section 17.2(g) shall be undertaken in accordance with the "Information Security Requirements" Exhibit. [***]

(h) Intrusion Detection/Interception

Provider will provide Customer and its representatives with access to Provider's systems, policies and procedures relating to intrusion detection and interception with

respect to the Provider systems used to provide the Services that are made available to other customers of Provider that purchase services that are similar to the Services for the purpose of examining and assessing those systems, policies and procedures in accordance with Section 14.2(b) of this Master Agreement.

(i) PCI DSS Acknowledgement

Consistent with Provider's obligations as set forth in this Agreement or a Service Agreement, Provider hereby acknowledges its responsibility for the protection and security of any cardholder data and other Personally Identifiable Information in connection with the performance of the Services.

17.3. Limitation

The covenants of confidentiality and other restrictive covenants set forth herein (a) will apply after the Effective Date to any Company Information disclosed to the receiving Party before and after the Effective Date and (b) will continue and must be maintained from the Effective Date through the termination of the Services and (i) with respect to Trade Secrets, until such Trade Secrets no longer qualify as Trade Secrets under applicable law; (ii) with respect to Confidential Information, for a period equal to the longer of five years after termination of the Parties' relationship under the Agreement, or as long as required by applicable Law; and (iii) with respect to Customer Data, in perpetuity.

17.4. Data Privacy

As between Customer and Provider, Customer shall be and remain the controller of the Personally Identifiable Information for purposes of the Privacy Laws, with rights to determine the purposes for which the Personally Identifiable Information and other information is accessed, stored and Processed, and nothing in the Agreement will restrict or limit in any way Customer's rights or obligations as owner and controller of its data and information for such purposes. As the controller of such data and other information of Customer Group, Customer will direct Provider's use of and access to the Personally Identifiable Information, which such use and access shall in all cases be solely in accordance with the terms of the Agreement. The Parties also acknowledge and agree that Provider may have certain responsibilities prescribed as of the Effective Date by applicable Privacy Laws or by Customer Group's privacy policies (as in effect and updated by Customer Group from time to time and provided to Provider) as an entity with use of, access to and possibly custody of the Personally Identifiable Information, and Provider hereby acknowledges such responsibilities and agrees that such responsibilities will be considered a part of the Services to be provided by Provider under the Agreement.

To the extent that Provider is deemed to be a controller or joint controller of the Customer Data pursuant to a ruling or finding of any entity with competent jurisdiction and authority to enforce the GDPR, Provider agrees to work in good faith with Customer to comply with such finding in a manner that allows Customer to have as much control over the relationship with the data subject who provided the Personally Identifiable Information, and the means and content of communication and other aspects of interaction with data subjects and other persons

who provided the Personally Identifiable Information, as legally possible. In the event that Provider receives an access request from any individual data subject, Provider shall both notify Customer and allow Customer to respond to and conduct all communications with such data subject to the maximum extent legally permitted and shall not engage in any communications with the data subject except as required to accomplish the foregoing. The Parties further agree to the provisions set forth in the "Privacy Requirements" Exhibit attached hereto and incorporated herein by reference.

17.5. Legal Support

As requested by Customer, Provider shall (i) implement "legal holds" and other data retention protocols with respect to Customer Group's Company Information in the possession or control of Provider and Provider Agents, and (ii) otherwise assist Customer Group in complying with discovery and data production requirements relating to Customer Group's Company Information in the possession or control of Provider or Provider Agents in connection with litigation, arbitration and other dispute resolution procedures, administrative proceedings, government investigations and internal investigations, including data identification, restoration, retrieval and production. To the extent that such assistance can be accomplished by Provider using existing resources, Provider will provide such assistance at no additional charge. If Provider cannot provide such assistance using existing resources, Provider will provide such assistance in accordance with the Change Control Procedures. The Services pursuant to the preceding sentence may be directed by Customer's in-house or outside counsel and Provider shall accept instructions from, and report to, such counsel as directed by Customer. In addition, at Customer's request, Provider shall enter into a separate agreement with Customer's outside counsel to perform such Services. Such agreement shall be on terms and conditions substantially similar to those of this Agreement (to the extent relevant) and shall include pricing terms no less favorable than those provided for in this Agreement.

18. TERMINATION

18.1. Termination by Customer

Customer may terminate the Agreement or any Service Agreement in whole or, in the case of termination pursuant to Sections 18.1(a), 18.1(b), 18.1(c), 18.1(d), 18.1(e), 18.1(i), or 18.1(j) in part, as follows:

(a) Material Breach

Upon Notice of termination, effective as of the termination date specified in such Notice of termination, if Provider materially breaches the Master Agreement or any Service Agreement: (i) and does not cure such breach within 30 days of Customer's Notice of material breach; or (ii) in a manner that is not capable of being cured within 30 days.

(b) Persistent Breach

Upon Notice of termination, effective as of the termination date specified in such Notice of termination, if Provider commits numerous breaches under the Agreement which in the aggregate are material and Provider fails within 30 days to cure such breaches by delivery of a plan of remediation acceptable to Customer, or fails to comply with any such Customer approved plan of remediation in any material respect;.

(c) Service Level Termination Event

Upon Notice of termination, effective as of the termination date specified in such Notice of termination, in the event of a Service Level Termination Event.

(d) Failure of Disaster Recovery Services

Upon Notice of termination, effective as of the termination date specified in such Notice of termination, (i) in accordance with Schedule M of a Service Agreement, or (ii) if Provider otherwise materially breaches its Disaster Recovery Services obligations (subject to the cure period provided in Section 18.1(a)).

(e) Convenience

For convenience, by providing Provider at least 90 days' prior Notice of termination, effective as of the date specified in such Notice of termination.

(f) Change of Control of Provider

In the event of a Change of Control of Provider, upon Notice of termination to Provider given not later than 12 months after the occurrence of such Change of Control, effective as of the termination date specified in such Notice of termination.

(g) Change of Control of Customer

In the event of a Change of Control of Customer, upon Notice of termination to Provider given not later than 12 months after the occurrence of such Change of Control, effective as of the termination date specified in such Notice of termination.

(h) Damages Cap Exceeded

Upon Notice of termination, effective as of the termination date specified in such Notice of termination, if (i) Provider causes damages to Customer Group that are subject to the Provider Direct Damages Cap and are in excess of [***] of the Provider Direct Damages Cap, and does not agree to reset to zero the damages counted toward the Provider Direct Damages Cap, within ten days of Customer's Notice of reset request; or (ii) Provider causes damages to Customer Group that are subject to the Second Cap and are in excess of [***] of the Second Cap, and does not agree to reset to zero the damages counted toward the Second Cap, within ten days of Customer's Notice of reset request.

(i) Force Majeure Failure

Upon Notice of termination, effective as of the termination date specified in such Notice of termination, if any Force Majeure Event lasting longer than [***], or more than [***] in any [***] period substantially prevents, hinders or delays Provider's performance of any of the Services. Customer's right to terminate pursuant to this Section 18.1(i) expires at such time as Provider is able to restore the affected Services and meet the Service Levels.

(j) Benchmark Termination Right

Upon Notice of termination, effective as of the termination date specified in such Notice of termination, under the circumstances set forth in the "Market Currency Procedures" Exhibit.

18.2. Termination by Provider

Provider may terminate the applicable Service Agreement for cause upon Notice of termination if (i) Customer does not pay undisputed Charges thereunder by the specified due date and the total of all such overdue undisputed Charges [***], in each case where Customer fails to cure such default within 30 days of Provider's Notice of default.

18.3. Equitable Adjustments in the Event of Termination

In the event of any partial termination of a Service Agreement by Customer, the Charges for the portion of the Services so terminated shall be removed from the "Charges" Schedule to the affected Service Agreement and any other terms shall be equitably adjusted to reflect the termination of such portion of the Services.

18.4. Winddown Expenses

(a) Customer Obligation

In the event of a termination by Customer pursuant to [***], Customer shall pay Provider any applicable Winddown Expenses and any applicable termination fee specified in the applicable Service Agreement; provided, however, that no Winddown Expenses or termination fee shall be payable by Customer in the event of [***]. In the event of a termination pursuant to [***], Customer shall pay such Winddown Expenses and any applicable termination fee as follows: (y) [***] of such amounts on the effective date of termination; and (z) [***] of such amounts upon completion of the Termination Assistance Period, except to the extent expressly set forth otherwise in a Service Agreement. Further, in the event of a termination by Customer pursuant to [***], Customer shall pay Provider [***] (or other specified amount) of any termination fee specified in the applicable Service Agreement. Except as otherwise provided in a Service Agreement, in no other event shall Customer be responsible for the payment of any termination charge, Winddown Expense, or any fee, payment or penalty of any type.

Provider shall use all reasonable efforts to mitigate and minimize any and all Winddown Expenses. Provider shall provide a breakdown of all Winddown Expenses in detail reasonably acceptable to Customer and all invoices for Winddown Expenses and termination fees will be subject to audit by Customer in accordance with Section 14.

(b) Cessation of Charges

Except as set forth in Sections 18.4(a) and 18.5(d), Customer shall not be obligated to pay any Charges that would otherwise accrue and be payable by Customer pursuant to the Agreement or any Service Agreement after the effective date of the expiration or termination of the Agreement, any such Service Agreement or the applicable Services.

18.5. Termination Assistance Services

(a) Cooperation

The Parties agree that Provider will cooperate with Customer Group to assist in the orderly transfer of the services, functions, responsibilities, tasks and operations comprising the applicable Services under each Service Agreement to Customer Group or a Successor Provider in connection with the expiration or earlier termination of the Agreement, any Service Agreement or any portion of the Services for any reason, however described (including as described in Section 13.1(a) or this Section 18). The Services include Termination Assistance Services and the Termination Assistance Services shall include: (i) providing Customer Group and their respective agents, contractors and consultants, as necessary, with the services described in the "Termination Assistance Services" Schedule to each Service Agreement and such other portions of the Services as Customer may request; (ii) providing Customer Group, Successor Providers or other Third Parties participating in the transition activities, with reasonable access to the business processes, materials, equipment, software and other resources (including human resources) used by Provider to deliver the Services, as reasonably necessary to support the transition of the relevant Services from Provider to performance by Customer Group or one or more Successor Providers of functions to replace such Services; (iii) providing such information regarding the operating environment, system constraints and other operating parameters as is reasonably necessary for the work product of Customer Group, Successor Providers or other Third Parties participating in the transition activities to be compatible with the Services and New Services (if any); (iv) performing integration services with respect to integrating any Third Party software or hardware into the operating environment supporting the Services; (v) RFP assistance as provided for in Section 16.2(b); (vi) providing Customer Group and its Third Parties supporting the Customer Group business, such as contractors and subcontractors, as necessary, with reasonable access to the Hardware, Software and other resources used by Provider to deliver the Services, provided that any such access does not interfere with Provider's ability to provide the Services or Termination Assistance Services; and (viii) such other reasonable cooperation as may be requested by Customer; provided, however, that any such Successor Providers and other Third Parties comply with Provider's reasonable

security and confidentiality requirements including execution of a confidentiality agreement consistent with the terms hereof. In addition, upon Customer's request, Provider will provide Customer reasonably detailed specifications for the Hardware, Software, network engineering diagrams and network device configurations needed by Customer to properly provide the Services. Neither the Term nor applicable Service Agreement Term shall be deemed to have expired or terminated until the Termination Assistance Services thereunder are completed, after which Customer shall have no further rights of extension including pursuant to Section 3.3.

(b) Commencement

Upon Customer's request, Provider shall provide Termination Assistance Services in connection with migrating the applicable Service(s) to Customer Group or one or more Successor Providers commencing upon any Notice of termination or non-renewal of the Agreement or any Service Agreement, either in part with respect to the applicable Service(s) or in whole. Further, Provider shall provide the Termination Assistance Services in accordance with this Section 18.5 even in the event of Customer's material breach, including an uncured payment default, with or without an attendant termination for cause by Provider, so long as Customer pays Provider for the Termination Assistance Services in accordance with this Section 18.5. In no event will Customer's holding of monies in compliance with Section 8.6 of this Master Agreement be considered a failure by Customer to pay amounts due and payable hereunder.

(c) Duration

Termination Assistance Services shall be provided: (i) through the effective date of the expiration of the applicable Service or Service Agreement; or (ii) in the case of a termination, through the effective date of termination of the applicable Service or Service Agreement or portion thereof (the ***"Initial Termination Assistance Period"***). Upon written request by Customer, provided at least 30 days before the scheduled expiration of the then-current Termination Assistance Period, Provider will provide the Termination Assistance Services for up to an additional period of time requested by Customer (each, a ***"Termination Assistance Period Extension"*** and collectively, with the Initial Termination Assistance Period, the ***"Termination Assistance Period"***). Customer may initiate multiple Termination Assistance Period Extensions; provided, however, in no event shall the Termination Assistance Period exceed a period of [***] after the effective date of expiration or termination of the applicable Service or Service Agreement. Each such Termination Assistance Period Extension shall be on the terms, conditions and pricing in effect at the time of the commencement of such extension, subject to any cost of living or other adjustment provided for in the Charges Schedule for such Service Agreement, and to the extent the Termination Assistance Period extends beyond the then-scheduled expiration or termination date, shall be considered an extension of the Service Agreement Term.

(d) Additional Charges Payable During Termination Assistance

If any Termination Assistance Services provided by Provider require the utilization of additional resources that Provider would not otherwise use in the performance of applicable Service Agreement(s), Customer will pay Provider for such usage at the then-current applicable Charges and in the manner set forth in the applicable Service Agreement(s). If the Termination Assistance Services require Provider to incur costs that Provider would not otherwise incur in the performance of the other Services under the applicable Service Agreement(s), then Provider shall notify Customer of the identity and scope of the activities requiring that Provider incur such costs and the projected amount of the charges that will be payable by Customer for the performance of such assistance. Such charges shall be commercially reasonable and consistent with the other Charges. Upon Customer's authorization, Provider shall perform the assistance and invoice Customer for such charges.

18.6. Other Rights Upon Termination

At the expiration or earlier termination, in whole or in part, of the Agreement or any Service Agreement, for any reason, however described, and unless otherwise agreed in the applicable Service Agreement, the Parties agree in each such instance, as applicable:

(a) Hardware

Except as may be otherwise set forth in a Service Agreement, upon Customer's request, Provider agrees to sell to Customer or its designee for the fair market value thereof, the Provider Equipment owned by Provider then currently being used by Provider primarily to perform the terminated or expiring Services. In the case of such Provider Equipment that Provider is leasing, Provider agrees to permit Customer or its designee to either buy-out the lease on the Provider Equipment and purchase the Provider Equipment from the lessor or assume the lease(s) and secure the release of Provider thereon. Customer shall be responsible for any sales, use or similar taxes associated with such purchase of such Provider Equipment or the assumption of such leases.

(b) Provider Employees

As of the date of any Notice of termination or, in the case of expiration, within the 9-month period prior to expiration, Customer and its designee(s) shall be permitted but not obligated to undertake, without interference from Provider or Provider Agents (including counter offers), to solicit and/or hire any Provider Personnel that are primarily assigned to the performance of the Services (or the applicable Services being terminated if less than all of the Services are being terminated). The Provider Personnel who are primarily assigned to the performance of Services, and the timing of any such solicitation and/or hiring will be further detailed in the applicable Exit Plan (or other written agreement between the Parties) pursuant to the "Termination Assistance Services" Schedule to the applicable Service Agreement. Provider shall waive, and shall cause Provider Agents to waive, their rights, if any, under contracts with such Provider

Personnel restricting the ability of such Provider Personnel to be recruited or hired by Customer or its designee(s). Provider shall provide Customer and its designee(s) with reasonable assistance in their efforts to hire such Provider Personnel and shall give Customer and its designee(s) reasonable access to such Provider Personnel for interviews, evaluations and recruitment. Each Party shall endeavor to conduct the above-described hiring activity (i) in accordance with the applicable Exit Plan (or other written agreement between the Parties) pursuant to the "Termination Assistance Services" Schedule to the applicable Service Agreement and (ii) in a manner that is not unnecessarily disruptive of the performance by Provider of its obligations hereunder. With respect to any permitted solicitation or hiring by Customer of any Provider Personnel, Provider shall notify Customer if Provider believes that it shall not be able to perform any specific Service or meet specific Service Levels without any particular Provider Personnel. Upon agreement of the Parties to the specific Service performance or Service Level relief and upon hiring of such Provider Personnel by Customer or its designee(s), Customer shall relieve Provider from performing the specific Service or meeting the specified Service Levels.

(c) Other Provider Agreements with Third Parties

Upon Customer's request, and unless otherwise indicated in the "Approved Provider Agents" Schedule, Provider will transfer or assign to Customer or its designee, on mutually acceptable terms and conditions, any agreements that Provider holds with Provider Agents, to the extent permitted in such agreements.

(d) Return of Data

The receiving Party and its subcontractors shall, at the disclosing Party's option, promptly and securely destroy (in accordance with the "Information Security Requirements" Exhibit) or deliver to the disclosing Party, the Company Information (including all data, records and related reports) in such format as may be reasonably requested by the disclosing Party and in such hard copy as then exists, and will certify to the disclosing Party that all Company Information has been securely destroyed or returned.

18.7. Effect of Termination/Survival of Selected Provisions

(a) Effect of Bankruptcy

In the event of the bankruptcy of Provider pursuant to the Bankruptcy Code and an attendant rejection of the Agreement or any license granted hereunder pursuant to Section 365 thereof, the Parties intend that the provisions of the Bankruptcy Code shall apply and, to the extent applicable, Customer Group shall be entitled to retain all license rights granted in the Agreement and possession of all embodiments of intellectual property licensed under the Agreement, and to exercise all rights to obtain possession of all embodiments of intellectual property licensed hereunder in accordance with the Agreement and any escrow or other agreement supplementary hereto, and other than payment of fees specifically identified as license fees, Customer Group shall have no

obligation to pay any additional fees or payments in connection with the exercise of the license rights granted under the Agreement and use of any embodiments of such licensed intellectual property.

(b) Survival

Notwithstanding the expiration or earlier termination of the Services, the Agreement or any Service Agreement for any reason however described, the following Sections of the Agreement shall survive any such expiration or termination: Sections 8.1, 8.3, 8.6, 8.7, 9.5, 9.9, 10, 13.2(a)(ii), 15.2, 15.3, 15.4 16, 17, 18.5, 18.6, 18.7, 19, 20, 21 (per the timeframe stated in Section 21.1), 22 and 23 and the "Privacy Requirements" Exhibit. Upon termination or expiration of the Agreement, all rights and obligations of the Parties under the Agreement shall expire, except those rights and obligations under those Sections specifically designated to survive in this Section 18.7(b).

(c) Claims

Except as specifically set forth in the Agreement, all claims by any Party accruing prior to the expiration or termination date shall survive the expiration or earlier termination of the Agreement.

19. LIABILITY

19.1. Liability Caps

(a) Direct Damages

Except as provided in Section 19.2, the liability of either Party to the other arising out of, relating to or resulting from the performance or non-performance of its obligations under the Agreement shall be limited to direct damages for each event that is the subject matter of a claim or cause of action.

(b) Provider Direct Damages Cap

EXCEPT AS PROVIDED IN SECTION 19.2, THE LIABILITY OF PROVIDER FOR DAMAGES, OTHER THAN SECOND CAP DAMAGES, AND regardless of the form of action that imposes liability, SHALL NOT EXCEED [***] (the ***"Provider Direct Damages Cap"***). SUBJECT TO SECTION 19.2, IF FOR ANY REASON SECTION 19.1(f) IS UNENFORCEABLE, IN WHOLE OR IN PART, THE PROVIDER DIRECT DAMAGES CAP SHALL APPLY TO ANY DAMAGES (OTHER THAN SECOND CAP DAMAGES) THAT THE PARTIES INTEND TO EXCLUDE PURSUANT TO SECTION 19.1(f).

(c) Second Cap Damages

EXCEPT AS PROVIDED IN SECTION 19.2 AND IN LIEU OF THE LIMITATION SET FORTH IN SECTION 19.1(b) and (d), THE LIABILITY OF

EITHER PARTY FOR DAMAGES arising under or in connection with: (I) A SECURITY BREACH RESULTING FROM OR IN CONNECTION WITH ACTS OR OMISSIONS OF PROVIDER OR CUSTOMER OTHER THAN IN ACCORDANCE WITH THE AGREEMENT, INCLUDING ANY NOTIFICATION OF INDIVIDUALS OF ANY SUCH SECURITY BREACH AND ASSOCIATED NOTIFICATION RELATED COSTS, (II) A BREACH OF SECTION 16 TO THE EXTENT INVOLVING PERSONALLY IDENTIFIABLE INFORMATION; OR (III) A BREACH OF SECTION 17 (DATA OWNERSHIP AND SECURITY) (collectively, ***"Second Cap Damages"***), REGARDLESS OF THE FORM OF ACTION THAT IMPOSES LIABILITY, will be limited to [***] (the ***"Second Cap"***). SUBJECT TO SECTION 19.2, IF FOR ANY REASON SECTION 19.1(f) IS UNENFORCEABLE, IN WHOLE OR IN PART, THE SECOND CAP SHALL APPLY TO ANY SECOND CAP DAMAGES THAT THE PARTIES INTEND TO EXCLUDE PURSUANT TO SECTION 19.1(f). For the avoidance of doubt, the Provider Direct Damages Cap and the Customer Direct Damages Cap are each separate from the Second Cap and any applicable damages incurred under the Provider Direct Damages Cap and the Customer Direct Damages Cap shall not count as damages under the Second Cap (and vice versa).

(d) Customer Cap

EXCEPT AS PROVIDED IN SECTION 19.2, CUSTOMER'S AGGREGATE LIABILITY FOR DIRECT DAMAGES UNDER EACH SERVICE AGREEMENT, OTHER THAN SECOND CAP DAMAGES, SHALL NOT EXCEED [***] (the ***"Customer Direct Damages Cap"***). IF FOR ANY REASON SECTION 19.1(f) IS UNENFORCEABLE, IN WHOLE OR IN PART, THE CUSTOMER DIRECT DAMAGES CAP SHALL APPLY TO ANY DAMAGES THAT THE PARTIES INTEND TO EXCLUDE PURSUANT TO SECTION 19.1(f).

(e) No Implied Liability

Inclusion of a cap on damages in this Agreement shall not create or imply liability for damages that a Party does not otherwise have hereunder.

(f) Excluded Damages

Neither Party shall be liable for damages that constitute: (i) loss of interest, profit or revenue of the claiming Party, reputational damage or share price decline; or (ii) incidental, consequential, special, punitive, exemplary, multiple or indirect damages suffered by the claiming Party, except as the damages described in (i) and (ii) are included as a part of the Service Level Credits, or as otherwise specifically provided for in the Agreement, even if such Party has been advised of the possibility of such losses or damages.

(g) Texas Deceptive Trade Practices Act

to the maximum extent permitted by Law, the Parties waive all provisions of the Texas Deceptive Trade Practices Act – Consumer Protection Act, Subchapter E of Chapter 18 (Sections 17.41 et seq.), Texas Business and Commerce Code (other than Section 17.555) thereof), insofar as the provisions of such Act may be applicable to the Agreement or the transactions contemplated hereby. To evidence its ability to grant such waiver, each Party hereby represents and warrants to the other Party that it (i) is represented by legal counsel of its own selection and is selling or acquiring or disposing of or divesting, as applicable, by sale, purchase, or lease, as applicable, goods or services for commercial or business use for a price that exceeds $500,000; (ii) has, as of the Effective Date, assets of $25,000,000 or more according to its most recent financial statements prepared in accordance with generally accepted accounting principles; (iii) has knowledge and experience in financial and business matters that enable it to evaluate the merits and risks of the transactions contemplated hereby; and (iv) is not in a significantly disparate bargaining position.

19.2. Exclusions; Damages Calculation

(a) Exceptions to Limitation of Liability

Except as provided below, the limitation on the types and amounts of damages set forth in Section 19.1(a) – (f) (inclusive) shall not apply with respect to:

(i) [***]

(ii) [***]

(iii) [***]

(iv) [***]

(v) [***]

(b) Amounts Not Considered Damages

The following shall not be considered damages subject to, and shall not be counted towards the liability exclusion or caps specified in Section 19.1:

(i) Service Level Credits assessed against Provider pursuant to the Agreement;

(ii) Amounts withheld by Customer in accordance with the Agreement or paid by Customer but subsequently recovered from Provider due either to incorrect Charges by Provider or non-conforming Services; or

(iii) Invoiced Charges and other amounts that are due and owing to from one Party to the other under the Agreement.

(c) Acknowledged Direct Damages

The following shall be considered direct damages and neither Party shall assert that they are indirect, incidental, collateral, exemplary, punitive, consequential or special damages or lost profits to the extent they result from either Party's failure to perform in accordance with the Agreement:

(i) Costs and expenses of recreating or reloading any lost, stolen or damaged Customer Group's Company Information;

(ii) Notification Related Costs;

(iii) Costs and expenses of implementing a work-around in respect of a failure to provide the Services or any part thereof;

(iv) Costs and expenses of replacing lost, stolen or damaged Equipment, Software and Materials;

(v) Cover damages, including the costs and expenses incurred to procure the Services or corrected Services from an alternate source;

(vi) Straight time, overtime or related expenses incurred by either Party, including overhead allocations for employees, wages and salaries of additional employees, travel expenses, overtime expenses telecommunication charges and similar charges;

(vii) Damages, fines, penalties, interest or other monetary remedies resulting from a failure to comply with applicable Laws; and

(viii) Late fees or interest charges resulting from Provider's breach of its obligations with respect to Managed Agreements.

The absence of a direct damage listed in this Section 19.2(c) shall not be construed or interpreted as an agreement to exclude it as a direct damage under the Agreement.

(d) Duty To Mitigate

Each Party has a duty to mitigate the damages that would otherwise be recoverable from the other Party pursuant to the Agreement by taking appropriate and commercially reasonable actions to reduce or limit the amount of such damages.

19.3. Remedies

(a) All Available Remedies

At its option, and as further provided by Section 19.3(b) below, either Party may seek all remedies available to it under law and in equity including injunctive relief in the form of specific performance to enforce the Agreement and actions for damages, or, in the case of Customer, to recover the Service Level Credits, subject to the limitations and provisions specified in this Section 19. To the extent that Customer makes a claim for damages arising under this Agreement, the amount of any recoverable damages shall be reduced by any amounts or credits payable to Customer by Provider under this Agreement related to such claim.

(b) Customer Injunctive Relief

Provider acknowledges that its refusal or failure to provide all or any of the Services or comply with this Agreement, or its abandonment of the Agreement or any Service Agreement in violation of this Agreement, or its threat of either of the foregoing (including any violation of Section 16) would each cause irreparable harm, the amount of which would be impossible to estimate, thus making any remedy at law or in damages inadequate. Provider therefore agrees that Customer shall have the right to apply to any court of competent jurisdiction for an injunction compelling specific performance by Provider of its obligations under the Agreement and the applicable Service Agreement(s) without the necessity of Notice, or the posting of any bond or other security, and Provider shall not request the posting of any such bond or other security. This right shall be in addition to any other remedy available under the Agreement, at law or in equity (including the right to recover damages).

20. INDEMNITIES

20.1. Indemnity by Provider

Provider shall indemnify, hold harmless and, except as set forth in Section 20.3(b), defend Customer Group, its and their Affiliates, and the respective current, future and former officers, directors, employees, agents, successors and assigns of each of the foregoing, and each of the foregoing Persons or entities (the ***"Customer Indemnitees"***) upon written demand, from and against any and all Losses incurred by any of them, related to, or arising out of or in connection with:

(a) Infringement Claims

All Claims that any Provider Assets, Work Product, Provider Software, Provider Licensed Software, Services or any other item, information, system, Deliverable, software or service provided or used under the Agreement (the ***"Affected Material"***) by Provider (or any Provider Agent), or use thereof (or access or other rights thereto) in accordance with the terms of the Agreement, infringes or misappropriates any Intellectual Property Right of a Third Party. If any Affected Material is held to constitute, or in Provider's reasonable judgment is likely to constitute, an infringement or

misappropriation, Provider will, in addition to its indemnity obligations, at its expense and option, and after consultation with Customer regarding Customer's preference in such event, either: (i) procure the right for Customer Indemnitees to continue using such Affected Material; (ii) provide Customer with an opinion of counsel reasonably acceptable to Customer as to the invalidity of the asserted Intellectual Property Rights or the non-infringement of the Affected Material; (iii) replace such Affected Material with a non-infringing equivalent, provided that such replacement does not result in a degradation of the functionality, performance or quality of the Affected Material, accompanied by an opinion of counsel reasonably acceptable to Customer as to the non-infringement of the Affected Material and the replacement integrated therein; (iv) modify such Affected Material, or have such Affected Material modified, to make it non-infringing, provided that such modification does not result in a degradation of the functionality, performance or quality of the Affected Material, accompanied by an opinion of counsel reasonably acceptable to Customer as to the non-infringement of the Affected Material and the replacement integrated therein; or (v) create a workaround that would not have any adverse impact on Customer Group, accompanied by an opinion of counsel reasonably acceptable to Customer as to the non-infringement of the Affected Material and the replacement integrated therein. Provider shall have no liability or obligation to any of the Customer Indemnitees under this paragraph (a) with respect to the Affected Materials due to: (A) such Customer Indemnitee's unauthorized use or modification of such item; (B) such Customer Indemnitees' failure to use corrections or enhancements made available by Provider to Customer within a reasonable period of time after such corrections or enhancements were first made available to Customer without cost; or (C) such Customer Indemnitee's use of such item in combination with any product or equipment not owned, developed, contemplated or authorized by Provider, except where Provider knew or should reasonably have known that such combination would be used by Customer or such Customer Indemnitee and did not object. The foregoing sentence constitutes Customer's sole and exclusive remedy, and Provider's entire liability, with respect to claims of infringement or misappropriation of Third Party Intellectual Property Rights.

(b) Personal Injury; Property Claims

All Claims arising from or in connection with: (i) the death or bodily injury of any agent, employee, customer, business invitee, business visitor or other Person caused by the negligence or other tortious conduct of Provider (or Provider Agents), or the failure of Provider (or Provider Agents) to comply with its obligations under the Agreement; and (ii) the damage, loss or destruction of any real or tangible personal property caused by the negligence or other tortious conduct of Provider (or Provider Agents), or the failure of Provider (or Provider Agents) to comply with its obligations under the Agreement.

(c) Provider Agent Claims

All Claims, other than an indemnification claim under the Agreement, initiated by a Provider Agent in connection with or arising out of such Provider's Agent performance

of Services under this Agreement, except to the extent caused by Customer Group's failure to comply with its obligations to such Provider Agent.

(d) Employer Claims

All Claims arising out of, resulting from or related to any act or omission of Provider in its capacity as an employer of a Person and arising out of or relating to (i) Laws for the protection of Persons who are members of a protected class or category of Persons; (ii) protected leave; (iii) discrimination or harassment; (iv) intentional misconduct or negligence; or (v) any other aspect of the employment relationship or its termination (including (A) claims for breach of an express or implied contract of employment; (B) any violation of the laws or regulations of any Governmental Authority regarding the protection of persons or members of a protected class or category of persons by Provider or Provider Agents, or any of the employees of any of the foregoing; (C) discrimination or harassment by Provider or Provider Agents, or any of the employees of any of the foregoing; (D) failure to provide protected leave, or (E) work-related injury caused by Provider or Provider Agents, or any of the employees of any of the foregoing), which arose when the Person asserting the claim, demand, charge, action, cause of action or other proceeding was or purported to be an employee of, or candidate for employment by, the Provider or any of Provider Agents.

(e) Co-Employment Claims

All Claims that any Provider Personnel is an employee or agent of Customer Group, including: (i) the cost of any employee benefits Customer Group is required to provide to or pay for on behalf of any Provider Personnel; and (ii) any Claim brought by any Provider Personnel against Customer Group based upon an express, implied or de facto employer-employee relationship.

(f) Theft and Fraud Claims

All Claims arising from fraud, theft, criminal acts and bad faith committed by, or the intentional misconduct of, Provider or Provider Agents or Provider Personnel.

(g) Tax Claims

All Claims for Provider's Tax liabilities arising from Provider's provision of Services, as set forth in Section 8.3.

(h) Provider Consent Claims

All Claims arising out of the failure of Provider to obtain, or cause to be obtained, any Provider Consents in accordance with Section 13.5.

(i) Compliance; Refusal to Perform Claims

All Claims arising out of Provider's breach of its obligations under Section 7 (Compliance), Section 9.9 (Services Not to Be Withheld) and Section 18.5 (Termination Assistance Services) of the Agreement.

(j) Breach of Warranty Claims

Any Claims arising out of Provider's breach of its representations and warranties set forth in the Agreement (other than Provider's representations and warranties at Sections 10.2(a), 10.2(b) and 10.2(c)).

(k) [***]

[***]

(l) Third Party Agreement Claims

All Claims (including any increases in the charges payable to a Third Party Provider) in connection with or arising out of Provider's (i) breach of any provision of a Third Party Agreement that has been disclosed to Provider, or (ii) failure to properly and timely perform Provider's obligations with respect to any Managed Agreement, including any increases in the charges payable to the Third Party Provider in connection with same.

20.2. Indemnity by Customer.

Customer shall indemnify, hold harmless and, except as set forth in Section 20.3(b), defend Provider and its Affiliates, and the respective current, future and former officers, directors, employees, agents, successors and assigns of each of the foregoing, and each of the foregoing Persons or entities (the ***"Provider Indemnitees"***), upon written demand, from and against any and all Losses incurred by any of them related to, or arising out of or in connection with:

(a) Infringement Claims

All Claims that any Customer Owned Software and/or Customer Licensed Software, or Provider's use thereof in accordance with the terms of the Agreement, infringes or misappropriates the Intellectual Property Rights of a Third Party. If any Customer Owned Software and/or Customer Licensed Software is held to constitute, or in Customer's reasonable judgment is likely to constitute, an infringement or misappropriation, Customer will, in addition to its indemnity obligations, at its expense and option, and after consultation with Provider regarding Provider's preference in such event, either: (i) procure the right for Provider Indemnitees to continue using such Customer Owned Software and/or Customer Licensed Software; (ii) provide Provider with an opinion of counsel reasonably acceptable to Provider as to the invalidity of the asserted Intellectual Property Rights or the non-infringement of the Customer Owned Software and/or Customer Licensed Software; (iii) replace such Customer Owned

Software and/or Customer Licensed Software with a non-infringing equivalent, provided that such replacement does not result in a degradation of the functionality, performance or quality of the Customer Owned Software and/or Customer Licensed Software, accompanied by an opinion of counsel reasonably acceptable to Provider as to the non-infringement of the Customer Owned Software and/or Customer Licensed Software and the replacement integrated therein; (iv) modify such Customer Owned Software and/or Customer Licensed Software, or have such Customer Owned Software and/or Customer Licensed Software modified, to make it non-infringing, provided that such modification does not result in a degradation of the functionality, performance or quality of the Customer Owned Software and/or Customer Licensed Software, accompanied by an opinion of counsel reasonably acceptable to Provider as to the non-infringement of the Customer Owned Software and/or Customer Licensed Software and the replacement integrated therein; or (v) create a workaround that would not have any adverse impact on Provider's ability to perform the Services, accompanied by an opinion of counsel reasonably acceptable to Provider as to the non-infringement of the Customer Owned Software and/or Customer Licensed Software and the replacement integrated therein. Customer shall have no liability or obligation to any of the Provider Indemnitees under this paragraph (a) with respect to any Customer Software incorporated in any Work Product or to the extent that the claim of infringement or misappropriation is caused by: (A) such Provider Indemnitee's use or modification of such item (on behalf of itself or any other party) other than as expressly authorized pursuant to this Agreement; (B) such Provider Indemnitees' failure to use corrections or enhancements made available by Customer to Provider within a reasonable period of time after such corrections or enhancements were first made available to Provider without cost; or (C) such Provider Indemnitee's use of such item in combination with any product or equipment not owned, developed, contemplated or authorized by Customer, except where Customer knew or should reasonably have known that such combination would be used by Provider or such Provider Indemnitee to provide Services hereunder and did not object. The foregoing sentence constitutes Provider's sole and exclusive remedy, and Customer Group's entire liability, with respect to claims of infringement or misappropriation of Third Party Intellectual Property Rights.

(b) Compliance Claims

All Claims arising from a violation by Customer Group of any federal, state, local or foreign law, rule, regulation or order applicable to Customer Group (or to Provider), excluding any such violation to the extent caused by a breach of this Agreement by Provider or any Provider Agents.

(c) Theft or Fraud Claims

All Claims arising from fraud, theft, criminal acts and bad faith committed by, or the intentional misconduct of, Customer Group or employees of Customer Group.

(d) Tax Claims

All Claims for Customer's tax liabilities, if any, as set forth in Section 8.3.

(e) Employer Related Claims

All Claims arising out of, resulting from or related to any act or omission of Customer Group in Customer Group's capacity as an employer of a Person and arising out of or relating to applicable: (i) Laws for the protection of Persons who are members of a protected class or category of Persons; (ii) discrimination or harassment; and (iii) any other aspect of the employment relationship or its termination (including claims for breach of an express or implied contract of employment) which arose when the Person asserting the claim, demand, charge, actions, cause of action or other proceeding was or purported to be an employee of, or candidate for employment by, Customer.

(f) Personal Injury; Property Claims

All Claims arising from or in connection with: (i) the death or bodily injury of any agent, employee, customer, business invitee, business visitor or other Person caused by the negligence or other tortious conduct of Customer (or Customer Agents), or the failure of Customer (or Customer Agents) to comply with its obligations under the Agreement; and (ii) the damage, loss or destruction of any real or tangible personal property caused by the negligence or other tortious conduct of Customer (or Customer Agents), or the failure of Customer (or Customer Agents) to comply with its obligations under the Agreement.

20.3. Indemnification Procedures

(a) Notice

An indemnified Party under this Section 20 shall promptly Notify the indemnifying Party of any Claim with respect to which it seeks indemnity under this Section 20, provided that a failure by an indemnified Party to do so shall not relieve the indemnified Party from any of its obligations under this Section 20 except to the extent that the defense of such Claim is materially prejudiced by such failure.

(b) Defense

An indemnifying Party shall, except as provided in the immediately following sentence and the last sentence of this paragraph, assume the defense of such Claim, with counsel reasonably satisfactory to the indemnified Party to represent the indemnified Party in such proceeding and shall pay the fees and disbursements of such counsel related to such proceeding. In any such proceeding, any indemnified Party shall have the right to retain its own counsel and participate in the defense of such Claim, but the fees and expense of such counsel shall be at the expense of such indemnified Party unless: (i) the indemnifying Party and the indemnified Party shall have mutually agreed to the retention

of such counsel; or (ii) the named Parties to any such proceeding (including any impleaded parties) include both the indemnifying Party and the indemnified Party and representation of both Parties by the same counsel would be inappropriate due to actual or potential differing interests between them. It is agreed that the indemnifying Party shall not, in respect of the legal expense of any indemnified Party in connection with any proceeding or related proceedings in the same jurisdiction, be liable for the fees and expenses of more than one separate firm (in addition to any local counsel) for all such indemnified Parties and that all such fees and expenses shall be reimbursed as they are incurred. The indemnifying Party shall not be liable for any settlement of any proceeding effected without its written consent, but if settled with such consent or if there is a final judgment for the plaintiff, the indemnifying Party agrees to indemnify the indemnified Party from and against any Losses by reason of such settlement or judgment. No indemnifying Party shall, without the prior written consent of the indemnified Party, effect any settlement of any pending or threatened proceeding in respect of which any indemnified Party is or could have been a party and indemnity could have been sought hereunder by such indemnified Party: (x) if such settlement; (A) involves any form of relief other than the payment of money, (B) involves any finding or admission of any violation of any Law or any of the rights of any Person or (C) has any adverse effect on any other Claims that have been or may be made against the indemnified Party, or (y) if such settlement involves only the payment of money, unless it includes an unconditional release of such indemnified Party of all liability on claims that are the subject of such proceeding. An indemnified Party may assume control of the defense of any Claim: (1) if it irrevocably waives its right to indemnity under this Section 20, or (2) if, without prejudice to its full right to indemnity under this Section 20: (aa) the indemnifying Party fails to provide reasonable assurance to the indemnified Party of its financial capacity to defend or provide indemnification with respect to such Claim, (bb) the indemnified Party determines in good faith that there is a reasonable likelihood that a Claim would materially and adversely affect it or any other indemnitees other than as a result of monetary damages that would be fully reimbursed by an indemnifying Party under the Agreement, or (cc) the indemnifying Party refuses or fails to timely assume the defense of such Claim; or (3) in case of Customer, pursuant to Section 20.4.

20.4. Customer Assumption of Defense

(a) Assumption

Following delivery by Customer to Provider of a Notice of Assumption of Defense, Customer shall itself be entitled to assume the defense of a Claim for which Provider is required to indemnify any Customer Indemnitees hereunder, if Customer determines in its reasonable discretion that (i) the Claim relates to or arises in connection with any criminal proceeding, action, indictment, allegation or investigation of Customer Group (or any other Customer Indemnitees); (ii) the Claim seeks an injunction or equitable relief against Customer Group; (iii) any such Claim, or the litigation or resolution of any such Claim, involves an issue or matter that is reasonably likely to have a material adverse effect on Customer Group; or (v) the Claim relates to Customer's

obligations under the Securities Exchange Act of 1934. Customer shall have the right to assume such defense upon the delivery of Notice to Provider (a ***"Customer Assumption Notice"***), which Notice shall include the name of the firm(s) and attorney(s) that Customer proposes to engage to defend such claim or action.

(b) Customer Obligations

Provider's obligations to pay for the cost of defense of, and any other Losses related to, or arising out of or in connection with, a Claim where Customer elects to assume the defense of such Claim under this Section shall be subject to the following:

(i) Provider shall have the right to approve the counsel that Customer seeks to retain in connection with such Claim, such approval not to be unreasonably withheld, conditioned, delayed or denied, so long as there are no (A) nonwaivable conflicts of interest between plaintiffs and such counsel, or (B) nonwaivable conflicts of interest between such counsel and Provider in current litigation or other current adverse proceedings being conducted by a third party, such as a regulatory action or an arbitration or mediation;

(ii) Provider shall have the right to participate in the defense of such Claim with counsel of its choosing at its own expense in connection with Provider's indemnification obligations for such Claim, so long as all decision making authority with respect to such litigation or proceeding remains exclusively with Customer and Provider's participation does not constitute a conflict of interest or create other prejudice to any Customer Indemnitee; and

(iii) Customer shall not enter into any settlement or consent judgment in relation to such Claim without the prior written approval of Provider, which shall not be unreasonably withheld, conditioned, denied or delayed.

(c) Provider Obligations

Subject to the preceding conditions, following the delivery of the Customer Assumption Notice, (i) Provider shall not be entitled to assume or continue, as applicable, control of such defense; and (ii) shall pay the reasonable fees and expenses of counsel retained by Customer and shall indemnify Customer Indemnitees pursuant to the terms of the Agreement.

21. INSURANCE AND RISK OF LOSS

21.1. Provider Insurance

(a) Policies and Coverage Amounts

During the Term of the Agreement and for a period of at least one year thereafter, Provider and each Provider Agent that provides or performs any of the Services shall maintain and keep in force, at its own expense and without limiting its indemnity obligations as set forth in Section 20.1 of the Agreement, the insurance coverages and limits set forth in the "Insurance Requirements" Exhibit, in accordance with the Agreement, in forms and with insurance companies qualified to do business in the states where the Services are performed.

(b) Certificates

Provider shall deliver, and shall cause Provider Agents performing any portion of the Services under the Agreement to deliver, certificates of insurance verifying the required coverage, in a form reasonably acceptable to Customer, prior to the Commencement Date. Following the Commencement Date, Provider shall provide, and shall cause each of Provider Agents performing any portion of the Services under the Agreement to provide, certificates of insurance verifying the required coverage upon Customer's written request. Provider agrees to provide, and shall cause each of Provider Agents performing any portion of the Services under the Agreement to provide, in a form reasonably acceptable to Customer, renewals of such certificates of insurance upon receipt of such renewals. Neither Customer's failure to request evidence of insurance coverage required hereunder nor receipt or acceptance by Customer of any certificate of insurance that does not satisfy the coverage criteria set forth in this Section 21, shall operate as a waiver of Provider's or Provider Agents' obligations hereunder.

(c) General Requirements

With the exception of any captive insurance companies which are Affiliates of Provider, the required insurance shall be provided by insurance companies that have a minimum A.M. Best Rating of A- VII. Provider and any Provider Agents performing any portion of the Services under the Agreement shall include Customer as an additional insured on all policies described in the "Insurance Requirements" Exhibit (other than the workers' compensation, property, professional liability, cyber liability, errors and omissions, and crime insurance policies). All liability insurance policies shall be written on an "occurrence" policy form, except as expressly provided in the "Insurance Requirements" Exhibit. Customer Group shall be named as loss payee as its interest may appear on the property insurance policy of Provider. Provider shall be responsible for payment of any and all deductibles, self-insured retentions, and self-insurance carried by Provider under its insurance program(s). The coverage afforded under any insurance policy obtained by Provider pursuant to the Agreement shall be primary with respect to Provider's acts or omissions and not be in excess of, or contributing with, any insurance

maintained by Customer Group and its assigns. Provider and Provider Agents shall not perform under the Agreement without the prerequisite insurance. Unless previously agreed to in writing by Customer, Provider and Provider Agents shall comply with the insurance requirements herein and Provider agrees to be solely responsible for any deficiencies in the coverage, policy limits and endorsements of Provider Agents performing any portion of the Services under the Agreement. If Provider or Provider Agents fail to comply with any of the insurance requirements herein, upon Notice to Provider by Customer and a ten day cure period, Customer shall have the right, but not the obligation, to provide or maintain any such insurance, and to deduct the cost thereof from any amounts due and payable to Provider under the Agreement, or, in the event there are no such amounts due and payable, Provider shall reimburse Customer for such costs on demand.

(d) No Limitation

The Parties do not intend to shift all risk of loss to insurance. The including of Customer as additional insured is not intended to be a limitation of Provider's liability and shall in no event be deemed to, or serve to, limit Provider's liability to Customer Group to available insurance coverage or to the policy limits specified in this Section 21 nor to limit Customer's rights to exercise any and all remedies available to Customer under contract, at law or in equity.

21.2. Risk of Property Loss

Provider and Customer each shall be responsible for damages to their respective tangible personal or real property (whether owned or leased), and each Party agrees to look only to their own insuring arrangements (if any) with respect to such damages; provided, however, that Provider shall be responsible for damages to tangible property of Customer Group under the control of Provider and Provider Agents (or as to which it has indemnification obligations).

21.3. Waiver of Subrogation

(a) Provider Waiver

Provider waives all rights to recover against Customer Group for any loss or damage to its tangible personal property (whether owned or leased) from any cause covered by insurance maintained by Provider, including any deductible or self-insured retention. Provider will cause its insurers to issue appropriate waivers of subrogation rights endorsements to all property insurance policies maintained by Provider and workers' compensation coverage; provided, however, Provider shall give Customer Notice if a waiver of subrogation is unobtainable, or obtainable only at additional expense.

(b) Provider Agent Waiver

Provider shall cause each of Provider Agents performing any portion of the Services under the Agreement to: (i) waive all rights to recover against Customer Group for any loss or damage to such Provider Agent's tangible personal property (whether owned or leased) from any cause covered by insurance maintained by such Provider Agent, including its deductibles or self-insured retentions; and (ii) cause their insurers to issue appropriate waivers of subrogation rights endorsements to all property insurance policies maintained by such Provider Agent.

22. GOVERNING LAW; DISPUTE RESOLUTION

22.1. Governing Law

All rights and obligations of the Parties relating to the Agreement shall be governed by and construed in accordance with the Laws of the State of Texas, without giving effect to any choice-of-law provision or rule (whether of the State of Texas or any other jurisdiction) that would cause the application of the Laws of any other jurisdiction.

22.2. Disputes in General

The Parties will resolve all Disputes in accordance with the procedures described in the "Dispute Resolution Procedures" Exhibit.

23. GENERAL

23.1. Relationship of Parties

(a) No Joint Venture

The Agreement (including the Service Agreements) shall not be construed as constituting either Party as partner, joint venture or fiduciary of the other Party or to create any other form of legal association that would impose liability upon one Party for the act or failure to act of the other Party, or as providing either Party with the right, power or authority (express or implied) to create any duty or obligation of the other Party.

(b) Publicity

Each Party will submit to the other Party all advertising, written sales promotion, press releases and other publicity matters relating to the Agreement in which the other Party's name or marks are mentioned or language from which the connection of such name or marks may be inferred or implied, and will not publish or use such advertising, sales promotion, press releases, or publicity matters without prior written approval of the other Party, which, in the case of Customer, may be withheld in its sole discretion.

23.2. Entire Agreement, Updates, Amendments and Modifications

The Agreement (including the Service Agreements) constitutes the entire agreement of the Parties with regard to the Services and matters addressed herein (and therein), and all prior agreements, letters, proposals, discussions and other documents regarding the Services and the matters addressed in the Agreement (including the Service Agreements) are superseded and merged into the Agreement (including the Service Agreements). Updates, amendments, corrections and modifications to the Agreement including the Service Agreements, and waivers of its terms, may not be made orally, but shall only be made by a written document signed by both Parties. Any terms and conditions varying from the Agreement (including the Service Agreements) on any order or written notification from either Party shall not be effective or binding on the other Party.

23.3. Waiver

No waiver of any breach of any provision of the Agreement shall constitute a waiver of any prior, concurrent or subsequent breach of the same or any other provisions hereof.

23.4. Severability

If any provision of the Agreement shall be held to be invalid, illegal or unenforceable, the validity, legality and enforceability of the remaining provisions shall not in any way be affected or impaired thereby, and such provision shall be deemed to be restated to reflect the Parties' original intentions as nearly as possible in accordance with applicable Law(s).

23.5. Counterparts

The Master Agreement and each Service Agreement may be executed in counterparts. Each such counterpart shall be an original and together shall constitute but one and the same document. The Parties agree that a PDF, photographic or facsimile copy of the signature evidencing a Party's execution of this Agreement shall be effective as an original signature and may be used in lieu of the original for any purpose.

23.6. Binding Nature and Assignment

The Agreement will be binding on the Parties and their respective successors and permitted assigns. Except as provided in this Section 23.6, neither Party may, or will have the power to, assign the Agreement (or any rights, benefits or obligations hereunder, including the right to receive payments hereunder) by operation of law or otherwise without the prior written consent of the other, except that Customer may assign its rights and delegate its duties and obligations under this Agreement (i) to an Affiliate or (ii) as a whole as part of the sale or transfer of all or substantially all of its assets and business, including by merger or consolidation with a Person that assumes and has the ability to perform Customer's duties and obligations under this Agreement, without the approval of Provider. Any attempted assignment that does not comply with the terms of this Section 23.6 shall be null and void.

23.7. Notices

(a) Form

Except as otherwise set forth in the Agreement, each Notice must be transmitted, delivered, or sent by:

(i) Courier or messenger service, whether overnight or same-day; or

(ii) Certified United States mail, with postage prepaid and return receipt requested.

(b) Addresses

(i) The Parties shall transmit, deliver, or send Notices to the other Party at the address for that Party set forth below, or at such other address as the recipient has designated by Notice to the other Party in accordance with this Section 23.7.

(ii) Notices for or concerning a Force Majeure Event or breach or alleged breach of the Agreement (including a Service Level Termination Event) shall be given in accordance with Section 23.7(a)(ii) above:

If to Customer:

Title:	Chief Procurement Officer
Business Name:	Sabre
Street Address:	3150 Sabre Drive
City, State Zip:	Southlake, Texas 76092
E-Mail Address:	[***]

with copies to:

Title:	Chief Information Officer
Business Name:	Sabre
Street Address:	3150 Sabre Drive
City, State Zip:	Southlake, Texas 76092
E-Mail Address:	[***]

and

Title:	General Counsel
Business Name:	Sabre
Street Address:	3150 Sabre Drive
City, State Zip:	Southlake, Texas 76092
E-Mail Address:	[***]

If to Provider:

If to Provider:

Name and Title:	[***]
Business Name:	DXC Technology
Street Address:	1775 Tysons Boulevard, Ste. 900
City, State Zip:	Tysons, Virginia 22102
E-Mail Address	[***]

with copies to:

Title:	General Counsel
Business Name:	DXC Technology
Street Address:	1775 Tysons Boulevard
City, State Zip:	Tysons, Virginia 22102

(iii) Notices for or concerning all other matters shall be given to:

If to Customer:

Title:	Chief Procurement Officer
Business Name:	Sabre
Street Address:	3150 Sabre Drive
City, State Zip:	Southlake, Texas 76092
E-Mail Address:	[***]

If to Provider:

Name and Title:	[***]
Business Name:	DXC Technology
Street Address:	1775 Tysons Boulevard, Ste. 900
City, State Zip:	Tysons, Virginia 22102
E-Mail Address	[***]

(c) Effectiveness

(i) Each Notice transmitted, delivered, or sent by courier or messenger service, or by certified United States mail (postage prepaid and return receipt requested) shall be deemed given, received, and effective on the date delivered to or refused by the intended recipient (with the return receipt or the equivalent record of the courier or messenger being deemed conclusive evidence of delivery or refusal).

(ii) Nevertheless, if the date of delivery is not a Business Day, or if the delivery is after 5:00 p.m., local time in Dallas County, Texas, on a Business Day, the communication shall be deemed given, received, and effective on the next Business Day.

(iii) Either Party from time to time may change its address or designee for notification purposes by giving the other Party Notice of the new address or designee with ten days prior Notice of the effective date of such change.

(iv) Whenever a period of time is stated for Notice, such period of time is the minimum period and nothing in this Section 23.7 or the Agreement shall be construed as prohibiting a greater period of time.

23.8. No Third Party Beneficiaries

The Parties do not intend, nor will any Section hereof be interpreted, to create for any third party beneficiary rights with respect to either of the Parties, except that each of the other members of Customer Group shall be a third party beneficiary under the Agreement, and the third parties identified in Section 20 will have the rights and benefits described in that Article.

23.9. Rules of Construction

Interpretation of the Agreement shall be governed by the following rules of construction: (i) words in the singular shall be held to include the plural and vice versa and words of one gender shall be held to include the other gender as the context requires, (ii) the word “including” and words of similar import shall mean “including, without limitation;” (iii)

provisions shall apply, when appropriate, to successive events and transactions; (iv) the headings contained herein are for reference purposes only and shall not affect in any way the meaning or interpretation of the Agreement; (v) the words "herein," "hereto," "hereinafter" and words of similar import refer to the Agreement as a whole; (vi) the word "or" shall be held to include "and" as the context requires; and (vii) the Agreement was drafted with the joint participation of both Parties and shall be construed neither against nor in favor of either, but rather in accordance with the fair meaning hereof. In the event of any apparent conflicts or inconsistencies between the provisions of this Master Agreement, the Exhibits, the Service Agreements, the Schedules or other attachments to the Agreement and Service Agreements, such provisions shall be interpreted so as to make them consistent to the extent possible, and if such is not possible, the provisions of Section 2.3 shall control.

23.10. Further Assurances

During the Term and at all times thereafter, each Party shall provide to the other Party, at its request, reasonable cooperation and assistance (including the execution and delivery of affidavits, declarations, oaths, assignments, samples, specimens, certificates and any other documentation) as necessary to effect the terms of the Agreement.

23.11. Expenses

Each Party shall be responsible for the costs and expenses associated with the preparation or completion of the Agreement and the transactions contemplated hereby except as specifically set forth in the Agreement.

23.12. References to Sections, Exhibits and Schedules

Unless otherwise specified herein, all references in a Service Agreement, Section, Exhibit, or Schedule to a "Service Agreement", "Section", "Exhibit" or "Schedule" shall be deemed to be references to the corresponding Service Agreement, Section, Exhibit, Schedule of the Agreement.

23.13. Parental Guarantee

Provider's obligations under the Agreement are unconditionally guaranteed by DXC Technology Company ("***Guarantor***") pursuant to a Guarantee executed and delivered by Guarantor to Customer on August 1, 2020.

EXHIBIT 1

DEFINITIONS

This is Exhibit 1, Definitions, to that certain Amended and Restated Master Services Agreement, dated as of August 1, 2020 (the "***Master Agreement***"), between Sabre GLBL Inc. ***("Customer")*** and DXC Technology Services LLC (***"Provider"***).

The following terms used in the Agreement shall have the meanings indicated:

15.3 Notice has the meaning set forth in Section 15.3(f) of the Master Agreement.

AAA has the meaning set forth in the "Dispute Resolution Procedures" Exhibit.

Acceptance Criteria has the meaning set forth in the "Acceptance Test Procedures" Exhibit.

Acceptance Period means the time period for acceptance testing set forth in the "Acceptance Test Procedures" Exhibit.

Accepted means, with respect to a Service or Deliverable, that such Deliverable or the result of the Service has been reviewed and tested by Customer in accordance with the procedures set forth in the "Acceptance Test Procedures" Exhibit and complies with the Acceptance Criteria.

Account Governance has the meaning set forth in the "Account Governance" Exhibit.

Acquired Business has the meaning set forth in Section 4.1(b)(i) of the Master Agreement.

Additional Tests has the meaning set forth in the "Acceptance Test Procedures" Exhibit.

Affected Material has the meaning set forth in Section 20.1(a) of the Master Agreement.

Affected Products has the meaning set forth in Section 10.2(n) of the Master Agreement.

Affiliate means, with respect to a Party, any entity at any tier that controls, is controlled by, or is under common control with, that Party. For purposes of this definition, the term "control" (including with correlative meanings, the terms "controlled by" and "under common control with") means the possession directly or indirectly of the power to direct or cause the direction of the management and policies of an entity, whether through the ownership of voting securities, by trust, management agreement, contract or otherwise.

Aggregate Disputed Amount has the meaning set forth in Section 8.7 of the Master Agreement.

Agreement has the meaning set forth in Section 2.1(c) of the Master Agreement.

Annual Audit Plan has the meaning set forth in Section 14.2(a) of the Master Agreement.

Arbitration Rules has the meaning set forth in the "Dispute Resolution Procedures" Exhibit.

Asset Allocation Matrix has the meaning set forth in Section 15.1(a) of the Master Agreement.

Asset Changes has the meaning set forth in the "Change Control Procedures" Exhibit.

Assets means the equipment, software, goods and other assets which are owned or used by Customer or Provider, or their Affiliates, agents or subcontractors, in connection with the provision or receipt of the Services.

Assumed Agreement has the meaning set forth in the applicable "Third Party Agreements" Schedule.

Audit means collectively and individually, Customer Audits, Provider Audits, and Regulatory Audits.

Authorized Recipients means, individually and collectively: (i) any joint venture in which Customer Group has an ownership interest; (ii) Third Parties to whom Customer Group provides products, services or information, or access rights thereto, or to whom Customer Group is otherwise contractually obligated; and (iii) Third Parties from whom Customer Group receives products, services or information, or access rights thereto, or that are otherwise contractually obligated to Customer Group, to the extent access to or use of the Services is necessary for those Third Parties to provide products, services, information or access rights, or perform their obligations, to Customer Group.

Authorized Third Parties has the meaning set forth in the "Privacy Requirements" Exhibit.

Bankruptcy Code means the United States Bankruptcy Code, codified in Title 11 of the United States Code, as amended.

BCR-Ps has the meaning set forth in the "Privacy Requirements" Exhibit.

Benchmark Results has the meaning set forth in the "Market Currency Procedures" Exhibit.

Benchmarked Services has the meaning set forth in the "Market Currency Procedures" Exhibit.

Benchmarker refers to each of the persons that may participate in the Benchmarking Process as further described in the "Market Currency Procedures" Exhibit.

Benchmarking Process has the meaning set forth in the "Market Currency Procedures" Exhibit.

Best Value has the meaning set forth in the "Market Currency Procedures" Exhibit.

Business Days means each Monday through Friday, other than national holidays recognized by Customer. Unless specifically identified as a Business Day, the term "day" shall mean calendar day.

CDC means the Cherokee Data Center located at 7400 N. Lakewood, Tulsa, OK 74117.

Certification has the meaning set forth in Section 14.2(g) of the Master Agreement.

Change Control Procedures has the meaning set forth in Section 13.6(d) of the Master Agreement.

Change means: (1) any change to the Services, the Service Levels, or the Provider Assets used to provide the Services that, in each case, would alter the (a) functionality, Service Levels or technical environment of the Provider Assets used to provide the Services, (b) manner in which the Services are provided, (c) composition of the Services or (d) cost to Customer Group or Provider of the Services; (2) any change to the Facilities or the Security Requirements, or Customer Compliance Requirements; (3) any change that disrupts the provision of the Services; or (4) any amendment, modification, addition or deletion proposed by a Party to the Agreement.

Change of Control means the transfer of Control (as defined in the definition of Affiliate), or sale of all or substantially all of the assets (in one or more transactions), of a Party or other designated person or entity, from the person or persons that hold such Control of such Party or other designated person or entity on the Effective Date to another person or persons, but shall not include a transfer of Control, or such a sale of assets, to an Affiliate of such Party or the loss of Control by such person or persons without a resulting transfer to another person or persons (e.g., pursuant to the issuance of voting securities representing Control in a broadly-distributed public offering) or other designated person or entity.

Change Order means a document that amends the Agreement, or an individual Service Agreement and which is executed pursuant to the Change Control Procedure.

Change Proposal has the meaning set forth in the "Change Control Procedures" Exhibit.

Change Proposal Meeting has the meaning set forth in the "Change Control Procedures" Exhibit.

Charges has the meaning set forth in the "Charges" Schedule to each Service Agreement.

Claim means any civil, criminal, administrative, regulatory or investigative action or proceeding commenced or threatened by a Third Party, including Governmental Authorities and regulatory agencies, however described or denominated.

Commencement Date means the date on which Provider begins to provide Services under a Service Agreement as agreed upon by the Parties, and as set forth in the "Transition" Schedule to such Service Agreement. There may be a separate Commencement Date for a particular Service or set of Services.

Company Information means collectively the Confidential Information and Trade Secrets of a Party and a designated group including such Party, and with respect to Customer Group includes the Customer Data.

Comparable Services has the meaning set forth in the "Market Currency Procedures" Exhibit.

Comparators has the meaning set forth in the "Market Currency Procedures" Exhibit.

Completion Date has the meaning set forth in the "Market Currency Procedures" Exhibit.

Confidential Information means with respect to a Party or a designated group including such Party, any and all proprietary information of the disclosing Party, of such group and of Third Parties in the possession of the disclosing Party or such group, treated as secret or confidential by the disclosing Party or such group that does not constitute a Trade Secret. For the avoidance of doubt, Confidential Information also includes: (i) information which has been disclosed to such Party or such group by a Third Party, which Party or group is obligated to treat as confidential or secret; (ii) with respect to Customer Group, the Customer Data, underlying literary material, creative elements, style guides, research material and data, specifications, technologies, systems, processes, technological developments or other proprietary materials as well as other confidential and proprietary information unrelated to the foregoing such as patents, copyrights, trademark, sales and financial data, prices and manufacturing and distribution methods, which Provider has heretofore obtained or had access to or may obtain or have access to during the Term of the Agreement, as well as any proprietary technical or business information of third parties which is made available to Provider in connection with Services hereunder; (iii) with respect to Provider, the Provider Software and with respect to Customer, Customer Owned Software and Work Product (excluding Performance Work Product); and (iv) with respect to both Parties, the financial and other terms of the Agreement and the Services.

Contract and Commercial Committee means the committee comprised of personnel of both Provider and Customer described in the "Account Governance" Exhibit.

Contract Change Control Procedures has the meaning set forth in Section 13.6(b) of the Master Agreement.

Contract Change has the meaning set forth in the "Change Control Procedures" Exhibit.

Contract Change Request has the meaning set forth in the "Change Control Procedures" Exhibit.

Correction Period has the meaning set forth in the "Acceptance Test Procedures" Exhibit.

Critical Transformation Activities has the meaning set forth in Section 11.2(b) of the Master Agreement.

Critical Transformation Milestones has the meaning set forth in Section 11.2(b) of the Master Agreement.

Critical Transition Activities has the meaning set forth in Section 11.1(b) of the Master Agreement.

Critical Transition Milestones has the meaning set forth in Section 11.1(b) of the Master Agreement.

CRS means a computer system as and when used to provide CRS Services.

CRS Services means the information, products, services and related functionality provided through a computer system that collects, stores, processes, displays and distributes through workstations, the Internet or interactive devices information concerning air and ground transportation, lodging and/or other travel-related products and services which enable subscribers of the services to do any of the following: (i) access, reserve or otherwise confirm the use of such information, products and services; (ii) report or receive payment for or otherwise clear transactions regarding such products and services; or (iii) issue tickets for the acquisition of such products and services; but shall not include Internal Reservation Services. "Internal Reservation Services" as used herein, means the provision of services associated with the presentation by a vendor of its own travel-related products, services or information, of its own schedules, fares, rules or information provided with respect to the seats or services or products of such vendor which it holds out as available for sale at any time and the reservation, ticketing or sale of such vendor's own products and services through reservations facilities that are owned or leased and operated by such vendor or its affiliates and/or via such vendor's internet site.

Currency Compliant means, as to any software, that it operates with any data denominated in the currency of any geographic location where the Services are performed by Provider or received by Customer Group in the same manner as it operates with data denominated in U.S. dollars, without any material performance or functionality degradation

Customer means Sabre GLBL Inc.

Customer Assumption Notice has the meaning set forth in Section 20.4(a) of the Master Agreement.

Customer Auditors has the meaning set forth in Section 14.1(b) of the Master Agreement.

Customer Audits has the meaning set forth in Section 14.2(b)(iv) of the Master Agreement.

Customer Business means the businesses engaged in by Customer Group.

Customer Compliance Directive means instructions as to compliance with any of the Customer Compliance Requirements and changes in the Services or Provider's policies and procedures relating to such compliance as provided to Provider.

Customer Compliance Requirements has the meaning set forth in Section 7.1(a)(ii) of the Master Agreement.

Customer Consents means all licenses, consents, permits, approvals and authorizations that are necessary to allow Provider to access and (A) use the Customer Equipment, (B) use the services provided for the benefit of Customer under Customer's third-party services contracts or (C) use the Customer Software, all to the extent necessary for Provider to perform the Services.

Customer Data means: (i) all data and information generated, provided or submitted by, or caused to be generated, provided or submitted by, Customer Group in connection with the Services; (ii) all data and information regarding the business and customers and potential

customers of Customer Group collected, received, accessed, generated or submitted by, or caused to be collected, received, accessed, generated or submitted by, Provider and/or Provider Agents; (iii) all data and information regarding Authorized Recipients (or their customers) collected, received, accessed, generated or submitted by, or caused to be collected, received, accessed, generated or submitted by, Provider and/or Provider Agents; (iv) all such data and information Processed or stored, and/or then provided to or for Customer Group, as part of the Services, including data contained in forms, reports and other similar documents provided by Provider as part of the Services; and (v) Personally Identifiable Information.

Customer Direct Damages Cap has the meaning set forth in Section 19.1(d) of the Master Agreement.

Customer Equipment means those machines, equipment, materials and other components necessary to provide the Services that are owned by Customer Group, or as to which Customer Group holds a security interest, as more particularly described on the "Asset Allocation Matrix" Schedule to each Service Agreement.

Customer Export Materials has the meaning set forth in Section 9.6(a)(ii) of the Master Agreement.

Customer Facility(ies) means, individually and collectively, the facilities owned, leased or used by Customer Group from which any Services are provided or performed, as identified in the applicable Service Agreement.

Customer Failure has the meaning set forth in Section 4.8 of the Master Agreement.

Customer Group means individually and collectively: (i) Customer and any existing and future Affiliates of Customer; and (ii) any Acquired Business or Divested Business.

Customer Indemnitees has the meaning set forth in Section 20.1 of the Master Agreement.

Customer Licensed Software means Software developed by Third Parties and licensed to Customer Group and used by Provider to deliver the Services, or used by Customer Group on Provider Assets.

Customer Materials has the meaning set forth in Section 15.2(b) of the Master Agreement.

Customer Owned Software means the Software developed internally by Customer Group and used by Provider to deliver the Services, or used by Customer Group on Provider Assets.

Customer Policies has the meaning set forth in the Section 4.4 of the Master Agreement.

Customer Required Relocation has the meaning set forth in Section 5.1(i)(ii) of the Master Agreement.

Customer Software means the Customer Licensed and Customer Owned Software listed on the "Customer Software" Schedule to each Service Agreement that will be used by Provider in performing and providing Services under the Agreement.

Customer Systems means the computer hardware, software, data networks and systems used or operated by or on behalf of Customer Group for its information technology requirements, not including Provider Equipment or Provider Software.

Customer Technical Alliance Manager has the meaning set forth in Section 12.3 of the Master Agreement.

Data Centers means the CDC and the Mingo DC and other Facilities designated as a Data Center in the Service Agreement.

Data Protection Filings has the meaning set forth in the "Privacy Requirements" Exhibit.

Deliverable means, as further specified in a Service Agreement, results of the Services to be provided by Provider to Customer Group, including output produced in electronic or written form.

Delivery Model Issue has the meaning set forth in the "Market Currency Procedures" Exhibit.

Demand has the meaning set forth in the "Dispute Resolution Procedures" Exhibit.

Derivative Work means a derivative work as defined in Title 17 U.S.C. § 101, as amended.

Disabling Code means code that could have the effect of disabling or otherwise shutting down one or more software programs or systems or hardware or hardware systems.

Disaster Recovery Services has the meaning set forth in the applicable Service Agreement. The Disaster Recovery Services are part of the Services.

Discretionary Customer Audits has the meaning set forth in Section 14.2(d) of the Master Agreement.

Dispute has the meaning set forth in the "Dispute Resolution Procedures" Exhibit.

Dispute Period has the meaning set forth in the "Market Currency Procedures" Exhibit.

Dispute Resolution Procedures means the process for resolving Disputes set forth in Section 22.2 of the Master Agreement and the "Dispute Resolution Procedures" Exhibit.

Divested Business has the meaning set forth in Section 4.1(b)(ii) of the Master Agreement.

Divestiture Period has the meaning set forth in Section 4.1(b)(ii) of the Master Agreement.

"DPA" has the meaning set forth in Section 7.1(b) of the Master Agreement.

DXC Commercially Available Software means Software proprietary to Provider (including proprietary tools) which Provider makes readily available to the public and is used to perform the Services in the substantially the same form as the Software offered to the public.

DXC Proprietary Tools means any Software development, performance testing, service monitoring and management (including service automation and monitoring and management of storage, backup and security) and asset management tools, technologies or algorithms provided by or made available by Provider and used by Provider in providing the Services which are used on behalf of Customer and other customers of Provider. Performance Work Product is excluded from the definition of DXC Proprietary Tools.

E&O Coverage has the meaning set forth in the "Insurance Requirements" Exhibit.

EEA has the meaning set forth in the "Privacy Requirements" Exhibit.

Effective Date means the date of the execution of the Master Agreement by the Parties thereto as set forth in the first paragraph of the Master Agreement.

Emergency Change has the meaning set forth in the "Change Control Procedures" Exhibit.

Equipment means machines, equipment, materials and other related components used or necessary to provide the Services, and as more particularly described in the applicable Asset Allocation Matrix.

Event Management Protocol has the meaning set forth in the "Information Security Requirements" Exhibit.

Execution Date means the date of execution of a Service Agreement by the Parties as set forth on the initial page thereof.

Executive Vendor Business Review Committee means the committee comprised of personnel of both Provider and Customer described in the "Account Governance" Exhibit.

Exhibit means an attachment to the Master Agreement as such attachment may be amended from time to time.

Exploit means the right to use, access, load, execute, store, transmit, display, maintain, enhance, modify, make and have made, and copy.

Extension Period has the meaning set forth in Section 3.3 of the Master Agreement.

Facility means individually or collectively, as applicable, a Customer Facility or a Provider Facility.

Facility Relocation has the meaning set forth in Section 5.1(f) of the Master Agreement.

Failure has the meaning set forth in the "Acceptance Test Procedures" Exhibit.

FCPA has the meaning set forth in Section 10.2(q)(i) of the Master Agreement.

Federal Crime Bill means the Violent Crime Control and Law Enforcement Act of 1994, as it may be amended from time to time.

Felony has the meaning set forth in Section 13.2(d) of the Master Agreement.

Financial Audits has the meaning set forth in Section 14.1(c) of the Master Agreement.

Flawed Findings has the meaning set forth in the "Market Currency Procedures" Exhibit.

Focal Point has the meaning set forth in the "Information Security Requirements" Exhibit.

Force Majeure Event means an event(s) meeting both of the following criteria:

a. Caused by any of the following: (x) catastrophic weather conditions or other extraordinary elements of nature or acts of God; (y) acts of war, acts of terrorism, insurrection, riots, civil disorders or rebellion; or (z) quarantines or embargoes; provided, however, that the Parties expressly acknowledge and agree that Force Majeure Events do not include: (i) Provider's inability to obtain hardware, software or services, on its own behalf or on behalf of Customer, or its inability to obtain or retain sufficient qualified personnel, except to the extent such inability to obtain hardware, software or services or retain qualified personnel results directly from the causes outlined in (x) through (z) above, or (ii) any failure to perform caused solely as a result of a Party's lack of funds or financial ability or capacity to carry on business; and

b. The non-performing Party is without fault in causing or failing to prevent the occurrence of such event, and such occurrence could not have been circumvented by reasonable precautions and could not have been prevented or circumvented through the use of commercially reasonable alternative sources, workaround plans or other means (including, with respect to Provider, by Provider meeting its security and disaster recovery obligations described herein).

Notwithstanding the foregoing, a strike, lockout or similar labor dispute by Provider Personnel shall be deemed to be within Provider's reasonable control and not a Force Majeure Event.

GDPR has the meaning set forth in the "Privacy Requirements" Exhibit.

Governmental Authority means any nation or government, any federal, state, province, territory, city, town, municipality, county, local or other political subdivision thereof or thereto, any quasi-Governmental Authority, and any court, tribunal, arbitral body, taxation authority, department, commission, board, bureau, agency, instrumentality thereof or thereto or otherwise which

exercises executive, legislative, judicial, regulatory or administrative functions of or pertaining to government.

Grandfathered Actions has the meaning set forth in Section 15.3(f) of the Master Agreement.

Guarantor has the meaning set forth in Section 23.13 of the Master Agreement.

HIPAA means the Administrative Simplification Provisions of the Health Insurance Portability and Accountability Act of 1996, Public Law 104-191.45, C.F.R. Part 160, 162, 164, and regulations promulgated thereunder, including the HIPAA Rules, as amended from time to time, including pursuant to the HITECH Act.

HIPAA Rules means the privacy, security and breach notification rules and regulations promulgated under HIPAA, as the same may be amended from time to time.

HITECH Act means the Health Information Technology for Economic and Clinical Health Act (Division A, Title XIII and Division B, Title IV, of the American Recovery and Reinvestment Act of 2009, Pub. L. 111-5), and the regulations promulgated in support thereof, as the same subsequently may be amended from time to time, including any interim final regulations promulgated pursuant to the HITECH Act that amend the HIPAA Rules.

Information Security Requirements has the meaning set forth in the "Information Security Requirements" Exhibit.

Initial Termination Assistance Period has the meaning set forth in Section 18.5(c) of this Master Agreement.

Initial Transformation Plan has the meaning set forth in Section 11.2(a) of this Master Agreement.

Innovation Committee means the committee comprised of personnel of both Provider and Customer described in the "Account Governance" Exhibit.

Intellectual Property Right(s) means any and all intellectual property rights existing from time to time under any Law including patent law, copyright law, semiconductor chip protection law, moral rights law, trade secret law, trademark law (together with all of the goodwill associated therewith), unfair competition law, publicity rights law, or privacy rights law, and any and all other proprietary rights, and any and all applications, renewals, extensions and restorations of any of the foregoing, now or hereafter in force and effect worldwide. For purposes of this definition, rights under patent law shall include rights under any and all United States patent applications and patents (including letters patent and inventor's certificates) anywhere in the world, including any provisionals, substitutions, extensions, supplementary patent certificates, reissues, renewals, divisions, continuations in part (or in whole), continued prosecution applications, requests for continued examination, and other similar filings or stages thereof provided for under the laws of the United States or another country.

International Agreement has the meaning set forth in Section 2.2(a) of the Master Agreement.

Joint Technical Steering Committee means the committee comprised of personnel of both Provider and Customer described in the "Account Governance" Exhibit.

Key Personnel means the Provider Client Executive and, for each Service Agreement, such other Provider personnel critical to the management of the Customer account or the provision of Services to Customer Group, as identified in the "Key Personnel" Schedule to a Service Agreement.

Law means all applicable laws (including those arising under common law), statutes, codes, rules, regulations, reporting or licensing requirements, ordinances and other pronouncement having the effect of law of the United States, any foreign country or any domestic or foreign state, county, city or other political subdivision, including those promulgated, interpreted or enforced by any governmental or regulatory authority, and any order of a court or governmental agency of competent jurisdiction, in effect as of the Effective Date and as they may be amended, changed or modified from time to time. For the avoidance of doubt, Laws include Privacy Laws.

List of Approved Benchmarkers has the meaning set forth in the "Market Currency Procedures" Exhibit.

Local Differences has the meaning set forth in Section 2.2(a) of the Master Agreement.

Losses means all judgments, settlements, awards, damages, fines, losses, charges, liabilities, penalties, interest claims (including taxes and all related interest and penalties incurred with respect thereto), however described or denominated, and all related reasonable costs, expenses and other charges (including all reasonable attorneys' fees and reasonable internal and external costs of investigations, litigation, hearings, proceedings, document and data productions and discovery, settlement, judgment, award, interest and penalties), however described or denominated.

Malware means computer software, code or instructions that: (a) adversely affect the operation, security, availability or integrity of a computing, telecommunications or other digital operating or processing system or environment, including other programs, data, databases, computer libraries and computer and communications equipment, by altering, destroying, disrupting or inhibiting such operation, security, availability or integrity; (b) without functional purpose, self-replicate without manual intervention; (c) purport to perform a useful function but which actually perform either a destructive, harmful or unauthorized function, or perform no useful function and utilize substantial computer, telecommunications or memory resources; or (d) without authorization collect or transmit to third parties any information or data; including such software, code or instructions commonly known as viruses, Trojans, logic bombs, worms and spyware.

Managed Agreements has the meaning set forth in the applicable Service Agreement.

Master Agreement means the Amended and Restated Master Services Agreement by and between the Parties dated August 1, 2020, and the attached Exhibits, as amended.

Materials means, collectively, Software, literary works, other works of authorship, documented specifications, designs, network diagrams, processes, methodologies, know-how, programs, program listings, programming tools, scripts, tools, documentation, reports, drawings, databases, spreadsheets, machine-readable text and files, run books, financial models and other work product.

Milestones has the meaning set forth in the "Acceptance Test Procedures" Exhibit.

Mingo DC means the Data Center Facility (Tulsa Computer Center and Secure Computer Center) located at [***].

Model Clauses has the meaning set forth in the "Privacy Requirements" Exhibit.

New Service means an additional function, responsibility or task other than the Services that requires resources for which there is no current Resource Unit or charging methodology (i.e., such function, responsibility or task is not included in the Charges or is not charged separately under another methodology other than as a New Service).

No Bid has the meaning set forth in Section 4.2(a) of the Master Agreement.

NOS has the meaning set forth in the "Information Security Requirements" Exhibit.

Notice means a prior written notice, request, response, demand, claim, or other communication required or permitted under the Agreement and complying with Section 23.7 of the Master Agreement. Notify has the correlative meaning.

Notification Related Costs has the meaning set forth in Section 17.2(g) of the Master Agreement.

Objection Period has the meaning set forth in the "Market Currency Procedures" Exhibit.

Offshore Plan has the meaning set forth in Section 5.1(c) of the Master Agreement.

Open Source Software means software that: (a) requires a licensor to cause source code to be distributed with the software or made available to any Third Party when the software is distributed or otherwise provided in any fashion to a Third Party; (b) restricts or impairs in any way Customer Group's ability to license the software pursuant to terms of Customer Group's choosing; (c) impacts in any fashion or limits Customer Group's ability to enforce its patent or other Intellectual Property Rights against any Third Party in any manner; or (d) might result in Customer Group's rights to such software being terminated or affected in any manner if Customer Group asserts any of its Intellectual Property Rights against any Third Party in connection with such software or otherwise. Without limitation of the foregoing, Open Source Software shall include software subject to any version of the General Public License or the Lesser General Public License, or any license which has been certified as an "open source" license by the Open Source Initiative.

Operational Audits has the meaning set forth in Section 14.1(b) of the Master Agreement.

Operational Change Control Procedures has the meaning set forth in Section 13.6(a) of the Master Agreement.

Operations Service Delivery Committee means the committee comprised of personnel of both Provider and Customer described in the "Account Governance" Exhibit.

Party or Parties means Customer and Provider, as parties to the Master Agreement.

Pass Through Charges has the meaning set forth in the "Charges" Schedule to each Service Agreement.

PCI DSS means the Payment Card Industry Data Security Standard, version 3.0, as the same may be succeeded, modified or amended from time to time.

PCI has the meaning set forth in the "Information Security Requirements" Exhibit.

Performance Reports has the meaning set forth in Section 4.3(d) of the Master Agreement.

Performance Work Product means any Work Product that is not a Deliverable, to the extent that it relates to the performance of IT services generally (i.e., services similar to the Services) on behalf of customers, including the Customer Group, and not specifically to performance of Services for Customer Group. For the avoidance of doubt, "Performance Work Product" (A) does not include Customer Materials or Customer Group's Company Information, and (B) can be used by Provider to provide services to its other customers.

Permitted Auditors has the meaning set forth in Section 14.2(f) of the Master Agreement.

Permitted Client Executive Reassignment Exceptions has the meaning set forth in Section 12.2(b) of the Master Agreement.

Person means an individual, corporation, limited liability company, partnership, trust, association, joint venture, unincorporated organization or entity of any kind or nature, or a Governmental Authority.

Personally Identifiable Information shall mean all data and information relating to Customer Group's customers (including their customers), employees or personnel provided to Provider or Provider Agents by or on behalf of Customer Group or otherwise collected or obtained by Provider or Provider Agents in connection with the Services, that consists of information or data naming or identifying a natural Person, including: (a) personally identifying information that is explicitly defined as a regulated category of data under any data privacy or data protection laws applicable to Customer Group; (b) non-public information, such as a national identification number, passport number, social security number, or driver's license number; (c) health or medical information, such as insurance information, medical prognosis, diagnosis information or genetic information; (d) financial information, such as a policy number, credit card number or bank account number; (e) contact information, such as address, email address, user account number or login or authorization credentials of any type, or passwords (whether or not associated with a particular account or means of access), and (f) sensitive personal data, such as mother's

maiden name, race, religion, marital status, gender or sexuality. Without limiting the foregoing, Personally Identifiable Information includes "nonpublic personal information," "personally identifiable information," Protected Health Information, "cardholder data," "sensitive authentication data," and other variations of those terms, as defined under any applicable Law or industry standard and includes any information or persistent identifier that may be used to track, locate or identify Customer Group or any of Customer Group's customers (including their customers), employees, representatives or agents.

Physical Security means physical security at any Facility housing systems maintained by Provider or Provider Agents in connection with the Services and in the course of physical transportation of assets used by Provider in performing the Services and physical media including Customer Group's Company Information. Physical Security includes the specific physical security control measures required pursuant to the "Information Security Requirements" Exhibit.

Prior Agreement has the meaning set forth in Section 2.4(a) of the Master Agreement.

Privacy Laws means (i) all applicable international, federal, state, provincial and local laws, rules, regulations, directives and governmental requirements currently in effect and as they become effective relating in any way to the privacy, confidentiality or security of Personally Identifiable Information, including the California Consumer Privacy Act of 2018, Cal. Civil Code § 1798.100 et seq., (CCPA); the Canadian Personal Information Protection and Electronic Documents Act (PIPEDA); the Controlling the Assault of Non-Solicited Pornography and Marketing Act (CAN-SPAM); the FTC Disposal of Consumer Report Information and Records Rule, 16 C.F.R. § 682 (2005); the Federal "Privacy of Consumer Financial Information" Regulation (12 CFR Part 30) issued pursuant to Section 504 of the Gramm-Leach-Bliley Act of 1999 (15 U.S.C. §6801, et seq.); the General Data Protection Regulation (Regulation (EU) 2016/679) (GDPR); HIPAA and the HITECH Act, and all other similar international, federal, state, provincial, and local requirements, (ii) all applicable industry standards concerning privacy, data protection, confidentiality or information security currently in effect and as they become effective, including the Payment Card Industry Data Security Standard, and any other similar standards, and (iii) applicable provisions of all Customer Group privacy policies, statements or notices that are provided or otherwise made available to Provider. For the avoidance of doubt, Privacy Laws are applicable with respect to any receipt of, access to, storing or Processing of Personally Identifiable Information, whether intentionally or unintentionally.

Privacy Requirements has the meaning set forth in the "Privacy Requirements" Exhibit.

Procedures Manuals has the meaning set forth in Section 4.7 of the Master Agreement.

Process, or Processing means any operation or set of operations which is performed upon Customer Data, whether or not by automatic means, such as viewing, hosting, generating, accessing, printing, backing up, collection, recording, organization, storage, adaptation or alteration, retrieval, consultation, use, disclosure by transmission, dissemination or otherwise making available, alignment or combination, blocking, erasure, disposal or destruction.

Project means, unless otherwise defined in the applicable "Charges" Schedule, any discrete unit of work with a time frame, resource budget, and Deliverables that (1) is in support of, or related to, the Services and (2) is requested or approved by Customer. Projects do not include: (i) work performed by Provider to provide the Services prior to the initiation of a Project or (ii) work required by Provider to meet the Service Levels.

Project Plan means the statement of work, set of activities and timeframes needed to complete a Project.

Protected Health Information shall have the meaning set forth in 45 CFR Part 160.103, as amended or modified from time to time.

Provider means DXC Technology Services LLC, as successor to HP Enterprise Services, LLC.

Provider Agent means the agents, subcontractors and representatives of Provider, at any tier, and includes Affiliates of Provider to which Provider subcontracts any of the Services under the Agreement.

Provider Audits has the meaning set forth in Section 14.1(e)(i) of the Master Agreement.

Provider Client Executive has the meaning set forth in Section 12.2(a) of the Master Agreement.

Provider Consents means all licenses, consents, permits, approvals and authorizations that are necessary to allow (A) Provider (and Customer as applicable) to use the Provider Software and any Provider Equipment, (B) Provider to (1) use any third-party services retained by Provider to provide the Services during the Term, (2) grant the licenses contemplated by Section 15 (Technology; Intellectual Property Rights) and (3) assign to Customer the Work Product as contemplated by Section 15 (Technology; Intellectual Property Rights) and (C) Customer Group to use the Provider Licensed Software after the expiration or termination of this Agreement, a Service Agreement or any Service.

Provider Direct Damages Cap has the meaning set forth in Section 19.1(b) of the Master Agreement.

Provider Equipment means all equipment owned or leased by Provider that is directly used to provide the Services.

Provider Facility(ies) means, individually and collectively, the facilities owned, leased or used by Provider or Provider Agents from which any Services are provided or performed (other than Customer Facilities).

Provider Group has the meaning set forth in Section 10.2(q)(i) of the Master Agreement.

Provider Indemnitees has the meaning set forth in Section 20.2 of the Master Agreement.

Provider Information System means the hardware, software, data network(s) and systems provided or used (whether owned, under contract or licensed) by Provider to perform and

provide the Services (including, without limitation, the Provider Equipment) that Provider uses to perform or provide the Services, not including the Customer Systems.

Provider Licensed Software means Provider Software owned by Third Parties and licensed to Provider.

Provider Materials has the meaning set forth in Section 15.3(b) of the Master Agreement.

Provider Owned Software means Provider Software owned by Provider and used by Provider to deliver the Services.

Provider Personnel means the employees of Provider and Provider Agents who perform any Services under the Agreement or a Service Agreement. Provider Personnel shall include those employees of Customer Group that are offered and accept employment with Provider in connection with the execution of a Service Agreement, if applicable.

Provider Records has the meaning set forth in Section 14.1(a) of the Master Agreement.

Provider Software means the Software used by Provider or Provider Agents in providing the Services that is: (i) owned by Provider before the Effective Date or acquired by Provider after the Effective Date, (ii) developed by Provider other than pursuant to this Agreement or any other agreement with Customer; or (iii) developed by Third Parties and licensed to Provider. Provider Software includes Software licensed by Provider pursuant to Provider Third Party Agreements.

Provider Third Party Agreements has the meaning set forth on the "Third Party Agreements" Schedule.

Regulatory Audits has the meaning set forth in Section 14.1(d)(i) of the Master Agreement.

Remediation Plan has the meaning set forth in Section 14.2(c) of the Master Agreement.

Renewal Proposal has the meaning set forth in the applicable Service Agreement.

Reports has the meaning set forth in Section 4.6 of the Master Agreement.

Required Consents means the Customer Consents and the Provider Consents, collectively.

Residuals has the meaning set forth in Section 16.3 of the Master Agreement.

Resource Unit has the meaning set forth in the "Charges" Schedule.

Responsibilities has the meaning set forth in Section 4.8 of the Master Agreement.

Reviewer has the meaning set forth in the "Market Currency Procedures" Exhibit.

Revised Change Proposal has the meaning set forth in the "Change Control Procedures" Exhibit.

RFP means a request for proposal or any other competitive solicitation of bids for the provision of services to the relevant Person.

Schedule means an attachment to a Service Agreement, as such attachment may be amended from time to time.

Second Cap Damages has the meaning set forth in Section 19.1(c) of the Master Agreement.

Second Cap has the meaning set forth in Section 19.1(c) of the Master Agreement.

Security Breach means: (A) any circumstance pursuant to which applicable Law or any Customer Group privacy or security policy or statement provided to Provider requires notification of such breach to be given to affected parties or other activity in response to such circumstance; or (B) any actual, attempted, suspected, threatened, or reasonably foreseeable circumstance that compromises, or could reasonably be expected to compromise, either Physical Security or Systems Security in a fashion that either does or could reasonably be expected to permit unauthorized Processing, use, disclosure or acquisition of or access to any Customer Data, Customer Software, Work Product or any Company Information obtained, generated, developed, maintained, processed or transmitted by Provider or Provider Agents in connection with the Services.

Security Committee means the committee comprised of personnel of both Provider and Customer described in the "Account Governance" Exhibit.

Security Requirements has the meaning set forth in Section 17.2(a) of the Master Agreement.

Select Mainframe Services has the meaning set forth in the "Market Currency Procedures" Exhibit.

Service Agreement Execution Date has the meaning set forth in the applicable Service Agreement.

Service Agreement has the meaning set forth in Section 2.1(b) of the Master Agreement.

Service Agreement Term has the meaning set forth in Section 3.2 of the Master Agreement.

Service Infrastructure has the meaning set forth in the "Information Security Requirements" Exhibit.

Service Level Agreement(s) means the schedule to each Service Agreement specifying the service level methodology and the Service Levels applicable to the Services described in each such Service Agreement, remedies for Provider's failure to comply with such Service Levels, including applicable Service Level Credits, procedures for modifying and improving Service Levels and related provisions.

Service Level Credits has the meaning set forth in the "Service Level Agreement" Schedule to each Service Agreement.

Service Level Termination Event has the meaning set forth in the "Service Level Agreement" Schedule to each Service Agreement.

Service Levels has the meaning set forth in the "Service Level Agreement" Schedule to each Service Agreement. Each "Service Level Agreement" Schedule shall be promptly updated and modified from time to time by the Parties to reflect changes to the Service Levels related to the associated Service Agreement.

Service Location means the locations of Customer Group to which Provider provides the Services, as may be amended by Customer from time to time during the Service Agreement Term.

Service Relocation has the meaning set forth in Section 5.1(g) of the Master Agreement.

Service Request or service request (lowercase) means requests for Services submitted in writing by Customer to Provider.

Service Tower has the meaning set forth in the applicable Service Agreement.

Services means the ongoing administration, management, operation, support, provision and performance of services as those services are described and defined in the Agreement, including each Service Agreement and the Schedules thereto and as those services may evolve and be supplemented and enhanced during the Term in accordance with the Agreement.

Shared Systems has the meaning set forth in the "Technology Governance" Schedule.

Software or software means any computer programming code consisting of instructions or statements in a form readable by individuals (source code) or machines (object code), and related documentation and supporting materials therefore, in any form or medium, including electronic media.

SOX Compliance Period means during the Term and continuing thereafter until the later of the (i) completion of the audit of Customer's financial statements; and (ii) completion and filing with the SEC of Customer's annual report on a Form 10-K (or any successor form), for the members of Customer Group required to file such Form, in each case for the fiscal year during which this Agreement expires or terminates.

SOX means the Sarbanes-Oxley Act of 2002, as amended, and the rules and regulations promulgated thereunder, including Section 404 of SOX and the rules and regulations promulgated thereunder.

Specified Customer Group Competitor means [***], or any corporate successor or combination of any the foregoing, as such list is updated by Customer from time to time.

Specified Provider Competitor means as of the Effective Date, the following entities: [***] and their respective affiliates, or any corporate successor or combination of any of the

foregoing. Provider may propose additions to the list of Specified Provider Competitors during the Term, subject to Customer's approval, which shall not be unreasonably withheld.

Stranded Asset Amount has the meaning set forth in the "Market Currency Procedures" Exhibit.

Successor Provider means an entity that provides services to Customer Group similar to the Services following the termination or expiration of the Agreement, a Service Agreement, or any Service for any reason, however described (including as described in Section 13.1(a) or Section 18 of this Master Agreement).

Super Critical Service Level has the meaning set forth in the "Service Level Agreement" Schedule to each Service Agreement.

Super Credits has the meaning set forth in the "Service Level Agreement" Schedule to each Service Agreement.

Systems Security means security control measures of computer, electronic or telecommunications systems of any variety (including data bases, hardware, software, storage, switching and interconnection devices and mechanisms), and networks of which such systems are a part or communicate with, used directly or indirectly by Provider or Provider Agents in connection with the Services. Systems Security includes the specific systems security control measures required pursuant to the "Information Security Requirements" Exhibit.

Tax or Taxes means foreign, federal, state and local sales, use, gross receipts, excise, telecommunications, value added, goods and services, provincial sales, other similar types of transfer taxes, duties, fees or charges (including any related penalties, additions to tax, and interest), however designated or imposed, which are in the nature of a transaction tax, duty, fee or charge, but not including any taxes, duties, fees or charges imposed on or measured by net or gross income (other than any such taxes which are in the nature of transaction taxes of the type listed above), capital stock or net worth or in the nature of an income, capital, franchise, or net worth tax. "Taxes" specifically excludes Withholding Taxes.

Term has the meaning set forth in Section 3.1 of the Master Agreement, and includes any Termination Assistance Period.

Termination Assistance Period Extension has the meaning set forth in Section 18.5(c) of this Master Agreement.

Termination Assistance Period has the meaning set forth in Section 18.5(c) of this Master Agreement.

Termination Assistance Services means the functions, responsibilities, activities, tasks and projects Provider is requested by Customer to perform in anticipation of and in connection with the termination or expiration of the Agreement, a Service Agreement, or any Service for any reason, however described (including as described in Section 13.1(a) or Section 18 of this Master Agreement), in order to achieve an orderly transfer without interruption of Services from

Provider to Customer or to Customer's designee in accordance with Section 18.5 of the Master Agreement and the "Termination Assistance Services" Schedule to each Service Agreement. The Termination Assistance Services constitute Services.

Third Party Agreements means those agreements for which Provider has undertaken financial, management, operational, use, access or administrative responsibility or benefit in connection with the provision of the Services, and pursuant to which Customer Group has contracted with a Third Party Provider to obtain any Third Party products, software or services that will be used, accessed or managed in connection with the Services. Third Party Agreements are listed on the "Third Party Agreements" Schedule to each Service Agreement for such Service Agreement, which schedule shall be promptly updated and modified from time to time by the Parties to reflect the then-current Third Party Agreements.

Third Party means a business or entity other than Customer Group or the Provider or its Affiliates.

Third Party Provider means a business or entity other than Customer Group or Provider or its Affiliates that provides products, software or services under a Third Party Agreement.

Third Party Software means Software licensed from or provided by a Third Party.

Tower Service Delivery Committee for each Service Tower means the committee comprised of personnel of both Provider and Customer described in the "Account Governance" Exhibit.

Trade Secrets means with respect to a Party or designated group including such Party, information related to the services and business of the disclosing Party, of such group or of a Third Party which: (a) derives economic value, actual or potential, from not being generally known to or readily ascertainable by other persons who can obtain economic value from its disclosure or use; and (b) is the subject of efforts by the disclosing Party or such group that are reasonable under the circumstances to maintain its secrecy, including: (i) marking any information clearly and conspicuously with a legend identifying its confidential or proprietary nature; (ii) identifying any oral presentation or communication as confidential immediately before, during or after such oral presentation or communication; or (iii) otherwise, treating such information as confidential or secret. Assuming the criteria in Sections (a) and (b) above are met, Trade Secrets include, but are not limited to, technical and nontechnical data, formulas, patterns, compilations, computer programs and software, devices, drawings, processes, methods, techniques, designs, programs, financial plans, product plans, and lists of actual or potential customers and suppliers.

Transformation means the implementation of changes in the manner in which Services are performed or delivered, as described in the "Transformation" Schedule and applicable Transformation Plans.

Transformation Plan means the Initial Transformation Plan, together with any subsequent detailed plans prepared pursuant to the "Transformation" Schedule.

Transformation Services means the tasks described in the "Transformation" Schedule.

Transition and Transformation Committee means the committee comprised of personnel of both Provider and Customer described in the "Account Governance" Exhibit.

Transition means the transition or implementation of resources and operational responsibilities for performance of the Services to Provider.

Transition Plan has the meaning set forth in Section 11.1(a) of the Master Agreement.

Transition Services means the tasks described in the "Transition" Schedule.

Vendor Service Steering Committee means the committee comprised of personnel of both Provider and Customer described in the "Account Governance" Exhibit.

Warranty Period has the meaning set forth in Section 10.2(u) of the Master Agreement.

Winddown Expense means the amount, if any, that constitutes the following (in each case, except to the extent limited by, or further specified in, the "Charges" Schedule to each Service Agreement), to the extent actually incurred by Provider as a result of the relevant termination: [***].

Withholding Taxes means foreign, federal, and state and local taxes, fees, or charges which are imposed on or by reference to gross or net income or gross or net receipts and are required under applicable law to be withheld by the Customer from payments made to Provider under this Agreement (including any related penalties and interest thereon).

Work Order means a document that sets forth the terms and conditions of a Project in accordance with the applicable "Charges" Schedule.

Work Product means all results of the Services created or developed by Provider, by itself or jointly with Customer Group or others (including the Deliverables and Performance Work Product). For the avoidance of doubt, "Work Product" does not include any changes, improvements, additions or upgrades made by Provider to any element of Provider Information Systems used internally by Provider to provide the Services (so long as such changes, improvements, additions or upgrades do not contain any Customer Materials or Customer Group's Company Information).

EXHIBIT 2

FORM OF SERVICE AGREEMENT

This is Exhibit 2, FORM OF SERVICE AGREEMENT, to that certain Amended and Restated Master Services Agreement, dated as of August 1, 2020 (the "***Master Agreement***"), between Sabre GLBL Inc. ("***Customer***") and DXC Technology Services LLC ("***Provider***").

Service Agreement # X FOR _____ SERVICES

1. INTRODUCTION

This Service Agreement No. _ (this ***"Service Agreement"***) is effective as of _____ (the ***"Execution Date"***), and is made by Sabre GLBL Inc. (***"Customer"***) and DXC Technology Services LLC (***"Provider"***). This Service Agreement and its Schedules (and the Schedules' Attachments and Appendices) are incorporated into that certain Amended and Restated Master Services Agreement dated August 1, 2020 between Customer and Provider (***"Master Agreement"***).

Any terms and conditions that deviate from or are in conflict with the Master Agreement are set forth in Schedule N (Deviations from the Master Agreement). In the event of a conflict between the provisions of this Service Agreement and the Master Agreement, the provisions of Section 2.3 of the Master Agreement shall control such conflict.

2. DEFINITIONS

Unless otherwise defined herein, capitalized terms herein will have the meaning set forth in the Master Agreement (including the Exhibits thereto) or in Schedule A (Definitions) to this Service Agreement.

3. SERVICES GENERALLY

3.1 Services

Provider will provide the Services to Customer Group in accordance with the Master Agreement (including the Exhibits thereto) and this Service Agreement (including the Schedules (and the Schedules' Attachments and Appendices) hereto). The Services and the Responsibilities of the Parties with respect to the Services are described in Schedule B (Service Descriptions). The scope and composition of the Services, and Provider's performance of the Services, are further described in and subject to the terms of the Master Agreement, this Service Agreement, and the Schedules (and the Schedules' Attachments and Appendices) identified in the table (the "Table of Schedules") at the end of this Exhibit. Provider shall develop a Procedures Manual that documents the operational policies and procedures applicable to the Services in accordance with Schedule P (Procedures Manual Requirements) and Section 4.7 of the Master Agreement.

3.1 Service Levels

Schedule D (Service Level Agreement) to this Service Agreement sets forth the Service Levels that are applicable to the Services, as well as Service Level Credits to be provided to Customer from Provider in the event of certain Service Level failures.

3.2 Charges

Schedule C (Charges) to this Service Agreement defines and sets forth the applicable Charges, [***].

3.3 Facilities

The Services will be performed at the Provider Facilities listed in Schedule T (Provider Facilities).

3.4 Software; Third Party Agreements; Assets

The Software that is required for Provider's performance of the Services is described in Schedule G (Customer Software) and Schedule H (Provider Software). Provider's responsibility for managing any Customer Software or other Third Party Agreements is described in Schedule J (Third Party Agreements). Schedule I (Asset Allocation Matrix) defines the Parties' respective responsibilities for the operation and management of the Software, Equipment and other Assets supported by, or necessary to provide, the Services.

3.5 Reports

Provider will provide the Reports listed in Schedule K (Reports).

3.6 Deliverables

All Deliverables to be provided as part of the Services under this Service Agreement shall comply with the requirements in Section 15.5 of the Master Agreement.

4. Term/Survival/REnewal/TERMINATION

4.1 Term and Commencement Date

The term of this Service Agreement (***"Service Agreement Term"***) shall begin on the Execution Date and shall continue until _____ (the ***"Service Agreement Expiration Date"***).

4.2 Survival

Upon the expiration or earlier termination of this Service Agreement, the following Sections of this Service Agreement shall survive any such expiration or termination in accordance with their terms: _____.

4.3 Renewal

At least 12 months prior to the Service Agreement Expiration Date of this Service Agreement or any agreed upon extension thereof, Provider will deliver to Customer a proposal for the extension of the Service Agreement Term (the ***"Renewal Proposal"***). The Renewal Proposal will provide Customer with sufficient detail to allow Customer to make an informed decision as to whether to extend the Service Agreement Term. Customer will provide Provider, at least six months prior to the Service Agreement Expiration Date, Notice as to whether Customer desires to extend the Service Agreement Term. If Customer indicates in such Notice that it does not desire to extend the Service Agreement Term, the Service Agreement will expire on the Service Agreement Expiration Date. If Customer indicates in such Notice that it desires to extend the Service Agreement Term, the Parties will negotiate in good faith the terms and conditions applicable to, and the duration of, such extension. If the Parties are not able to agree upon the applicable terms and conditions with respect to such extension by 60 days prior to the Service Agreement Expiration Date, then Customer may extend the Service Agreement Term in accordance with the provisions of Section 3.3 of the Master Agreement.

4.4 Termination

This Service may be terminated by the Parties in accordance with Section 18 of the Master Agreement and as otherwise provided in this Service Agreement. In the event of any termination or expiration of this Service Agreement, Provider will provide the Termination Assistance Services described in Section 18 of the Master Agreement and in Schedule O (Termination Assistance Services).

5. TRANSITION/TRANSFORMATION/GOVERNANCE

5.1 Transition

Schedule F (Transition and Transformation) includes the Transition Services, the Critical Transition Milestones and the initial Transition Plan. Schedule S (Projects) describes any in-flight Projects and the process for migrating such Projects to Provider.

5.2 Transformation

The transformational activities to be performed by Provider as part of the Services are described in Schedule F (Transition and Transformation).

5.3 Governance

The performance of the Services will be governed in accordance with Exhibit 3 (Account Governance) and Schedule R (Technology Governance).

6. RELATIONSHIP PROTOCOLS

6.1 Key Personnel

The Provider employees serving as Key Personnel are set forth in Schedule E (Key Personnel).

6.2 Approved Provider Agents

Those Provider Agents approved by Customer (if any) are listed on Schedule L (Approved Provider Agents). Schedule L includes the Services provided by the Provider Agent, as well as any restrictions or limitations on Provider's ability to transfer or assign the Provider Agent agreement to Customer, including any fees associated therewith.

7. INFORMATION SECURITY AND SERVICES CONTINUITY

7.1 Disaster Recovery (DR); Business Continuity (BC)

The DR/BC plan and related requirements are set forth in Schedule M (Disaster Recovery and Business Continuity Requirements).

7.2 Information Security

Provider will comply with the Security Requirements in Schedule W (Customer Security Requirements) that sets forth the additional Security Requirements applicable to this Service Agreement.

Table of Schedules

[NOTE: IF ANY SCHEDULES ARE NOT APPLICABLE TO THIS SERVICE AGREEMENT, THEY SHOULD BE MARKED "INTENTIONALLY OMITTED" IN THIS TABLE]

Schedule	Schedule Title	Intentionally Omitted as N/A
A	Definitions	
B	Service Descriptions	
C	Charges	
D	Service Level Agreement	
E	Key Personnel	
F	Transition and Transformation	
G	Customer Software	
H	Provider Software	
I	Asset Allocation Matrix	
J	Third Party Agreements	
K	Reports	
L	Approved Provider Agents	
M	Disaster Recovery and Business Continuity Requirements	
N	Deviations from the Master Agreement	
O	Termination Assistance Services	
P	Procedures Manual Requirements	
Q	International Agreements	
R	Technology Governance	
S	Projects	
T	Provider Facilities	
U	[RESERVED]	
V	Standards	
W	Customer Service Requirements	

THE PARTIES ACKNOWLEDGE THAT THEY HAVE READ THIS SERVICE AGREEMENT, UNDERSTAND IT, AND AGREE TO BE BOUND BY ITS TERMS AND CONDITIONS. FURTHER, THE PARTIES AGREE THAT THE COMPLETE AND EXCLUSIVE STATEMENT OF THE AGREEMENT BETWEEN THE PARTIES RELATING TO THIS SUBJECT SHALL CONSIST OF 1) THIS SERVICE AGREEMENT, 2) ITS SCHEDULES, AND 3) THE MASTER AGREEMENT (INCLUDING THE EXHIBITS THERETO), INCLUDING THOSE AMENDMENTS MADE EFFECTIVE BY THE PARTIES IN THE FUTURE. THIS STATEMENT OF THE AGREEMENT BETWEEN THE PARTIES SUPERSEDES ALL PROPOSALS OR OTHER PRIOR AGREEMENTS, ORAL OR WRITTEN, AND ALL OTHER COMMUNICATIONS BETWEEN THE PARTIES RELATING TO THE SUBJECT DESCRIBED HEREIN.

Accepted by:	Accepted by:
Customer	Provider
By: _____	By: _____
Authorized Signature	Authorized Signature
_____	_____
Name (Type or Print) Date	Name (Type or Print) Date

EXHIBIT 3

ACCOUNT GOVERNANCE

This EXHIBIT 3, ACCOUNT GOVERNANCE, to that certain Amended and Restated Master Services Agreement, dated as of August 1, 2020 (the "***Master Agreement***"), between Sabre GLBL Inc. ("***Customer***") and DXC Technology Services LLC ("***Provider***").

1. INTRODUCTION

In accordance with Article 12 of the Master Agreement, Customer and Provider will institute and utilize the following governance framework to manage and effect account governance and technology governance for effective and efficient collaboration between Customer and Provider ("Account Governance").

2. DEFINITIONS

Capitalized terms used in this Exhibit but not defined herein shall have the meaning ascribed to such terms in the Master Agreement and its Exhibits, including the "Definitions" Exhibit to the Master Agreement. Unless otherwise specified, references to "Section" refer to the applicable Section of this Exhibit.

As set forth in Section 2.3 of the Master Agreement, in the event of a conflict between the terms of this Exhibit and the terms of the Master Agreement, the terms of the Master Agreement shall prevail over the terms of this Exhibit.

3. GOVERNANCE PRINCIPLES

3.1 Governance Principles

(a.) Account Governance set forth in this Exhibit is designed to oversee the delivery of Services by Provider to Customer in accordance with the Master Agreement.

(b.) Both Customer and Provider shall ensure that all Provider and Customer representatives participating in Account Governance are empowered and authorized to execute the roles they assume.

(c.) The effectiveness of Account Governance will be evaluated by the Parties from time to time (at least annually), and

modified as necessary to meet Customer's business requirements.

(d.) Provider shall record and distribute minutes of all meetings held under Account Governance, no later than two Business Days after each meeting, for Customer's approval.

Exhibit 4

Change Control Procedures

This is Exhibit 4, Change Control Procedures, to that certain Amended and Restated Master Services Agreement, dated as of August 1, 2020 (the "***Master Agreement***"), between Sabre GLBL Inc. ("***Customer***") and DXC Technology Services LLC ("***Provider***").

1. INTRODUCTION

In accordance with Section 13.6 of the Master Agreement, the following sets forth the Contract Change Control Procedures and Operational Change Control Procedures.

2. DEFINITIONS

Capitalized terms used in this Exhibit but not defined herein shall have the meaning ascribed to such terms in the Master Agreement and its Exhibits, including the "Definitions" Exhibit to the Master Agreement. Unless otherwise specified, references to "Section" refer to the applicable Section of this Exhibit.

As set forth in Section 2.3 of the Master Agreement, in the event of a conflict between the terms of this Exhibit and the terms of the Master Agreement, the terms of the Master Agreement shall prevail over the terms of this Exhibit.

3. CONTRACT CHANGE CONTROL PROCEDURES

3.1 Contract Change

(a.) Either Party may request a Change to the Agreement or any Service Agreement ("Contract Change") by providing the other Party with written Notice of such request (a "Contract Change Request") describing the proposed Contract Change. In addition to the requirements of Section 23.7 of the Master Agreement, a copy of any such Notice shall also be provided to the Customer Technical Alliance Manager and the Provider Client Executive. Provider will track the status of each Contract Change Request in the manner described in the Procedures Manual.

(b.) The Customer Technical Alliance Manager and Provider Client Executive, or their respective designated representatives, will be responsible for reviewing and considering any Contract Change Request.

(c.) Regardless of which Party has proposed the Contract Change, Provider will prepare, at its expense, and submit to Customer as soon as practicable, but in any event within ten (10) Business Days after receipt of the Contract Change Request, unless the Parties mutually agree that more time is reasonably required to complete the

requirements for the Contract Change, Provider's analysis (the "Change Proposal") of the impact, if any, of the proposed Contract Change on the following elements:

(i.) the scope of Services and the Parties' respective Responsibilities;

(ii.) Charges;

(iii.) Service Levels;

(iv.) technology refresh requirements and obligations;

(v.) delivery dates;

(vi.) evaluation testing and Acceptance Criteria;

(vii.) DR/BC Plan;

(viii.) Third Party Agreements;

(ix.) Account Governance;

(x.) regulatory requirements;

(xi.) Security Requirements;

(xii.) the policies and procedures as set forth in the Procedures Manual;

(xiii.) any impacts on other interfaces, other systems and services;

(xiv.) the Exit Plan; and

(xv.) any other matter reasonably requested by Customer at the time of preparation of the Change Proposal or reasonably considered by either Party to be relevant or impacted by implementation of the proposed Contract Change.

If the Change Proposal submitted by Provider does not include an impact analysis for any of the foregoing elements, Customer may assume in its evaluation of the Change Proposal that the proposed Contract Change has no impact on such element. Provider will resubmit the updated Change Proposal to address the impact to an element not included in Provider's initial Change Proposal ("Revised Change Proposal") and Customer will review such Revised Change Proposal within a reasonable time if (i) any of Customer's members on the Operational Steering Committee becomes aware of an impact to an element not addressed in the initial Change Proposal and notifies Provider of such impact in accordance with the procedures set out in Exhibit 3 (Account Governance)

or (ii) Provider discovers an impact to an element not addressed in the initial Change Proposal and notifies Customer of such impact in accordance with the procedures set out in this Exhibit.

(d.) Once submitted by Provider, Customer will review the Change Proposal. Within 30 days after receipt of the Change Proposal, unless the Parties mutually agree that more time is reasonably required to review the Change Proposal, Customer will either:

(i.) approve the Change Proposal;

(ii.) reject the Change Proposal;

(iii.) request further analysis of, or information regarding, the Change Proposal; or

(iv.) request a meeting between the Parties to discuss the Change Proposal further (a "Change Proposal Meeting").

(e.) In the event Customer requests a Change Proposal Meeting, the Parties will use reasonable efforts to agree at such meeting to either:

(i.) approve the Change Proposal;

(ii.) gather further information regarding the Change Proposal;

(iii.) modify the Change Proposal as necessary and approve such Change Proposal, as modified; or

(iv.) reject the Change Proposal.

(f.) In the event that the Party initiating a Contract Change Request believes that the requested Change is required or necessary, the requesting Party shall inform the other Party in writing of the reasons why the Change is required and the impact if the Change is not implemented. In the event that the other Party does not agree to implement the Change, the requesting Party may consider the other Party's failure to agree to implement the Change as a Dispute, and the requesting Party may escalate such Dispute for resolution in accordance with the Master Agreement with the intention of reaching a mutually agreeable resolution according to the Dispute Resolution Procedures.

(g.) The Parties will continue to follow the process detailed above until a final resolution regarding the proposed Contract Change is reached. The Parties will act in good faith at all times during such process.

3.2 Variations to the Contract Change Control Procedures

The Parties may, by written agreement, waive or amend any part of the Contract Change Control Procedures with respect to any particular Contract Change Request. Variations may include, but are not limited to, shortening and lengthening the required timeframes or otherwise simplifying the process set forth in this Exhibit 4.

3.3 Effectiveness of a Change

No discussions or interchanges between the Parties with respect to a proposed Contract Change will obligate either Party to approve any Contract Change or will constitute an amendment of the Agreement or any Service Agreement, or a waiver by either Party of any rights thereunder, unless and until reflected in a written amendment signed by the authorized representatives of Customer and Provider. Upon the signature of a Change Proposal by both Parties, the agreed upon Contract Change(s) will constitute an amendment to the Agreement or the affected Service Agreement, as applicable.

3.4 Contract Change Reporting Requirements

(a.) Provider will provide Customer with monthly reports specifying the status of all Contract Change Requests.

(b.) Within five (5) Business Days after receipt of a written request from Customer, Provider will give Customer a reasonably detailed report of the status of any pending Contract Change Requests and Change Proposals.

4. OPERATIONAL CHANGE CONTROL PROCEDURES

4.1 Documentation

The Operational Change Control Procedures will be documented in the applicable Procedures Manual.

4.2 Purpose and Objectives

The purpose and objectives of the Operational Change Control Procedures are (i) to prioritize all requests for operational Changes, (ii) to minimize the risk of operational Changes by identifying, documenting, quantifying, controlling, managing and communicating operational Change requests, their disposition and, as applicable, implementation and (iii) to allow Provider to manage operational Changes as required by Customer. The operational Changes to which the Operational Change Control Procedures will apply shall be more fully defined in the applicable Procedures Manual.

4.3 Asset Changes

(a.) The procedures that shall govern the process by which a Party may propose or request material changes to the Assets used in connection with the Services ("Asset Change(s)") are subject to the following requirements:

(i.) Provider has the right to replace, substitute or otherwise change Provider Assets without Customer approval, so long as such change does not constitute an Asset Change. Provider may also make Asset Changes that do not alter the functionality of the systems used to provide the Services, increase the costs to Customer related to the Services or degrade the performance of the Services without Customer's approval. In all such cases, the Parties will mutually agree on a test plan prior to implementation, and the implementation of the of the changes will be managed in accordance with the Operational Change Control Procedures to avoid negatively impacting the Services. For any other Asset Change (i.e. one that does not meet the criteria above), Provider will submit a Change Proposal prior to the Asset Change. Such Change Proposal will meet the requirements of this Exhibit 4, and the implementation of any such Asset Change will also be managed in accordance with the Operational Change Control Procedures. Provider may make temporary Asset Changes at any time and without Customer approval to the extent such Asset Changes are necessary (x) to maintain the continuity of the Services, or (y) to correct an event or occurrence that would substantially prevent, hinder or delay the operation of Customer's critical business functions. Provider shall promptly notify Customer of all such temporary changes, and shall as soon thereafter as reasonably practicable return the affected systems to their normal state or implement a permanent Asset Change in accordance with this Section 4.3.

(ii.) Prior to using any Provider Equipment or Provider Software to provide the Services affected by the Asset Change, Provider shall utilize customary testing efforts to verify that the item has been properly installed, is operating substantially in conformance to its specifications, and is performing its intended functions in a reliable manner and providing adequate performance consistent with the performance standards applicable immediately prior to the Asset Change.

(iii.) Provider shall follow a formalized methodology in migrating programs from development and testing environments into production environments.

4.4 Emergency Changes

Notwithstanding the Change consideration and implementation process outlined in this Exhibit 4, if a Change is required to resolve a Priority 1 Incident ("Emergency Change"), Provider shall immediately begin implementing the Emergency Change upon request by Customer. Provider shall also prepare and deliver to Customer a Change Proposal related to the Emergency Change on an expedited basis and the Parties shall work together in good faith to determine the impact on the Agreement (including without limitation, any impact on the Charges) as a result of implementing the Emergency Change. If the Parties are unable to agree on the impact on the Agreement within thirty (30) days after Customer has received the Change Proposal related to the Emergency Change from Provider, either Party may consider such failure to agree to be a Dispute, and may escalate such Dispute for resolution in accordance with the Master Agreement with the intention of reaching a mutually agreeable resolution according to the Dispute Resolution Procedures.

Exhibit 5

Acceptance Test Procedures

This is Exhibit 5, Acceptance Test Procedures, to that certain Amended and Restated Master Services Agreement, dated as of August 1, 2020 (the "***Master Agreement***"), between Sabre GLBL Inc. ("***Customer***") and DXC Technology Services LLC ("***Provider***").

1. INTRODUCTION

In accordance with Section 12.6(b) of the Master Agreement, the following sets forth the Acceptance Test Procedures.

2. DEFINITIONS

Capitalized terms used in this Exhibit but not defined herein shall have the meaning ascribed to such terms in the Master Agreement and its Exhibits, including the "Definitions" Exhibit to the Master Agreement. Unless otherwise specified, references to "Section" refer to the applicable Section of this Exhibit.

As set forth in Section 2.3 of the Master Agreement, in the event of a conflict between the terms of this Exhibit and the terms of the Master Agreement, the terms of the Master Agreement shall prevail over the terms of this Exhibit.

3. ACCEPTANCE TEST PROCEDURES

3.1 Testing Procedure

With respect to all (i) Services that are identified in a Service Agreement or Work Order as subject to acceptance testing; (ii) Deliverables; and (iii) Critical Transformation Milestones and all other transition, transformation, and Project milestones that are identified in the applicable Service Agreement or Work Order, as such documents may be amended by the Parties from time to time ("Milestones"), upon Provider's determination that a Service, Deliverable or Milestone materially conforms to all specifications and requirements set forth in the applicable Service Agreement or Work Order, as such documents may be amended by the Parties from time to time (collectively, the "Acceptance Criteria"), Provider shall deliver such Service, Deliverable or Milestone to Customer for acceptance testing or notify Customer in writing that such activity has been completed. Customer shall thereafter have [***], or such time as otherwise expressly set forth in the applicable Service Agreement, Work Order or as otherwise agreed to by the Parties in writing ("Acceptance Period"), to review and test the Deliverable, Milestone or the results of the Service for compliance with the Acceptance Criteria. [***] Customer may perform such additional testing (including, without limitation, performance and integration testing) as may be set forth in the applicable Service Agreement, Work Order,

or other document executed by the Parties (the "Additional Tests") within the time frames set forth therein.

3.2 Failure and Correction

3.2.1 In the event that any Deliverable, Milestone or result of the Service materially conforms to all Acceptance Criteria, Customer will accept such Deliverable, Milestone or result of the Service in writing. In the event Customer determines that any Deliverable, Milestone or result of the Service fails to materially conform to the Acceptance Criteria ("Failure"), then Customer will notify Provider within the Acceptance Period, in writing specifying the respects in which such Deliverable, Milestone or result of the Service does not conform to the applicable Acceptance Criteria and what modifications are necessary to make it conform thereto. Thereafter, Provider shall, [***] correct and redeliver such Deliverable or Milestone to Customer or reperform such Service to so conform within [***] (in either case, the "Correction Period"). The corrected Deliverable, Milestone or result of the Service shall thereafter be subject to the same testing and acceptance procedure set forth in this Exhibit 5. For the avoidance of doubt, Deliverables, Milestones or results of the Service expressly subject to alternate acceptance procedures are not subject to the procedures set forth in this Exhibit 5 (unless otherwise agreed by the Parties in writing).

3.2.2 If Provider receives a Failure notice, but is unable to correct, fulfill and redeliver such Deliverable, Milestone or re-perform such Service within the applicable Correction Period (or otherwise fails to deliver a Deliverable, Milestone or results of the Service by the associated due date), it shall notify Customer of such inability in writing and include in such notice a good faith estimate of the number of additional Business Days required for Provider to correct, fulfill and redeliver such Deliverable, Milestone or re-perform such Service (or initially deliver such Deliverable, Milestone or perform such Service, as applicable). Customer shall have the option to: (i) grant Provider additional time to correct, fulfill and redeliver such Deliverable or Milestone to Customer or re-perform such Service (or initially deliver such Deliverable, Milestone or perform such Service, as applicable) in accordance with the testing and Acceptance process described in this Exhibit 5, [***].

Exhibit 6

Dispute Resolution Procedures

This is Exhibit 6, Dispute Resolution Procedures, to that certain Amended and Restated Master Services Agreement, dated as of August 1, 2020 (the "***Master Agreement***"), between Sabre GLBL Inc. ("***Customer***") and DXC Technology Services LLC ("***Provider***").

1. Dispute resolution

In accordance with Section 22.2 of the Master Agreement, Customer and Provider stipulate and agree that any dispute, demand or claim arising out of or related to the Master Agreement (a "Dispute"), must exclusively be presented, pursued and determined in accordance with this Exhibit 6.

2. Definitions

2.1 Capitalized terms which are used in this Exhibit 6 but not defined, shall have the meaning ascribed to such terms in the Master Agreement and its Exhibits, including the "Definitions" Exhibit to the Master Agreement. Unless otherwise specified, references to "Section" refer to the applicable Section of this Exhibit 6.

2.2 As set forth in Section 2.3 of the Master Agreement, in the event of a conflict between the terms of this Exhibit 6, and the terms of the Master Agreement, as to resolution of Disputes arising under the Master Agreement, this Exhibit 6 shall control.

3. Dispute Resolution ProcedureS

3.1 Dispute Resolution Procedures.

(a) Initial Meeting. A Dispute must initially be referred to the Customer Technical Alliance Manager and the Provider Principal, or their successors, by a written notice from a Party which must describe the Dispute, the basis for it and specify the relief sought. The Customer Technical Alliance Manager and Provider Principal, or others with the same responsibility and authority, must then confer within three Business Days to attempt to resolve the Dispute.

(b) Executive Vendor Business Review Committee Meeting. If the Initial Meeting fails to resolve the Dispute either Party may give written notice of the Dispute to the Executive Vendor Business Review Committee, which shall meet face-to-face in the Dallas-Fort Worth area (or remotely by video conference) within five Business Days of notice of referral of the Dispute to it to attempt to resolve the Dispute. If the Executive Vendor Business Review Committee Meeting fails to resolve the Dispute, either Party may give written notice of arbitration pursuant to Section 3.2(a).

(c) Acceleration. Notwithstanding Sections 3.1 (a) and (b) of this Exhibit 6, in the event a Party to a Dispute determines at any time that the procedures set forth in Sections 3.1 (a)

or (b) will not resolve the Dispute in a timely manner, such Party may give notice of arbitration pursuant to Section 3.2(a).

3.2 Arbitration. Arbitration of a Dispute is to be conducted in the following manner:

(a) Either Party may trigger arbitration by notice to the other Party and by filing a demand for arbitration (the "***Demand***") with the American Arbitration Association ("***AAA***"). The arbitration shall be conducted by the AAA in accordance with the AAA Commercial Arbitration Rules that are in effect at the time of the Demand, as modified by this Section 3.2 (the "***Arbitration Rules***").

(b) The Parties will request that, within 5 days after receiving a Demand, the AAA shall provide each Party simultaneously with a list of seven (7) qualified arbitrators, each of whom shall be an attorney having fifteen (15) or more years of experience in the primary area of law affected by the Dispute. The Parties shall attempt to reach an agreement as to which arbitrator(s) will serve on the panel. If the Parties are unable to reach agreement within five (5) days of receiving the list of potential arbitrators from the AAA, selection of the arbitration panel shall be conducted as follows:

i. Each Party may strike up to two (2) arbitrators from the list provided by the AAA.

ii. Each Party shall notify the AAA of the potential arbitrators it wishes to strike within seven (7) days of receiving the list of potential arbitrators, unless the Parties agree as to which arbitrator(s) will serve on the panel. The AAA shall then select either one arbitrator or three arbitrators, depending on the Dispute size as set forth below in 3.2(b)(iii), from the names that have not been stricken by either Party.

iii. For any Dispute in which the amount in controversy exceeds $3,000,000, the AAA shall appoint three (3) arbitrators from the individuals remaining on the list following the Parties' strikes and notify the Parties of its selections. For all other Disputes, the AAA shall appoint one arbitrator following the Parties strikes and notify the Parties of its selection.

(c) The final arbitration hearing shall be held within 120 days after the appointment of the arbitrator(s) unless all parties to the arbitration agree otherwise. Upon request of either Party, the Panel shall arrange for an official court reporter to transcribe a record of any hearing and of the arbitration hearing. All reporters' records are to be made available to both Parties.

(d) The final arbitration hearing will be held in Tarrant County, Texas on a date, and at a place agreed to by the Parties. If the Parties are unable to agree upon a date or place, the arbitrator(s) shall fix the date and/or place. The arbitrator(s) may hold any preliminary hearings, including motion hearings, electronically or by telephone. All evidentiary objections and issues of admissibility shall be determined by the Panel under the Federal Rules of Evidence.

(e) The Parties may conduct limited written discovery in accordance with the Federal Rules of Civil Procedure, except as altered in this Exhibit 6. Absent leave granted by the

arbitration panel for good cause shown, the Parties may serve no more than 15 written interrogatories and 20 requests for production. and 10 requests for admission. Depositions by written questions shall not be permitted unless expressly agreed by the Parties in writing.

(f) The Parties may place additional limitations on written discovery, including on the number of discovery requests permitted, by written agreement. All written discovery requests must be served no more than 75 days before the arbitration hearing.

(g) Each Party may conduct oral depositions in accordance with the Federal Rules of Civil Procedure, except as modified in this Exhibit 6. Each Party may take up to four (4) oral depositions. Each oral deposition is limited to not more than six (6) hours of examination by the Party seeking the deposition and two (2) hours of examination by the other Party. The Panel may issue subpoenas compelling a witness to appear for an oral deposition.

(h) The Parties may each file one motion for summary judgment in accordance with Federal Rule of Civil Procedure 56, except as modified in this Exhibit 6. Any motion for summary judgment must be filed with the arbitrators and served on the other Party no later than 45 days prior to the final arbitration hearing. Any response to a motion for summary judgment must be filed and served within 14 (14) days of service of the motion. The Party that filed the motion shall have the right to a reply brief to be filed and served within seven (7) days of service of any response.

(i) After the final arbitration hearing, the arbitrator(s) shall issue a reasoned written award or decision. The Parties will request that this award or decision be issued within 30 days following the closure of the arbitration hearing.

(j) The arbitration shall be subject to the Texas Arbitration Act except as stated in this Exhibit 6.

(k) The arbitrator(s) shall apply the governing law of the State of Texas in connection with the Dispute.

(l) The arbitrator(s) shall have the power to interpret the Master Services Agreement and the Parties' performance or lack thereof under the Master Services Agreement. The arbitrator(s) may not extend or renew the Master Services Agreement without the agreement of the Parties. The Parties will cooperate with each other in causing the arbitration to be held in as efficient and expeditious a manner as practicable.

(m) The final decision or award of the arbitrator(s) shall be final and binding upon the Parties, and judgment upon that decision or award may be entered in any court having jurisdiction over either or both of the Parties or their respective assets. Notwithstanding the foregoing provision, the Parties shall have the right to appeal the final decision or award to a state or federal court in Tarrant County, Texas provided that any appeal shall be limited to a review of errors of law and findings of fact that are clearly erroneous.

(n) [***]

4. EXCEPTIONS To Arbitration

4.1 Injunctive Relief. Notwithstanding anything to the contrary in this Exhibit 6, either Party may seek a temporary restraining order and temporary injunctive relief (including without limitation the provision of Termination Assistance Services) from a state or federal court in Tarrant County, Texas to prevent threatened or actual irreparable harm and to maintain the status quo pending resolution of a Dispute in accordance with this Exhibit 6.

4.2 Enforcement. Nothing in the Agreement or this Exhibit 6 shall preclude a Party from filing an action in a state or federal court in Tarrant County, Texas to enforce this Exhibit 6, to enforce or collect a final award in arbitration or to pursue a permitted appeal of a final award in arbitration.

5. Miscellaneous

5.1 Confidentiality. All meetings and arbitrations, including communications, discovery and information exchanged:

(a) shall be considered Confidential Information (subject to Section 16.2 (Exclusions) of the Master Agreement); and

(b) shall not be offered into evidence, disclosed, or used for any purpose other than the Dispute Resolution Procedures, the enforcement of the award or decision or a permitted appeal of any award or decision.

5.2 Continued Performance. Provider agrees to continue performing its obligations under the Master Agreement while a Dispute is being resolved unless and until such obligations are suspended by agreement of the Parties, are terminated by termination pursuant to the Master Agreement or expire with the expiration of the Master Agreement.

5.3 Tolling. The exercise of any of these Dispute Resolution Procedures to resolve a Dispute will as of the date of exercise toll the running of any statute of limitations applicable to that Dispute.

5.4 Duty of Good Faith. Customer and Provider expressly agree that all rights, duties and discretionary acts contemplated by this Exhibit 6 will be strictly observed and exercised in good faith and in a reasonable manner.

EXHIBIT 7

INFORMATION SECURITY REQUIREMENTS

This is EXHIBIT 7, INFORMATION SECURITY REQUIREMENTS, to that certain Amended and Restated Master Services Agreement, dated as of August 1, 2020 (the "***Master Agreement***"), between Sabre GLBL Inc. ("***Customer***") and DXC Technology Services LLC ("***Provider***").

1.0 Introduction

In accordance with the Master Agreement, this Exhibit sets forth the information security requirements and standards to be followed by Provider ("Information Security Requirements"). The Information Security Requirements are deemed to be an inherent part of the Services. Provider will be responsible for implementing and following the Information Security Requirements, and for providing recommendations and guidance to Customer as reasonably requested on security architecture.

For the avoidance of doubt, unless otherwise stated herein or in the applicable Service Agreement, the Service Infrastructure will follow the Customer policies and procedures set forth in this Exhibit 7 and the applicable Service Agreement. Otherwise, Provider will follow Provider's standard policies and procedures.

2.0 Definitions

Capitalized terms used in this Exhibit but not defined herein shall have the meaning ascribed to such terms in the Master Agreement and its Exhibits, including the "Definitions" Exhibit to the Master Agreement. Unless otherwise specified, references to "Section" refer to the applicable Section of this Exhibit.

As set forth in Section 2.3 of the Master Agreement, in the event of a conflict between the terms of this Exhibit and the terms of the Master Agreement, the terms of the Master Agreement shall prevail over the terms of this Exhibit.

"Focal Point" means, with respect to either Provider or Customer, the person designated by such Party with responsibility for day-to-day security management for such Party.

[***]

"Service Infrastructure" means, collectively, the Customer-specific Sites, Equipment, Provider Owned Software, Provider Licensed Software, and Customer Software used to deliver the Services.

3.0 Data Management

a. Audit.

i. [***]

ii. [***]

4.0 Security Management

i.[***]

i. [***]

ii. [***]

i. [***]

ii. [***]

ii.[***]

iii. [***]

(i) [***]

(ii) [***]

(iii) [***]

iv. [***]

iii.[***]

v. [***]

(i) [***]

(i) [***]

iv.[***]

vi. [***]

vii. [***]

viii. [***]

ix. [***]

v.Segregation of Duties

[***]

—

5.0 Physical Security

vi.Facilities.

i. [***]

ii. [***]

iii. [***]

(i) [***]

(ii) [***]

(iii) [***]

(i) [***]

(ii) [***]

(iii) [***]

(iv) [***]

(i) [***]

iv. [***]

v. [***]

vii.[***]

vi. [***]

vii. [***]

viii. [***]

—

6.0 Logical Access Control

viii. Service Infrastructure.

[***]

ix. Security Administration.

i. [***]

ii. [***]

iii. [***]

[***]

iv. [***]

v. [***]

i. [***]

x. System and Network Security.

ii. [***]

iii. [***]

iv. [***]

i. [***]

ii. [***]

iii. [***]

iv. [***]

v. [***]

vi. [***]

xi. Encryption.

vii. [***]

viii. [***]

ix. [***]

x. [***]

i. Record Keeping.

[***]

ii. Provider Personnel.

xi. [***]

xii. [***]

xiii. [***]

xiv. [***]

iii. Customer will:

xv. [***]

xvi. [***]

7.0 Network Infrastructure Security

[***]

Attachment 7-A: Event Management Process

Exhibit 8

Market Currency Procedures

This is Exhibit 8, Market Currency Procedures, to that certain Amended and Stated Master Services Agreement, dated as of August 1, 2020 (the "***Master Agreement***"), between Sabre GLBL Inc. ("***Customer***") and DXC Technology Services LLC ("***Provider***").

1. INTRODUCTION

In accordance with Section 8.4 of the Master Agreement, this Exhibit sets forth the procedures for a review and benchmark assessment of the competitiveness of the Charges for the applicable Services as compared with other services being offered in the marketplace that are of a similar scope, service levels, volume and complexity to the applicable Services (***"Comparable Services"***), [***] (the ***"Benchmarking Process"***).

2. Definitions

(a) Capitalized terms used herein will have the meanings set forth in the "Definitions" Exhibit to the Master Agreement unless otherwise defined herein. Unless otherwise specified, references to "Section" refer to the applicable Section of this Exhibit.

(b) As used herein, ***"Best Value"*** means that the Charges for any Services, will be equal to or less than [***].

(c) ***"Select Mainframe Services"*** means the Services described in Attachment B-2 of Schedule B to Service Agreement No. 1.

(d) **[***]**.

3. Benchmarking Process and Procedures.

3.1 Initiating Benchmarking.

(1) The Benchmarking Process may be initiated by Customer once during the Term and at any time after [***] by giving at least 90 days' prior Notice to Provider.

(2) Customer shall select the Benchmarker from the List of Approved Benchmarkers set forth below, or at Customer's election, another Benchmarker shall be selected in accordance with the following process. [***] The Parties agree that the Benchmarker will not be compensated on a contingency fee basis.

(3) This Section 3 describes the independent process used to validate that the applicable Services meet the Best Value requirements. Customer may, at its option, elect to benchmark any combination of any of the following: [***]. The Benchmarking Process shall be conducted collaboratively with the Parties being fully and equally involved throughout.

(4) The "***List of Approved Benchmarkers***" is:

[***]

3.2 Benchmarking Process Methodology.

Customer, Provider and the Benchmarker shall conduct the Benchmarking Process according to the following methodology or other methodology proposed by the Benchmarker and agreed to by Customer and Provider:

(a) The Benchmarker shall select a representative sampling of other top tier outsourcing providers providing Comparable Services to organizations similar to Customer ("***Comparators***"). There shall be at least [***] Comparators, or such lesser number if the Comparator information available to the Benchmarker is comprised of a lesser number of Comparators [***]. In the event that the Parties and the Benchmarker cannot agree upon the Comparators, then the Benchmarker shall select the Comparators. The Benchmarker shall make adjustments to the Comparators as necessary to permit a normalized comparison, taking into account factors such as, but not limited to: [***]. The Benchmarker shall perform a price-based benchmark, comparing the total charges, in aggregate (as normalized pursuant to this Section 3), for the Services that are the subject of the benchmark (the ***"Benchmarked Services"***), against the total charges applicable to similar services with respect to the selected Comparators; [***].

(b) For each Comparator used to calculate a normalized analysis of the Comparators' charges as compared to the Charges for the Benchmarked Services (the "***Benchmark Results***"), the Benchmarker shall disclose to Customer and Provider the demographic data (e.g., the total number of resource units and/or other basis on which charges are based, a general description of the service levels and service environment and other similar data) reasonably required for the Parties to understand the basis upon which the Benchmarker determined that the Comparators chosen by the Benchmarker comply with the requirements set forth above. Due to the confidential nature of Comparator data and nondisclosure agreements to which such data may be subject, the Benchmarker shall not be required to disclose the name of the Comparators, or other potentially identifying information that the Benchmarker believes may compromise the confidentiality of the data.

(c) The data used by the Benchmarker in the Benchmarking Process will be reasonably current, i.e., based on Services provided for Customer and services provided for the Comparators no more than 12 months prior to the start of the Benchmarking Process.

(d) The Benchmarker shall compare each Comparator's contracted charges with Provider's Charges for the Benchmarked Services.

(e) The Benchmarker shall use normalization techniques that the Benchmarker deems appropriate to use to generate the Benchmark Results. The Benchmarker shall fully explain its normalization techniques to Provider and Customer. [***].

(f) Customer and Provider agree (i) that the Benchmarker will conduct the Benchmarking Process in accordance with the Benchmarker's own policies, methodologies, and practices, and the requirements of this Section 3, and (ii) to consult with the other Party regularly and cooperate reasonably with the Benchmarker in the Benchmarking Process activities. The Benchmarker will provide documentation to the Parties regarding its methodology, as well as explaining its normalization process, including pre- and post-normalization data for each Comparator, and shall provide such additional data, analysis and findings, including any supporting documentation, for the Benchmarker's services to Provider and Customer as appropriate throughout the Benchmarking Process.

(g) Immediately after the Benchmarker's release of its preliminary Benchmark Results (as set forth in subsection (i) below), Customer and Provider shall immediately disclose price information under the relevant Service Agreement(s) to the Benchmarker (and if necessary to the Reviewer), subject to execution of an appropriate confidentiality agreement in accordance with Article 16 (Confidentiality and Data) of the Master Agreement. Provider shall not be obligated to disclose to the Benchmarker (or Reviewer, if applicable) data with respect to its costs or any other customers of Provider.

(h) All information provided to and obtained from the Benchmarker shall be simultaneously provided to both Provider and Customer unless otherwise agreed by the Parties. Such information shall be deemed to be confidential information of the providing Party (or, if such information originated with the Benchmarker and is not the Company Information of either Party, of both Parties) under the Master Agreement and shall be subject to the confidentiality

agreement executed with the Benchmarker and shall not be used for any other purpose. The Benchmarker (and any Reviewer) shall contract to keep all information associated with the Charges and terms of the Master Agreement and Service Agreements confidential and secure and to use it for no other purposes, including the purpose of adding to any of its databases, except with the express written permission of both Parties.

(i) The Benchmarker shall prepare and concurrently submit to the Parties preliminary Benchmark Results. The Parties shall have ten Business Days to review and submit questions and comments to the Benchmarker. If there are issues raised regarding the preliminary Benchmark Results, either Party may request a joint session with the Benchmarker. If such request is made, the Benchmarker shall review the issues raised and any other materials submitted by either Party, and shall thereafter, as promptly and practicable, submit final Benchmark Results (including a comparison of the relevant Charges to the relevant Best Value standard(s)) to both Parties, including any revisions to the preliminary Benchmark Results (the date such final Benchmark Results are submitted is referred to herein as the "***Completion Date***"). [***]

(j) The Benchmarker shall prepare the complete and final Benchmark Results promptly, but no later than 90 days after the commencement of the Benchmarking Process by the Benchmarker. If the Benchmarker is for any reason unable to complete the Benchmarking Process within the time period set forth in this Section 3, the Parties will reasonably extend such period to allow the Benchmarker to complete the Benchmarking Process.

3.3 [***]

3.4 [***]

3.5 Access and Confidentiality.

Any Benchmarker and any Reviewer engaged as part of a Benchmarking Process shall agree in writing to be bound by the applicable confidentiality and security provisions specified in the Master Agreement. Each Party shall cooperate fully with the Benchmarker and shall provide reasonable access to the Benchmarker during such effort to permit Benchmarker to perform the Benchmarking.

3.6 Cooperation and Assistance.

Each Party will provide, and ensure that its subcontractors (excluding in the case of Customer, Provider and Provider Agents) provide, all necessary cooperation, information, documents and assistance reasonably required to perform the Benchmarking.

3.7 [***]

Exhibit 9

Customer Policies

This is Exhibit 9, Customer Policies, to that certain Amended and Restated Master Services Agreement, dated as of August 1, 2020 (the "***Master Agreement***"), between Sabre GLBL Inc. ("***Customer***") and DXC Technology Services LLC ("***Provider***").

1. **Definitions.** Capitalized terms used in this Exhibit but not defined herein shall have the meaning ascribed to such terms in the Master Agreement and its Exhibits, including the "Definitions" Exhibit to the Master Agreement. Unless otherwise specified, references to "Section" refer to the applicable Section of this Exhibit.

   As set forth in Section 2.3 of the Master Agreement, in the event of a conflict between the terms of this Exhibit and the terms of the Master Agreement, the terms of the Master Agreement shall prevail over the terms of this Exhibit.

2. **Customer Policies**.

   It is Customer's policy that the following practices be established, administered and maintained, as applicable to the Services. The Parties acknowledge that Provider has been provided with the Customer Policies in effect as of the Execution Date. Any updates to the Customer Policies will be provided to Provider at least thirty (30) days prior to the effective date of such updates. Provider will comply with such updates in accordance with the Change Control Procedures.

   a. Privacy Laws. In provision of the Services defined herein and in any applicable Service Agreement, Provider shall be responsible for complying with Privacy Laws and the provisions set forth in Exhibit 11 (Privacy Requirements) pursuant to Section7.1 (b) of the Master Agreement.

   b. Customer Security Policies. In provision of the Services defined herein and in any applicable Service Agreement, Provider shall be responsible for following Information Security Requirements as defined in Exhibit 7.

   c. Travel and Expense Policy. In provision of the Services in any applicable Service Agreement, any travel and related expenses incurred by Provider shall be incurred in accordance with Customer's travel and expense policy.

d. Code of Ethics Policy. In provision of the Services in any applicable Service Agreement, Provider shall have a formal code of ethics policy documented and distributed, and a process to monitor acknowledgement (e.g., new hire and annual).

e. Background Check Verification. In provision of the Services in any applicable Service Agreement, Provider shall have a formal background check verification process documented and executed, and verifiable compliance monitoring process available for Customer review. Provider shall comply with the background check requirements listed in Exhibit 10.

f. Information Security Policies. In addition to the information security requirements set forth elsewhere in the Agreement, Provider shall have processes and procedures in place to comply with the following Customer Policies:

- Information Security (ITS 100)
- IT Risk Management (ITS 104)
- Data Protection (ITS 105)
- Access Control and Password Management (ITS 200)
- Email and Messaging Policy (ITS201)
- Remote Access (ITS 202)
- Acceptable Use Policy (ITS 203)
- Security Awareness and Protection Training (ITS 205)
- Use of Personal Equipment (ITS 300)
- Anti-Virus (ITS 302)
- Intrusion Detection (ITS 400)
- Production-Nonproduction Connectivity (ITS 401)
- Patch Management (ITS 402)
- Firewall and Router (ITS 403)
- Change Management (ITS 501)
- Incident Response (ITS 504)
- Software Management (ITS 602)

g. Information Disclosure / Media / Investor communications. In provision of the Services in any applicable Service Agreement, Provider shall comply with Customer’s information disclosure, media and investor communications policies.

h. Suspected Thefts, Unauthorized Transactions and Similar Irregularities. In provision of the Services in any applicable Service Agreement, Provider shall comply with Customer’s policy regarding suspected thefts, unauthorized transactions and similar irregularities.

i. Records Storage Services. In provision of the Services in any applicable Service Agreement, Provider shall comply with Customer's policy regarding record storage services.

j. Records Retention. In provision of the Services in any applicable Service Agreement, Provider shall comply with Customer's policy regarding record retention.

k. Network LAN Drive Usage. In provision of the Services in any applicable Service Agreement, Provider shall comply with Customer's policy regarding network LAN drive usage.

Exhibit 10

Background Investigations

This is Exhibit 10, Background Investigations, to that certain Amended and Restated Master Services Agreement, dated as of August 1, 2020 (the "***Master Agreement***"), between Sabre GLBL Inc. ("***Customer***") and DXC Technology Services LLC ("***Provider***").

1. Definitions

Capitalized terms used in this Exhibit but not defined herein shall have the meaning ascribed to such terms in the Master Agreement and its Exhibits, including the "Definitions" Exhibit to the Master Agreement. Unless otherwise specified, references to "Section" refer to the applicable Section of this Exhibit.

As set forth in Section 2.3 of the Master Agreement, in the event of a conflict between the terms of this Exhibit and the terms of the Master Agreement, the terms of the Master Agreement shall prevail over the terms of this Exhibit.

2.[***]

2.1 [***]

a.[***]

i. [***]

b.[***]

i. [***]

ii. [***]

c. [***]

i. [***]

3.[***]

a.[***]

b.[***]

c.[***]

4.[***]

[***]

a.[***]

b. [***]

EXHIBIT 11
Privacy requirements

This is Exhibit 11, Privacy REQUIREMENTS, to that certain Amended and Restated Master Services Agreement, dated as of August 1, 2020 (the "***Master Agreement***"), between Sabre GLBL Inc. ("***Customer***") and DXC Technology Services LLC ("***Provider***").

A. INTRODUCTION

This Exhibit sets forth the respective data management and data privacy responsibilities of Customer and Provider under the Master Agreement (***"Privacy Requirements"***), which are in addition to any specific Services described in any applicable Service Agreement(s). The Privacy Requirements are deemed to be an inherent part of the Services.

Attachment A of this Exhibit sets forth certain matters with respect to the Model Clauses executed by the Parties (and/or their Affiliates).

B. DEFINITIONS

Capitalized terms used in this Exhibit shall have the meaning set forth below or, if not set forth below, the meaning ascribed to them in Master Agreement and its Exhibits, including the "Definitions" Exhibit to the Master Agreement. Unless otherwise specified, references to "Section" refer to the applicable Section of this Exhibit

As set forth in Section 2.3 of the Master Agreement, in the event of a conflict between the terms of this Exhibit and the terms of the Master Agreement, the terms of the Master Agreement shall prevail over the terms of this Exhibit.

"Authorized Third Parties" has the meaning set forth in Section 2.0.a.2 below.

"Certification" has the meaning set forth in Section 2.0.b.1 below.

"Data Protection Filings" has the meaning set forth in Section 1.0.a below.

"EEA" means the European Economic Area.

"GDPR" means the General Data Protection Regulation (Regulation (EU) 2016/679), as amended.

"Model Clauses" means any EU standard contractual clauses permitting the transfer of personal data to processors outside the European Economic Area, that are promulgated in accordance with the GDPR (or its successor), as may be amended from time-to-time.

C. PRIVACY REQUIREMENTS

1.0 Data Management

a. Obligations with Respect to Privacy Laws.

Provider and Customer are each responsible for complying with their respective obligations with respect to Personally Identifiable Information under applicable Privacy Laws. Provider shall comply with its obligations as Customer's service provider and as a data processor or subprocessor, as applicable, of any such Personally Identifiable Information under applicable Privacy Laws. Without in any way limiting the foregoing, the Parties agree that Provider is a "Service Provider" under the California Consumer Privacy Act, Cal. Civ. Code §§ 1798.100, et seq. and § 1798.140(v). Customer shall comply with its obligations as a data controller or data processor, as applicable, of any such Personally Identifiable Information under applicable Privacy Laws. For the avoidance of doubt, as between Customer and Provider, Customer shall be and remain the controller of the Personally Identifiable Information for purposes of the Privacy Laws, with rights to determine the purposes for which the Personally Identifiable Information is accessed, stored and Processed. It is not the intent of the Parties for Provider to use or receive any benefit from the Personally Identifiable Information. The Parties agree that nothing about the Agreement or the Services involves a "selling" or a "sale" of Personally Identifiable Information under Cal. Civ. Code § 1798.140(t)(1).

From time-to-time during the Term, Customer may request Provider, and Provider agrees to assist and cooperate fully (at Customer's expense), to: (i) execute additional documentation to permit the transfer and Processing of Personally Identifiable Information outside of a jurisdiction, including Model Clauses or documentation related to maintaining any safe harbors or exemptions to Privacy Laws as such relate to the Services; (ii) assist the Customer Group in fulfilling registration requirements under Privacy Laws, including without limitation, providing requested information and registering with data protection authorities as requested by Customer in order to permit Customer and Provider to achieve the purposes of the Master Agreement; or (iii) assist the Customer Group with responding to any data protection authority, Governmental Authority, or other Third Party requests to the extent necessary to comply with Privacy Laws (collectively, ***"Data Protection Filings"***). Provider shall work with Customer to execute Data Protection Filings designated by Customer within timeframes reasonably required to meet deadlines imposed by the data protection authority, Governmental Authority, or other Third Party. Further, Provider will cooperate in good faith with any request by Customer to respond to a Data Protection Filing request, and upon receipt of such a request, will: (a) respond in a complete and accurate manner, and (b) work with Customer to provide the response to Customer in writing within timeframes reasonably required to meet deadlines imposed by the data protection authority, Governmental Authority, or other Third

Party. Provider acknowledges and agrees that each copy of the Data Protection Filings executed pursuant to this Exhibit shall constitute Company Information of Customer.

b. Information Requests.

i. If the Customer Group is required to provide information regarding Personally Identifiable Information, Provider will respond promptly to Customer's inquiries concerning such Personally Identifiable Information and will reasonably cooperate with the Customer Group in providing such information. If Provider receives a direct request for Personally Identifiable Information, Provider shall promptly direct the request to Customer.

ii. Upon Provider's or Customer's reasonable written request, Customer or Provider will provide the other with such information that it has regarding Personally Identifiable Information and its Processing that is necessary to enable the requester to comply with its obligations under this Section.

iii. Provider consents to Customer Group providing information relating to Provider's obligations under this Exhibit to Customer Group's customers and potential customers, and agrees to cooperate and provide reasonable assistance to Customer Group in responding to requests from its customers and potential customers relating to this Exhibit. Such customers and potential customers shall be required to maintain the confidentiality of this information consistent with Customer's confidentiality obligations under the Master Agreement.

iv. Upon Customer's request, Provider shall promptly delete a particular individual's Personally Identifiable Information from Provider's records except where unable to do so as set forth in the following sentence. In the event Provider is unable to delete (or is exempt from deleting) the Personally Identifiable Information for reasons permitted under the CCPA, Provider shall (A) promptly inform Customer of the reason(s) for its refusal of the deletion request, (B) ensure the privacy, confidentiality and security of such Personally Identifiable Information, and (C) delete the Personally Identifiable Information promptly after the reason(s) for Provider's refusal has expired.

2.0 [***].

Attachments

Attachment A: Privacy Requirements Model Clauses
Attachment B: Data Processing Addendum

Exhibit 12

INSURANCE REQUIREMENTS

This is Exhibit 12, insurance requirements, to that certain Amended and Restated Master Services Agreement, dated as of August 1, 2020 (the "***Master Agreement***"), between Sabre GLBL Inc. ("***Customer***") and DXC Technology Services LLC ("***Provider***").

1. INTRODUCTION

In accordance with Section 21.1 of the Master Agreement, this Exhibit sets forth the insurance coverages and limit requirements for Provider and Provider Agents.

2. DEFINITIONS

Capitalized terms used in this Exhibit but not defined herein shall have the meaning ascribed to such terms in the Master Agreement and its Exhibits, including the "Definitions" Exhibit to the Master Agreement, and its Schedules (including the "Definitions" Schedule), Attachments, and Appendices. Unless otherwise specified, references to "Section" refer to the applicable Section of this Exhibit.

In the event of a conflict between the provisions of this Service Agreement and the Master Agreement, the provisions of Section 2.3 of the Master Agreement shall control such conflict. As set forth in Section 2.3 of the Master Agreement, in the event of a conflict between the terms of this Exhibit and the terms of the Master Agreement, the terms of the Master Agreement shall prevail over the terms of this Exhibit.

3. INSURANCE COVERAGES AND LIMITS

During the Term of the Agreement and for a period of at least one year thereafter, Provider and each Provider Agent that provides or performs any of the Services shall maintain and keep in force, at its own expense and without limiting its indemnity obligations as set forth in Section 20 of the Master Agreement, the insurance coverages and limits set forth below, in accordance with the provisions of Section 21.1 of the Master Agreement:

a. Workers' compensation insurance, with statutory limits as required by the various Laws and regulations applicable to the employees of Provider and any Provider Agent that provides or performs any of the Services;

b. Employer's liability insurance, for employee bodily injuries and deaths, with a limit of [***] each accident. Umbrella or excess liability insurance may be used to satisfy the limit requirement in this Section 3(b). Such umbrella or excess liability policy shall follow the form of the primary coverage set forth herein, exceed the underlying policy without gaps in limits and provide coverage as broad as the underlying insurance coverage;

c. Commercial general liability insurance, covering claims for bodily injury, death and property damage, including premises and operations, independent contractors, products, services and completed operations (as applicable to the Services), personal injury, contractual and property damage liability coverages, with limits as follows: [***] each occurrence for bodily injury, death and property damage and [***] in the aggregate. Umbrella or excess liability insurance may be used to satisfy the limit requirement in this Section 3(c). Such umbrella or excess liability policy shall follow the form of the primary coverage set forth herein, exceed the underlying policy without gaps in limits and provide coverage as broad as the underlying insurance coverage;

d. Comprehensive automobile liability insurance, covering owned, non-owned and hired vehicles, with limits as follows: [***] combined single limit for bodily injury, death and property damage per occurrence. Umbrella or excess liability insurance may be used to satisfy the limit requirements in this Section 3(d). Such umbrella or excess liability policy shall follow the form of the primary coverage set forth herein, exceed the underlying policy without gaps in limits and provide coverage as broad as the underlying insurance coverage;

e. All-risk property insurance, on a replacement cost basis, covering the real and personal property of Provider which Provider is obligated to insure by the Agreement; such real and personal property may include buildings, equipment, furniture, fixtures and supply inventory;

f. Professional liability and technology errors and omissions insurance (including cyber-security and privacy liability coverage) (collectively, "E&O Coverage") covering liability for all loss or damages arising out of the Services provided by Provider or any Provider Agent under the Agreement, with a limit of [***] per claim and annual aggregate. All coverage under this Section 3(f) shall comply with the following requirements:

The retroactive coverage date shall be no later than the retroactive date in effect for Provider's current professional liability policy or technology errors and omissions policy (or any other policy providing cyber-security and/or privacy liability coverage). The policy shall be a "claims made" policy. Provider shall maintain an extended reporting period or procure "tail" coverage providing that claims first made and reported to the carrier within two years after termination of the Agreement will be deemed to have been made during the policy period.

The E&O Coverage shall be written as primary with respect to any insurance issued directly to or maintained by Customer or Customer Group. The E&O Coverage must not include any exclusion for contractual liability arising under this Agreement or other agreements entered into by Customer or Customer Group, or otherwise exclude cyber-security or privacy liability or other risks arising out of Provider's or any Provider Agent's Services under the Agreement; and

g. Comprehensive crime insurance covering dishonest acts of employees, agents, contractors and subcontractors; such insurance to be written for limits of [***] and include Customer as a joint loss payee.

EXECUTION VERSION
AMENDED AND RESTATED

[Certain confidential portions of this exhibit have been redacted pursuant to Item 601(b)(10)(iv) of Regulation S-K and marked with asterisks. The omitted information (i) is not material and (ii) would likely cause us competitive harm if publicly disclosed.]

AMENDED AND RESTATED SERVICE AGREEMENT NO. 1

1. INTRODUCTION

This Amended and Restated Service Agreement No. 1 is effective as of August 1, 2020 (the ***"Execution Date"***), and is made by Sabre GLBL Inc. (***"Customer"***) and DXC Technology Services, LLC (***"Provider"***). This "Service Agreement" and its Schedules are incorporated into that certain Master Services Agreement dated as of August 1, 2020, between Customer and Provider (***"Master Agreement"***) and unless specified otherwise in Schedule N, all terms of the Master Agreement will apply to this Service Agreement. Any terms and conditions that deviate from or are in conflict with the Master Agreement are set forth in Schedule N (Deviations from Terms of the Master Agreement). In the event of a conflict between the provisions of this Service Agreement and the Master Agreement, the provisions of Section 2.3 of the Master Agreement shall control such conflict.

Customer and Provider entered into that certain Service Agreement No. 1, dated November 1, 2015, as amended prior to the Execution Date of this Service Agreement and including the Schedules thereto (the ***"Prior Service Agreement"***). The Parties entered into an amendment to the Prior Service Agreement effective as of August 1, 2020, pursuant to which the Parties agreed to revise key commercial terms and conditions, including the Service Agreement Term, the scope of services, pricing and new ITTP Projects. As part of such amendment, the Parties further agreed to undertake a post-signing review of the Prior Service Agreement documents to address descriptions of services and obligations that, pursuant to amendments and other agreed upon changes, (a) have been previously removed from scope in their entirety, (b) have been revised and so are not accurately reflected in such documents or (c) otherwise require updating. The Parties acknowledged and agreed that although the post-signing review and formal amendment may require a few months to complete, it would be effective as of August 1, 2020. As a result of such post-signing review, the Parties have entered in this Service Agreement in order to amend and restate the Prior Service Agreement in its entirety effective as of August 1, 2020.

Neither Customer nor any Affiliate of Customer shall be responsible for any termination charges, wind down costs or other termination related charges or expenses associated with the amendment and restatement of the Prior Service Agreement and Provider hereby waives any minimum commitment (or similar rights), termination notices or other payment or termination related provisions in the Prior Service Agreement in connection with such amendment and restatement of the Prior Service Agreement.

For the avoidance of doubt, neither Party, as a result of entering into this Service Agreement, will be deemed to have waived, or to have released the other Party from, any claim, issue or dispute arising after the Execution Date of this Service Agreement but relating to periods during the term of the applicable Prior Service Agreement, which such claims, issues or disputes

shall be governed by this Service Agreement (except as otherwise set forth in this Service Agreement). Except as expressly set forth in the preceding sentence, this Service Agreement shall govern all other claims, issues and disputes hereunder arising after the Execution Date.

2. DEFINITIONS

Unless otherwise defined herein, capitalized terms herein will have the meaning set forth in the Master Agreement (including the Exhibits thereto) or in Schedule A (Definitions) to this Service Agreement. The term "Services" as used in this Service Agreement means the Services provided pursuant to this Service Agreement.

3. SERVICES GENERALLY

3.1 Services and Responsibilities

Provider will provide the Services to Customer in accordance with the Master Agreement (including the Exhibits thereto) and this Service Agreement (including the Schedules hereto). The Services and the Responsibilities of the Parties with respect to the Services are described in Schedule B (Service Descriptions), Schedule M (Disaster Recovery and Business Continuity Requirements) and Schedule W (Customer Security Requirements). The scope and composition of the Services, and Provider's performance of the Services, is further described in and subject to the terms of the Master Agreement, this Service Agreement, and the Schedules identified below in the Table of Schedules, including the Interim Services described in Section 3.1(a) below. Provider shall develop a Procedures Manual that documents the operational policies and procedures applicable to the Services in accordance with Schedule P (Procedures Manual Requirements) and Section 4.7 of the Master Agreement.

3.2 Service Levels

Schedule D (Service Level Agreement) to this Service Agreement sets forth the Service Levels that are applicable to the Services, as well as Service Level Credits to be provided to Customer from Provider in the event of certain Service Level failures.

3.3 Charges

Schedule C (Charges) to this Service Agreement sets forth the applicable Charges.

3.4 Facilities

The Services will be performed at the Customer Facilities and Provider Facilities listed in Schedule T (Facilities). With regard to the Customer Facilities, in accordance with Section 5.2 of the Master Agreement, Customer will make available for Provider's use in performing the Services a minimum of [***] dedicated cubes and [***] dedicated project rooms in the Customer Facilities in Southlake, Texas.

3.5 Software; Third Party Agreements; Assets

(a) The Software that is required for Provider's performance of the Services is described in Schedule G (Customer Software) and Schedule H (Provider Software). Provider's responsibility for managing any Customer Software or other Third Party Agreements is described Schedule J (Third Party Agreements). Schedule I (Asset Allocation Matrix) defines the Parties' respective responsibilities for the operation and management of the Software, Equipment and other Assets supported by, or necessary to provide, the Services.

(b) The Parties acknowledge and agree that:

i. The refresh of any Equipment being used to provide Services under the Midrange Services Tower, the Network Services Tower (except for Equipment being updated as part of the Mainframe Transformation ITTP) and the Security Services Tower (collectively, the "***Legacy Equipment***") will be performed in accordance with the Change Control Procedures as provided in the Technology Refresh Schedule.

ii. [***]

iii. According to Schedule C, the Charges for such Services will continue until such time as such Services are transitioned and Provider is no longer providing such Services under this Service Agreement.

iv. If Provider will be required to provide the Services beyond December 31, 2024, any changes to the service solution necessary for the ongoing provision of such Services will be subject to the Change Control Procedures.

3.6 Reports

Provider will provide the Reports listed in Schedule K (Reports).

3.7 Deliverables

All Deliverables to be provided as part of the Services under this Service Agreement shall comply with the requirements of the Master Agreement.

4. Term/Survival/REnewal/TERMINATION

4.1 Term

The term of this Service Agreement (***"Service Agreement Term"***) shall begin on the Execution Date and shall continue until July 31, 2030 (the ***"Service Agreement Expiration Date"***), unless earlier terminated in accordance with the provisions of the Master Agreement or this Service Agreement. Customer may extend the Service Agreement Term in accordance with the provisions of Section 3.3 of the Master Agreement.

4.2 Survival

Upon the expiration or earlier termination of this Service Agreement, the following Sections of this Service Agreement shall survive any such expiration or termination in accordance with their terms: None.

4.3 Termination

This Service Agreement may be terminated, in whole or in part, by the Parties in accordance with Section 18 of the Master Agreement and as otherwise provided in this Service Agreement. In the event of any termination or expiration of this Service Agreement, Provider will provide the Termination Assistance Services described in Section 18 of the Master Agreement and in Schedule O (Termination Assistance Services) hereto.

5. TRANSITION/TRANSFORMATION

5.1 Transition and Transformation

Schedule F (Transition and Transformation) includes (a) the Services to be transitioned to Customer, along with the obligations of the Parties related thereto, and (b) the transformational activities to be performed by Provider as part of the Services, and the obligations of Customer related thereto, both as further detailed in the ITTPs. Schedule S (Projects) describes any in-flight Projects and, as applicable, the process for migrating such Projects to Customer. Although there are no in-flight Projects as of the Execution Date, Provider is currently performing Projects as of the Execution Date that were begun prior to the Execution Date. Such Projects are subject to their own project plans and project agreements, and all such Projects shall continue in accordance with the applicable project plans and at the rates and according to the terms of the project agreements, all of which shall be considered subject to this Service Agreement.

5.2 Governance

The performance of the Services will be governed in accordance with Exhibit 3 (Account Governance) of the Master Agreement and Schedule R (Technology Governance).

6. Relationship protocols

6.1 Key Personnel

The Provider employees serving as Key Personnel are set forth in Schedule E (Key Personnel).

6.2 Approved Provider Agents

Those Provider Agents approved by Customer (if any) are listed on Schedule L (Approved Provider Agents). Schedule L includes the Services provided by the Provider Agent,

as well as any restrictions or limitations on Provider's ability to transfer or assign the Provider Agent agreement to Customer, including any fees associated therewith.

7. Disaster recovery and business continuity

The Disaster Recovery Services are set forth in Schedule M (Disaster Recovery and Business Continuity Requirements).

Table of Schedules

Schedule	Schedule Title	Intentionally Omitted as N/A
A	Definitions	
B	Service Description	
B-1	Service Locations	
B-2	Mainframe Services Service Description	
B-3	Midrange Services Service Description	
B-4	Network Services Service Description	
B-5	Cross Functional Services Service Description	
B-6	Project and Labor Services Service Description	
B-7	Midrange & Network Capacity Planning, Performance Management & Architectural Planning Service Description	
C	Charges	
C-1	RU Definitions	
C-2	Hardware Maintenance Support and Rate Sheet	
C-3	Pricing and Baselines	
C-4	Intentionally Omitted	N/A
C-5	Labor Descriptions	
C-6	Intentionally Omitted	N/A
C-7	Intentionally Omitted	N/A
C-8	Examples of Billable and Non-Billable Projects	
D	Service Level Agreement	
D-1	Service Level Matrix with Allocation of Pool Percentage	
D-2	Service Level Definitions	
D-3	Priority Level Definitions	
E	Key Personnel; Restricted Personnel	
F	Integrated Transition and Transformation Plan	
F-1	Mainframe ITTP	
F-2	Intentionally Omitted	N/A
F-3	Intentionally Omitted	N/A
F-4	Intentionally Omitted	N/A
F-5	Intentionally Omitted	N/A

F-6	Intentionally Omitted	N/A
F-7	Intentionally Omitted	N/A
F-8	Intentionally Omitted	N/A
F-9	Intentionally Omitted	N/A
F-10	Template – Project Definition Document	
F-11	Template – Project Schedule	
F-12	ITTP Project Management	
F-13	Template – Engineering Design Document (EDD)	
G	Customer Software	
H	Provider Software	
I	Asset Allocation Matrix	
J	Third Party Agreements	
K	Reports	
K-1	Intentionally Omitted	N/A
K-2	Sample SCRT Report	
L	Approved Provider Agents	
M	Disaster Recovery and Business Continuity Requirements	
N	Deviations from Terms of Master Agreement	
O	Termination Assistance Services	
P	Procedures Manual Requirements	
Q	International Agreements	
R	Technology Governance	
S	Projects	
T	Facilities	
T-1	Provider Offshore Migration Planning	
U	Intentionally Omitted	N/A
V	Standards	
W	Customer Security Requirements	
W-1	Security Standards Repository	
W-2	Enterprise Security Information Systems (ESIS)	

THE PARTIES ACKNOWLEDGE THAT THEY HAVE READ THIS SERVICE AGREEMENT, UNDERSTAND IT, AND AGREE TO BE BOUND BY ITS TERMS AND CONDITIONS. FURTHER, THE PARTIES AGREE THAT THE COMPLETE AND EXCLUSIVE STATEMENT OF THE AGREEMENT BETWEEN THE PARTIES RELATING TO THIS SUBJECT SHALL CONSIST OF 1) THIS SERVICE AGREEMENT, 2) ITS SCHEDULES, AND 3) THE MASTER AGREEMENT (INCLUDING THE EXHIBITS THERETO), INCLUDING THOSE AMENDMENTS MADE EFFECTIVE BY THE PARTIES IN THE FUTURE. EXCEPT AS OTHERWISE EXPRESSLY PROVIDED TO THE CONTRARY HEREIN, THIS STATEMENT OF THE AGREEMENT BETWEEN THE PARTIES SUPERSEDES ALL PROPOSALS OR OTHER PRIOR AGREEMENTS, ORAL OR WRITTEN, AND ALL OTHER COMMUNICATIONS BETWEEN THE PARTIES RELATING TO THE SUBJECT DESCRIBED HEREIN.

*-- **Signatures on following page** --*

Accepted by:	Accepted by:
Customer	Provider
By: /s/ Doug Barnett Authorized Signature	By: /s/ David Swift Authorized Signature
Doug Barnett	David Swift
Name (Type or Print) Date 12/10/20	Name (Type or Print) Date 12/10/20

Sabre Corporation
2020 ANNUAL REPORT
List of Subsidiaries

The following are subsidiaries of Sabre Corporation as of December 31, 2020 and the states or jurisdictions in which they are organized. Except as otherwise specified, in each case Sabre Corporation owns, directly or indirectly, all of the voting securities of each subsidiary.

Legal Name of Subsidiary	Jurisdiction of Incorporation or Organization	% of Voting Interest Directly or Indirectly Held (If Not Wholly-owned)
Abacus Distribution Systems (Cambodia) Pte Ltd	Cambodia	
Airline Technology Services Mauritius Ltd.	Mauritius	
Airpas Aviation GmbH	Germany	
Asiana Sabre Inc.	Korea, Republic of	20%
EB2 Limited	United Kingdom	
E-Beam Limited	United Kingdom	
Elektroniczne Systemy Sprzedazy Sp. ZO.O.	Poland	40%
Excellent Management Limited	Hong Kong	20%
EZYWebwerksraden AB	Sweden	
FlightLine Data Services, Inc.	Georgia	
GetThere Inc.	Delaware	
GetThere L.P.	Delaware	
Holiday Service GmbH i.L.	Germany	
IHS GmbH	Germany	
IHS US Inc.	Florida	
Innlink, LLC	Delaware	
Laser Holdings Limited	United Kingdom	
Lastminute (Cyprus) Limited	Cyprus	
lastminute.com Holdings, Inc.	Delaware	
lastminute.com LLC	Delaware	
Lastminute.com GmbH i.L.	Germany	
Last Minute Network Limited	United Kingdom	
Leisure Cars Broker S.L.	Spain	
Leisure Cars European Services GmbH	Switzerland	
Leisure Cars GmbH i.L.	Germany	
Leisure Cars Group Limited	United Kingdom	
Leisure Cars Holdings Limited	United Kingdom	
Leisure Cars International Limited	United Kingdom	
Leisure Cars UK & Ireland Limited	United Kingdom	
Marlins Acquisition Corp	Delaware	
Nexus World Services, Inc.	Delaware	
PRISM Group, Inc.	Maryland	
PRISM Technologies, LLC	New Mexico	
PT Sabre Travel Network Indonesia	Indonesia	5%
Radixx Solutions International, Inc.	Delaware	
RSI Midco, Inc.	Delaware	
Sabre (Australia) Pty Ltd	Australia	
Sabre (Thailand) Holdings LLC	Delaware	
Sabre Airline Solutions GmbH	Germany	
Sabre AS (Luxembourg) S.a r.l.	Luxembourg	
Sabre Asia Pacific Pte. Ltd.	Singapore	
Sabre Australia Technologies I Pty. Ltd.	Australia	
Sabre Austria GmbH	Austria	
Sabre Belgium SA	Belgium	
Sabre Bulgaria AD	Bulgaria	60%
Sabre Canada Inc.	Canada	
Sabre China Sea Technologies Ltd.	Labuan	
Sabre Colombia Ltda.	Colombia	
Sabre Computer Reservierungssystem GmbH	Austria	

Sabre Danmark ApS	Denmark	
Sabre Decision Technologies International, LLC	Delaware	
Sabre Deutschland Marketing GmbH	Germany	
Sabre Digital Limited	United Kingdom	
Sabre EMEA Marketing Limited	United Kingdom	
Sabre Espana Marketing, S.A.	Spain	
Sabre Finance (Luxembourg) S.a.r.l.	Luxembourg	
Sabre France Sarl	France	
Sabre GLBL Inc.	Delaware	
Sabre Global Services S.A.	Uruguay	
Sabre Global Technologies, Limited	United Kingdom	
Sabre Headquarters, LLC	Delaware	
Sabre Hellas Computer Reservation Systems Services Societe Anonyme	Greece	
Sabre Holdings (Luxembourg) S.a.r.l.	Luxembourg	
Sabre Holdings Corporation	Delaware	
Sabre Holdings GmbH	Germany	
Sabre Hospitality Solutions GmbH	Germany	
Sabre Iceland ehf.	Iceland	
Sabre Informacion S.A. de C.V.	Mexico	
Sabre International (Bahrain) W.L.L.	Bahrain	
Sabre International (Luxembourg) S.a.r.l.	Luxembourg	
Sabre International B.V.	Luxembourg	
Sabre International Holdings, LLC	Delaware	
Sabre International Newco, Inc.	Delaware	
Sabre International, LLC.	Delaware	
Sabre Ireland Limited	Ireland	
Sabre Israel Travel Technologies LTD.	Israel	
Sabre Italia S.r.l.	Italy	
Sabre Limited	New Zealand	
Sabre Marketing Nederland B.V.	Netherlands	
Sabre Marketing Pte. Ltd.	Singapore	
Sabre Mexico LLC	Delaware	
Sabre Netherlands Holdings B.V.	Netherlands	
Sabre Norge AS	Norway	
Sabre Pakistan (Private) Limited	Pakistan	
Sabre Polska Sp. Z.o.o.	Poland	
Sabre Portugal Servicios Lda	Portugal	
Sabre Rocade AB	Sweden	
Sabre Rocade Assist	Sweden	
Sabre Seyahat Dagitim Sisternleri A.S.	Turkey	60%
Sabre Sociedad Technologica S de RL de CV	Mexico	
Sabre South Pacific I	Australia	
Sabre Suomi Oy	Finland	
Sabre Sverige AB	Sweden	
Sabre Technology Holdings Pte. Ltd.	Singapore	
Sabre Technology Holland II B.V.	Netherlands	
Sabre Travel International Limited	Ireland	
Sabre Travel Network Asia Pacific	Singapore	
Sabre Travel Network (Australia) Pty Ltd.	Australia	
Sabre Travel Network (Bangladesh) Limited	Bangladesh	49%
Sabre Travel Network (Brunei) Sdn Bhd	Brunei Darussalam	15%
Sabre Travel Network (Central Asia) LLP	Kazakhstan	
Sabre Travel Network (Hong Kong) Limited	Hong Kong	
Sabre Travel Network (India) Private Limited	India	
Sabre Travel Network (Lao) Co., Ltd.	Lao People's Democratic Republic	40%
Sabre Travel Network (Malaysia) Sdn. Bhd.	Malaysia	
Sabre Travel Network (New Zealand) Limited	New Zealand	
Sabre Travel Network (Pakistan) Private Limited	Pakistan	30%
Sabre Travel Network (Philippines) Inc.	Philippines	17%
Sabre Travel Network (Thailand) Ltd.	Thailand	
Sabre Travel Network Eqypt LLC	Egypt	60%
Sabre Travel Network Jordan LLC	Jordan	

Sabre Travel Network Lanka (Private) Limited	Sri Lanka	60%
Sabre Travel Network Middle East W.L.L.	Bahrain	60%
Sabre Travel Network Romania S.R.L.	Romania	
Sabre Travel Network Southern Africa (Proprietary) Limited	South Africa	
Sabre Travel Network Taiwan Ltd.	Taiwan	4.39%
Sabre Travel Technologies (Private) Limited	India	
Sabre UK Marketing Ltd.	United Kingdom	
Sabre Ukraine Limited	United Kingdom	30%
Sabre Ukraine LLC	Ukraine	
Sabre Vietnam JSC	Vietnam	24%
Sabre Zenon Cyprus Limited	Cyprus	
SabreMark G.P., LLC	Delaware	
SabreMark Limited Partnership	Delaware	
Switch Automated Booking Services Co WLL	Kuwait	49%
TG India Holdings Company	Cayman Islands	
TG India Management Company	Cayman Islands	
Travelocity Global Technologies Private Limited	India	
TravLynx LLC	Florida	
TVL GmbH	Germany	
TVL Australia Pty Ltd	Australia	
TVL Common, Inc.	Delaware	
TVL Europe	United Kingdom	
TVL Holdings I, LLC	Delaware	
TVL Holdings, Inc.	Delaware	
TVL International B.V.	Netherlands	
TVL LLC	Delaware	
TVL LP	Delaware	
TVL Sabre GmbH	Germany	
TVL Travel Limited	United Kingdom	
Zuji Holdings Ltd.	Cayman Islands	

Exhibit 23.1

Consent of Independent Registered Public Accounting Firm

We consent to the incorporation by reference in the following Registration Statements:

(1) Registration Statement (Form S-8 No. 333-231014) pertaining to the Sabre Corporation 2019 Omnibus Incentive Compensation Plan and the Sabre Corporation 2019 Director Equity Compensation Plan,
(2) Registration Statement, as amended (Form S-3 No. 333-224616) and related Prospectus of Sabre Corporation,
(3) Registration Statement (Form S-8 No. 333-211661) pertaining to the Sabre Corporation 2016 Omnibus Incentive Compensation Plan, and
(4) Registration Statement (Form S-8 No. 333-196056) pertaining to the Sovereign Holdings, Inc. Management Equity Incentive Plan, Sovereign Holdings, Inc. 2012 Management Equity Incentive Plan, and the Sabre Corporation 2014 Omnibus Incentive Compensation Plan;

of our reports dated February 25, 2021, with respect to the consolidated financial statements and schedule of Sabre Corporation, and the effectiveness of internal control over financial reporting of Sabre Corporation, included in this Annual Report (Form 10-K) for the year ended December 31, 2020.

/s/ Ernst & Young LLP

Dallas, Texas
February 25, 2021

Exhibit 31.1

CERTIFICATION OF CHIEF EXECUTIVE OFFICER
PURSUANT TO SECTION 302 OF THE SARBANES-OXLEY ACT OF 2002

I, Sean Menke, certify that:

1. I have reviewed this annual report on Form 10-K of Sabre Corporation;

2. Based on my knowledge, this report does not contain any untrue statement of a material fact or omit to state a material fact necessary to make the statements made, in light of the circumstances under which such statements were made, not misleading with respect to the period covered by this report;

3. Based on my knowledge, the financial statements, and other financial information included in this report, fairly present in all material respects the financial condition, results of operations and cash flows of the registrant as of, and for, the periods presented in this report;

4. The registrant's other certifying officer and I are responsible for establishing and maintaining disclosure controls and procedures (as defined in Exchange Act Rules 13a-15(e) and 15d-15(e)) and internal control over financial reporting (as defined in Exchange Act Rules 13a-15(f) and 15d-15(f)) for the registrant and have:

    a. Designed such disclosure controls and procedures, or caused such disclosure controls and procedures to be designed under our supervision, to ensure that material information relating to the registrant, including its consolidated subsidiaries, is made known to us by others within those entities, particularly during the period in which this report is being prepared;

    b. Designed such internal control over financial reporting, or caused such internal control over financial reporting to be designed under our supervision, to provide reasonable assurance regarding the reliability of financial reporting and the preparation of financial statements for external purposes in accordance with generally accepted accounting principles;

    c. Evaluated the effectiveness of the registrant's disclosure controls and procedures and presented in this report our conclusions about the effectiveness of the disclosure controls and procedures, as of the end of the period covered by this report based on such evaluation; and

    d. Disclosed in this report any change in the registrant's internal control over financial reporting that occurred during the registrant's most recent fiscal quarter (the registrant's fourth fiscal quarter in the case of an annual report) that has materially affected, or is reasonably likely to materially affect, the registrant's internal control over financial reporting; and

5. The registrant's other certifying officer and I have disclosed, based on our most recent evaluation of internal control over financial reporting, to the registrant's auditors and the audit committee of the registrant's board of directors (or persons performing the equivalent functions):

    a. All significant deficiencies and material weaknesses in the design or operation of internal control over financial reporting which are reasonably likely to adversely affect the registrant's ability to record, process, summarize and report financial information; and

    b. Any fraud, whether or not material, that involves management or other employees who have a significant role in the registrant's internal control over financial reporting.

Date: February 25, 2021

By: /s/ Sean Menke
Sean Menke
Chief Executive Officer
(principal executive officer of the registrant)

Exhibit 31.2

CERTIFICATION OF CHIEF FINANCIAL OFFICER
PURSUANT TO SECTION 302 OF THE SARBANES-OXLEY ACT OF 2002

I, Douglas Barnett, certify that:

1. I have reviewed this annual report on Form 10-K of Sabre Corporation;

2. Based on my knowledge, this report does not contain any untrue statement of a material fact or omit to state a material fact necessary to make the statements made, in light of the circumstances under which such statements were made, not misleading with respect to the period covered by this report;

3. Based on my knowledge, the financial statements, and other financial information included in this report, fairly present in all material respects the financial condition, results of operations and cash flows of the registrant as of, and for, the periods presented in this report;

4. The registrant's other certifying officer and I are responsible for establishing and maintaining disclosure controls and procedures (as defined in Exchange Act Rules 13a-15(e) and 15d-15(e)) and internal control over financial reporting (as defined in Exchange Act Rules 13a-15(f) and 15d-15(f)) for the registrant and have:

    a. Designed such disclosure controls and procedures, or caused such disclosure controls and procedures to be designed under our supervision, to ensure that material information relating to the registrant, including its consolidated subsidiaries, is made known to us by others within those entities, particularly during the period in which this report is being prepared;

    b. Designed such internal control over financial reporting, or caused such internal control over financial reporting to be designed under our supervision, to provide reasonable assurance regarding the reliability of financial reporting and the preparation of financial statements for external purposes in accordance with generally accepted accounting principles;

    c. Evaluated the effectiveness of the registrant's disclosure controls and procedures and presented in this report our conclusions about the effectiveness of the disclosure controls and procedures, as of the end of the period covered by this report based on such evaluation; and

    d. Disclosed in this report any change in the registrant's internal control over financial reporting that occurred during the registrant's most recent fiscal quarter (the registrant's fourth fiscal quarter in the case of an annual report) that has materially affected, or is reasonably likely to materially affect, the registrant's internal control over financial reporting; and

5. The registrant's other certifying officer and I have disclosed, based on our most recent evaluation of internal control over financial reporting, to the registrant's auditors and the audit committee of the registrant's board of directors (or persons performing the equivalent functions):

    a. All significant deficiencies and material weaknesses in the design or operation of internal control over financial reporting which are reasonably likely to adversely affect the registrant's ability to record, process, summarize and report financial information; and

    b. Any fraud, whether or not material, that involves management or other employees who have a significant role in the registrant's internal control over financial reporting.

Date: February 25, 2021

By: /s/ Douglas Barnett
Douglas Barnett
Chief Financial Officer
(principal financial officer of the registrant)

Exhibit 32.1

CERTIFICATION OF CHIEF EXECUTIVE OFFICER PURSUANT TO
18 U.S.C. SECTION 1350, AS ADOPTED PURSUANT TO SECTION 906
OF THE SARBANES-OXLEY ACT OF 2002

The undersigned, the Chief Executive Officer of Sabre Corporation, hereby certifies that to his knowledge, on the date hereof:

a. The Form 10-K of Sabre Corporation for the year ended December 31, 2020 (the "Report"), filed on the date hereof with the Securities and Exchange Commission fully complies with the requirements of Section 13(a) or 15(d) of the Securities Exchange Act of 1934; and

b. The information contained in the Report fairly presents, in all material respects, the financial condition and results of operations of Sabre Corporation.

Date: February 25, 2021

By: /s/ Sean Menke
Sean Menke
Chief Executive Officer
(principal executive officer of the registrant)

This certification accompanies the Form 10-K to which it relates, is not deemed filed with the Securities and Exchange Commission and is not to be incorporated by reference into any filing of Sabre Corporation under the Securities Act of 1933, as amended, or the Securities Exchange Act of 1934, as amended (whether made before or after the date of the Form 10-K), irrespective of any general incorporation language contained in such filing.

Exhibit 32.2

CERTIFICATION OF CHIEF FINANCIAL OFFICER PURSUANT TO 18 U.S.C. SECTION 1350, AS ADOPTED PURSUANT TO SECTION 906 OF THE SARBANES-OXLEY ACT OF 2002

The undersigned, the Chief Financial Officer of Sabre Corporation, hereby certifies that to his knowledge, on the date hereof:

a. The Form 10-K of Sabre Corporation for the year ended December 31, 2020 (the "Report"), filed on the date hereof with the Securities and Exchange Commission fully complies with the requirements of Section 13(a) or 15(d) of the Securities Exchange Act of 1934; and

b. The information contained in the Report fairly presents, in all material respects, the financial condition and results of operations of Sabre Corporation.

Date: February 25, 2021

By: /s/ Douglas Barnett
Douglas Barnett
Chief Financial Officer
(principal financial officer of the registrant)

This certification accompanies the Form 10-K to which it relates, is not deemed filed with the Securities and Exchange Commission and is not to be incorporated by reference into any filing of Sabre Corporation under the Securities Act of 1933, as amended, or the Securities Exchange Act of 1934, as amended (whether made before or after the date of the Form 10-K), irrespective of any general incorporation language contained in such filing.