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**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, 2016

OR

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

For the transition period from \_\_\_\_\_ to \_\_\_\_\_

Commission file number: 001-37908

**CAMPING WORLD HOLDINGS, INC.**

(Exact name of registrant as specified in its charter)

**Delaware**  
(State or other jurisdiction of  
incorporation or organization)

**81-1737145**  
(I.R.S. Employer  
Identification No.)

**250 Parkway Drive, Suite 270  
Lincolnshire, IL 60069  
Telephone: (847) 808-3000**

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

**Title of each class**  
Common Stock, Par Value \$0.01 Per Share

**Name of each exchange on which registered**  
New York Stock Exchange

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 Exchange 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 and posted on its corporate Web site, if any, every Interactive Data File required to be submitted and posted 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 new registrant was required to submit and post such files). Yes  No

Indicate by check mark if disclosure of delinquent filers pursuant to Item 405 of Regulation S-K is not contained herein, and will not be contained, to the best of registrant's knowledge, in definitive proxy or information statements incorporated by reference in Part III of this Form 10-K or any amendment to this Form 10-K.

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

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

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

The registrant was not a public company as of the last business day of its most recently completed second fiscal quarter and, therefore, cannot calculate the aggregate market value of its voting and non-voting common equity held by non-affiliates as of such date.

As of March 13, 2017, the registrant had 18,946,000 shares of Class A common stock outstanding, 62,002,729 shares of Class B common stock outstanding, and one share of Class C common stock outstanding.

**DOCUMENTS INCORPORATED BY REFERENCE**

Portions of the registrant's Proxy Statement relating to its 2017 Annual Meeting of Stockholders to be filed with the SEC within 120 days after the end of the fiscal year ended December 31, 2016 are incorporated herein by reference in Part III.

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**Camping World Holdings, Inc.**  
**Form 10-K**  
**For the Fiscal Year Ended December 31, 2016**

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## BASIS OF PRESENTATION

As used in this Annual Report on Form 10-K (this “Form 10-K”), unless the context otherwise requires, references to:

- “we,” “us,” “our,” the “Company,” “Camping World,” “Good Sam” and similar references refer to Camping World Holdings, Inc., and, unless otherwise stated, all of its subsidiaries, including CWGS Enterprises, LLC, which we refer to as “CWGS, LLC” and, unless otherwise stated, all of its subsidiaries.
- “Continuing Equity Owners” refers collectively to ML Acquisition, funds controlled by Crestview Partners II GP, L.P. and the Former Profit Unit Holders and each of their permitted transferees that own common units in CWGS, LLC and who may redeem at each of their options their common units for, at our election (determined solely by our independent directors within the meaning of the rules of the New York Stock Exchange who are disinterested), cash or shares of our Class A common stock.
- “Crestview” refers to Crestview Advisors, L.L.C., a registered investment adviser to private equity funds, including funds affiliated with Crestview Partners II GP, L.P.
- “CWGS LLC Agreement” refers to CWGS, LLC’s amended and restated limited liability company agreement, as amended.
- “Former Equity Owners” refers to those Original Equity Owners controlled by Crestview Partners II GP, L.P. that have exchanged their direct or indirect ownership interests in CWGS, LLC for shares of our Class A common stock in connection with the consummation of our initial public offering (“IPO”).
- “Former Profit Unit Holders” refers collectively to our named executive officers (excluding Marcus Lemonis), Andris A. Baltins and K. Dillon Schickli, who are members of our board of directors, and certain other current and former non executive employees and former directors, in each case, who held common units of CWGS, LLC pursuant to CWGS, LLC’s equity incentive plan that was in existence prior to our IPO and received common units of CWGS, LLC in exchange for their profit units in CWGS, LLC.
- “ML Acquisition” refers to ML Acquisition Company, LLC, a Delaware limited liability company, indirectly owned by each of Stephen Adams and our Chairman and Chief Executive Officer, Marcus Lemonis.
- “ML Related Parties” refers to ML Acquisition and its permitted transferees of common units.
- “ML RV Group” refers to ML RV Group, LLC, a Delaware limited liability company, wholly owned by our Chairman and Chief Executive Officer, Marcus Lemonis.
- “Original Equity Owners” refers to the direct and certain indirect owners of interests in CWGS, LLC, collectively, prior to the Reorganization Transactions and Recapitalization (as defined in Note 1 – Summary of Significant Accounting Policies and Note 18 – Stockholders’ Equity to our consolidated financial statements included in Part II, Item 8 of this Form 10-K, respectively) conducted in conjunction with our IPO, including ML Acquisition, funds controlled by Crestview Partners II GP, L.P. and the Former Profit Unit Holders.
- “Tax Receivable Agreement” refers to the tax receivable agreement that the Company entered into with CWGS, LLC, each of the Continuing Equity Owners and Crestview Partners II GP, L.P. in connection with the Company’s IPO.

## CAUTIONARY NOTE REGARDING FORWARD-LOOKING STATEMENTS

This Annual Report on Form 10-K contains forward-looking statements. We intend such forward-looking statements to be covered by the safe harbor provisions for forward-looking statements contained in Section 27A of the Securities Act of 1933 and Section 21E of the Securities Exchange Act of 1934. All statements other than statements of historical facts contained in this Annual Report on Form 10-K may be forward-looking statements. Statements regarding our future results of operations and financial position, business strategy and plans and objectives of management for future operations, including, among others, statements regarding expected new retail location openings, including greenfield locations and acquired locations; profitability of new retail locations; future capital expenditures and debt service obligations; refinancing, retirement or exchange of outstanding debt; expectations regarding consumer behavior and growth; our comparative advantages and our plans and ability to expand our consumer base; our ability to respond to changing business and economic conditions; volatility in sales; our ability to drive growth; and expectations regarding increase of certain expenses are forward-looking statements. In some cases, you can identify forward-looking statements by terms such as “may,” “will,” “should,” “expects,” “plans,” “anticipates,” “could,” “intends,” “targets,” “projects,” “contemplates,” “believes,” “estimates,” “predicts,” “potential” or “continue” or the negative of these terms or other similar expressions.

Forward-looking statements involve known and unknown risks, uncertainties and other important factors that may cause our actual results, performance or achievements to be materially different from any future results, performance or achievements expressed or implied by the forward-looking statements. We believe that these important factors include, but are not limited to, the following:

- the availability of financing to us and our customers;
- fuel shortages, or high prices for fuel;
- the well-being, as well as the continued popularity and reputation for quality, of our manufacturers;
- general economic conditions in our markets, and ongoing economic and financial uncertainties;
- our ability to attract and retain customers;
- competition in the market for services, protection plans, products and resources targeting the RV lifestyle or RV enthusiast;
- our expansion into new, unfamiliar markets as well as delays in opening or acquiring new retail locations;
- unforeseen expenses, difficulties, and delays frequently encountered in connection with expansion through acquisitions;
- our failure to maintain the strength and value of our brands;
- our ability to successfully order and manage our inventory to reflect consumer demand in a volatile market and anticipate changing consumer preferences and buying trends;
- fluctuations in our same store sales and whether they will be a meaningful indicator of future performance;
- the cyclical and seasonal nature of our business;
- our ability to operate and expand our business and to respond to changing business and economic conditions, which depends on the availability of adequate capital;
- the restrictive covenants in our Senior Secured Credit Facilities and Floor Plan Facility;

- our reliance on three fulfillment and distribution centers for our retail, e-commerce and catalog businesses;
- natural disasters, whether or not caused by climate change, unusual weather condition, epidemic outbreaks, terrorist acts and political events;
- our dependence on our relationships with third party providers of services, protection plans, products and resources and a disruption of these relationships or of these providers' operations;
- whether third party lending institutions and insurance companies will continue to provide financing for RV purchases;
- our inability to retain senior executives and attract and retain other qualified employees;
- our ability to meet our labor needs;
- our inability to maintain the leases for our retail locations or locate alternative sites for our stores in our target markets and on terms that are acceptable to us;
- our business being subject to numerous federal, state and local regulations;
- regulations applicable to the sale of extended service contracts;
- our dealerships' susceptibility to termination, non-renewal or renegotiation of dealer agreements if state dealer laws are repealed or weakened;
- our failure to comply with certain environmental regulations;
- climate change legislation or regulations restricting emission of "greenhouse gases;"
- a failure in our e-commerce operations, security breaches and cybersecurity risks;
- our inability to enforce our intellectual property rights and accusations of our infringement on the intellectual property rights of third parties;
- our inability to maintain or upgrade our information technology systems or our inability to convert to alternate systems in an efficient and timely manner;
- disruptions to our information technology systems or breaches of our network security;
- Marcus Lemonis, through his beneficial ownership of our shares directly or indirectly held by ML Acquisition Company, LLC and ML RV Group, LLC, has substantial control over us and may approve or disapprove substantially all transactions and other matters requiring approval by our stockholders, including, but not limited to, the election of directors;
- the exemptions from certain corporate governance requirements that we will qualify for, and intend to rely on, due to the fact that we are a "controlled company" within the meaning of the New York Stock Exchange, or NYSE, listing requirements;
- whether we are able to realize any tax benefits that may arise from our organizational structure and any redemptions or exchanges of CWGS Enterprises, LLC common units for cash or stock; and
- the other factors set forth under "Risk Factors" In Item 1A of Part I of this Annual Report on Form 10-K.

We qualify all of our forward-looking statements by these cautionary statements. The forward-looking statements in this Annual Report on Form 10-K are only predictions. We have based these forward-looking

statements largely on our current expectations and projections about future events and financial trends that we believe may affect our business, financial condition and results of operations. Because forward-looking statements are inherently subject to risks and uncertainties, some of which cannot be predicted or quantified, you should not rely on these forward-looking statements as predictions of future events. The events and circumstances reflected in our forward-looking statements may not be achieved or occur and actual results could differ materially from those projected in the forward-looking statements. Except as required by applicable law, we do not plan to publicly update or revise any forward-looking statements contained herein, whether as a result of any new information, future events, changed circumstances or otherwise. For a further discussion of the risks relating to our business, see “Item 1A—Risk Factors” in Part I of this Annual Report on Form 10-K.

PART I

ITEM 1. BUSINESS

*For purposes of this Annual Report on Form 10-K, we define an "Active Customer" as a customer who has transacted with us in any of the eight most recently completed fiscal quarters prior to the date of measurement. Unless otherwise indicated, the date of measurement is December 31, 2016, our most recently completed fiscal quarter. Additionally, references herein to the approximately 9 million U.S. households that own a recreational vehicle are based on The RV Consumer in 2011, an industry report published by the University of Michigan in 2011 (the "RV Survey"), which we believe to be the most recent such survey.*

**Our Company**

We believe we are the only provider of a comprehensive portfolio of services, protection plans, products and resources for recreational vehicle ("RV") enthusiasts. Approximately 9 million households in the U.S. own an RV, and of that installed base, we have approximately 3.3 million Active Customers. We generate recurring revenue by providing RV owners and enthusiasts the full spectrum of services, protection plans, products and resources that we believe are essential to operate, maintain and protect their RV and to enjoy the RV lifestyle. We provide these offerings through our two iconic brands: Good Sam and Camping World.

<b>Good Sam Consumer Services and Plans</b>	<b>Camping World Retail</b>		
<b>Consumer Services and Plans</b>	<b>New and Used Vehicles</b>	<b>Parts, Service and Other</b>	<b>Dealership Finance and Insurance</b>
<ul style="list-style-type: none"> <li>• Extended vehicle service contracts</li> <li>• Emergency roadside assistance</li> <li>• Property and casualty insurance programs</li> <li>• Membership clubs</li> <li>• Vehicle financing and refinancing</li> <li>• Travel protection</li> <li>• Co-branded credit cards</li> <li>• Consumer activities and resources:                             <ul style="list-style-type: none"> <li>– Membership events and chapters</li> <li>– Consumer shows</li> <li>– Trip planning, travel directories and campground / fuel discounts</li> <li>– Consumer magazines</li> <li>– E-commerce and social media</li> <li>– Contact centers and technical hotlines</li> <li>– Hosted online forums</li> </ul> </li> </ul>	<ul style="list-style-type: none"> <li>• New and used travel trailers</li> <li>• New and used fifth wheel trailers</li> <li>• New and used motorhomes</li> </ul>	<ul style="list-style-type: none"> <li>• RV and auto repair and maintenance</li> <li>• Installation of parts and accessories</li> <li>• Collision repair</li> <li>• OEM and aftermarket parts</li> <li>• RV accessories, maintenance products and supplies                             <ul style="list-style-type: none"> <li>– Outdoor lifestyle products</li> <li>– Generators and electrical</li> <li>– Satellite receivers and GPS</li> <li>– Towing and hitching</li> <li>– RV appliances</li> <li>– Essential supplies</li> </ul> </li> </ul>	<ul style="list-style-type: none"> <li>• Vehicle financing</li> <li>• Protection plans                             <ul style="list-style-type: none"> <li>– Extended vehicle service contracts</li> <li>– Tire, wheel, paint and fabric protection</li> <li>– Gap protection</li> <li>– Travel protection</li> <li>– Emergency roadside assistance and alert notifications</li> </ul> </li> </ul>

We believe our Good Sam branded offerings provide the industry's broadest and deepest range of services, protection plans, products and resources, including: extended vehicle service contracts and insurance protection plans, roadside assistance, membership clubs and financing products. A majority of these programs are on a multi-year or annually renewable basis. Across our extended vehicle service

contracts, emergency roadside assistance, property and casualty insurance programs and membership clubs, for each of the years ended December 31, 2016, 2015 and 2014, we experienced high annual retention rates that ranged between 65% and 74%, 66% and 74%, and 63% and 76%, respectively. We also operate the Good Sam Club, which we believe is the largest RV organization in the world, with approximately 1.7 million members as of December 31, 2016. Membership benefits include a variety of discounts, exclusive benefits, specialty publications and other membership benefits, all of which we believe enhance the RV experience, drive customer engagement and provide cross-selling opportunities for our other services, protection plans and products.

Our Camping World brand operates the largest national network of RV-centric retail locations in the United States through our 122 retail locations in 36 states, as of December 31, 2016, and through our e-commerce platforms. We believe we are significantly larger in scale than our next largest competitor. We provide new and used RVs, repair parts, RV accessories and supplies, RV repair and maintenance services, protection plans, travel assistance plans, RV financing, and lifestyle products and services for new and existing RV owners. Our retail locations are staffed with knowledgeable local team members, providing customers access to extensive RV expertise. Our retail locations are strategically located in key national RV markets. In 2016, our network generated approximately 3.7 million transactions, continuing to build our Active Customer database.

We attract new customers primarily through our retail locations, e-commerce platforms and direct marketing. Once we acquire our customers through a transaction, they become part of our customer database where we leverage customized customer relationship management (“CRM”) tools and analytics to actively engage, market and sell multiple products and services. Our goal is to consistently grow our customer database through our various channels to increasingly cross-sell our products and services.

### **Our Strengths**

***Our Iconic Brands.*** With over fifty years of history dating back to 1966, we believe Camping World and Good Sam are iconic, industry defining brands that are synonymous with the RV lifestyle. Our consistent quality, breadth and depth of offerings, as well as our comprehensive range of RV lifestyle resources, have resulted in our customers having passionate loyalty to and enduring trust in our brands.

***Comprehensive Portfolio of Services, Protection Plans and Products.*** We believe we are the only provider of a comprehensive portfolio of services, protection plans, products and resources for RV enthusiasts. We offer more than 10,000 products and services through our retail locations and membership clubs. Our offerings are based on 50 years of experience and customer feedback from RV enthusiasts. Further, we evaluate new products and, through acquisitions or our supplier collaborations, offer certain unique products that are developed based on customer feedback, including private label products.

***Customer Database.*** We have over 12 million unique contacts in our database and we have approximately 3.3 million Active Customers. We use a customized CRM system and database analytics to track customers and selectively market and cross-sell our offerings. We believe our customer database is a competitive advantage and significant barrier to entry.

***Leading Market Position and Scale.*** Camping World is the largest national RV retail network in the United States, and we believe Good Sam is the largest RV organization in the world, with each of our businesses having a distinct web presence through our e-commerce platforms. Our scale and our long-term stability make us attractive to our suppliers, financiers and real estate investors. The strong relationship with our suppliers enables us to negotiate attractive product pricing and availability. We also align with our suppliers on product development in which we leverage our customer base to provide feedback in exchange for exclusive early launch periods for new products. In recent years, we have also leveraged our supplier relationships to introduce private label products, which has improved our product availability.

***Core of High Margin, Recurring Revenue.*** At the core of our offerings are certain high margin products and services targeting the installed base of RV households that generate recurring revenue streams. These offerings include certain Consumer Services and Plan offerings, which we believe are characterized by increased customer engagement, such as our extended vehicle service contracts, emergency roadside



assistance, property and casualty insurance programs and membership clubs. As of December 31, 2016, 2015, and 2014, we had 2.6 million, 2.5 million, and 2.4 million participants, respectively, across these Consumer Services and Plan offerings, including those who participated in more than one of our offerings. The increased engagement of our customers in these areas has led to high annual retention rates. Across our extended vehicle service contracts, emergency roadside assistance, property and casualty insurance programs and membership clubs, for each of the years ended December 31, 2016, 2015, and 2014, we experienced high annual retention rates that ranged between 65% and 74%, 66% and 74%, and 63% and 76%, respectively. These offerings also include our Retail parts, services and other offerings, which we believe to be stable and more consistent than the sale of new and used vehicles. Concentrating on our Consumer Services and Plans and Retail parts, services and other offerings has allowed us to grow a core of recurring revenue with gross margins of 57.1% and 46.4%, respectively, for the year ended December 31, 2016, which is significantly higher than our consolidated gross margins of 28.3% for the year ended December 31, 2016.

**Variable Cost Structure and Capital Efficient Model.** Our decentralized and flat management structure coupled with incentive programs focused on profitability have allowed us to achieve a highly variable cost structure. Our database analytics provide us significant flexibility and meaningfully improve our marketing efficiency via nimble, targeted marketing programs. We believe our model leads to strong and stable margins through economic cycles, resulting in what we believe to be high cash flow generation, low capital expenditure requirements and impressive returns on invested capital. As a result, we have been successful in generating access to highly attractive real estate and floor plan financing terms, thereby reducing costs and significantly reducing our need for capital. This capital efficient model provides a large share of capital funding at attractive terms for new locations and acquisitions.

**Experienced Team.** Our management team has an average of 21 years of industry experience. We offer highly competitive compensation tightly tied to performance, which has allowed us to attract and retain our highly experienced management team. Since 2012, our team has increased total revenue from \$1.9 billion to \$3.5 billion for the year ended December 31, 2016, increased net income from \$42.3 million to \$203.2 million for the year ended December 31, 2016 and increased Adjusted EBITDA from \$129.5 million to \$291.3 million for the year ended December 31, 2016. Adjusted EBITDA is a non-GAAP measure. For a reconciliation of Adjusted EBITDA to net income, the most closely comparable GAAP measure, see “Non-GAAP Financial Measures” in Item 7 of Part II of this Annual Report on Form 10-K.

## **Our Growth Strategy**

**Grow Our Active Base of Customers.** We believe our strong brands, leading market position, ongoing investment in our service platform, broad product portfolio and full suite of resources will continue to provide us with competitive advantages in targeting and capturing a larger share of consumers with whom we do not currently transact in addition to the growing number of new RV enthusiasts that will enter the market. We expect to continue to grow the Active Customer base primarily through three strategies:

- **Targeted Marketing.** We continuously work to attract new customers to our existing retail and online locations through targeted marketing, attractive introductory offerings and access to our wide array of resources for RV enthusiasts. We have focused specifically on marketing to the fast-growing demographic of younger market entrants, and through our NASCAR Truck Series and participation at college athletic events and music festivals, we believe we attract an outsized share of younger RV owners to our platform.
- **Greenfield Retail Locations.** We establish retail locations in new and existing markets to expand our customer base. Target markets and locations are identified by employing proprietary data and analytical tools. We believe there is ample white space for additional development opportunities which, consistent with most of our locations, have the benefit of what we believe to be low-cost land acquisition prices. We typically take eight to 14 months from site identification until we open the doors to the new store. Since 2012, we have successfully opened 13 new greenfield locations. We intend to continue to open sites that will grow our Active Customer base and present attractive risk-adjusted returns and significant value-creation opportunities. Our greenfield locations typically reach profitability within three months.

- **Retail Location Acquisitions.** The RV dealership industry is highly fragmented with a large number of independent RV dealers. We use acquisitions of independent dealers as a fast and capital efficient alternative to new retail location openings to expand our business and grow our customer base. While acquired sites typically remain open following an acquisition, in certain instances we may close a location following an acquisition for remodeling for a period of time generally not in excess of eight weeks. We believe our experience and scale allow us to operate these acquired locations more efficiently. Since 2012, we have successfully acquired and integrated 33 new retail locations, and in 2015, we sold two retail locations. Our acquisitions are typically profitable within two full calendar months after an acquisition, with the exception of acquisitions we consider turn-around opportunities, which are typically profitable within two to four months. We intend to continue to pursue acquisitions that will grow our Active Customer base and present attractive risk-adjusted returns and significant value-creation opportunities.

**Cross-Sell Growing Portfolio of Services, Protection Plans and Products.** We believe our customer database of over 12 million unique contacts provides us with the opportunity to continue our growth through the cross-selling of our products and services. We use our customized CRM system and database analytics to proactively market and cross-sell to Active Customers. We also seek to increase the penetration of our customers who exhibit higher multi-product attachment rates.

**New Products and Vertical Acquisitions.** Introduction of new products enhances our cross-selling effort, both by catering to evolving customer demands and by bringing in new customers. Through relationships with existing suppliers and through acquisitions, we will look to increase the new products we can offer to our customers. Similarly, an opportunistic vertical acquisition strategy allows us to earn an increased margin on our services, protection plans and products, and we evaluate such acquisitions that can allow us to capture additional sales from our customers at attractive risk-adjusted returns.

### **Our Services, Protection Plans, Products and Resources**

We operate through two reportable segments: Consumer Services and Plans and Retail. See Note 22 — Segment Information to our consolidated financial statements for further information regarding our reportable segments. Through our retail locations, e commerce platforms and clubs, we offer RV owners and RV enthusiasts the full spectrum of services, protection plans, products and resources that we believe are essential to operate, maintain, protect and to enjoy the RV lifestyle, including, among others:

#### **Good Sam Offerings**

##### **Consumer Services and Plans**

**Extended vehicle service contracts:** We offer a mechanical breakdown insurance program developed and offered exclusively for the members of the Good Sam Club and underwritten and insured by QBE Europe Insurance Ltd (“QBE”). The contracts cover the cost of parts, labor and repairs to motorized and towable RVs as well as autos, pick-up trucks and SUVs. The contracts ensure the members will have continuous protection during the life of the contracts. QBE assumes full underwriting risk associated with the contracts and we are compensated on a commission basis. As of December 31, 2016, we had approximately 64,000 contracts in force underwritten by QBE.

**Emergency roadside assistance:** We offer on-demand roadside assistance for RVs, autos and motorcycles. Our roadside assistance services include towing, jump start, tire change, mobile mechanic and other services. Membership prices range from \$80 to \$140 per year depending on coverage, with our Good Sam Club members receiving a discount. We contract with Signature’s Nationwide Motor Club, Inc. to handle dispatch calls through its network of tow providers and we pay a fee per incident or call. As of December 31, 2016, we had approximately 603,000 members in our emergency roadside assistance plan.

**Property and casualty insurance programs:** We provide third party auto, RV, motorcycle and boat specialty insurance and home insurance through arrangements with underwriters, including National General, Progressive, Nationwide and Safeco. For the year ended December 31, 2016, we sold, through third party insurance providers, insurance policies with an aggregate net written premium of \$209 million. We do not

share the underwriting risk of the insurance programs and we receive a marketing fee based on the amount of premium paid to the insurance providers.

*Membership clubs:* We operate two membership clubs: The Good Sam Club and the Coast to Coast Club. The Good Sam Club members enjoy savings on purchases at Camping World retail locations, discounts on nightly rates at affiliated Good Sam RV parks and other benefits related to the RV lifestyle. We believe the Good Sam Club is the largest RV enthusiast organization in the world. The Coast to Coast Club provides access to, and savings at, private membership campgrounds and other travel related benefits. As of December 31, 2016, we had approximately 1.8 million members across our two clubs.

*Vehicle financing and refinancing:* We market third party financing and refinancing solutions for new and used RVs and boats through an arrangement with Essex Credit, a Division of Bank of the West. Essex Credit provides the financing and assumes full underwriting and credit risk, and we receive a marketing fee based on the referred business.

*Travel protection:* We contract with On Call International to offer travel protection plans through *Good Sam TravelAssist*, where On Call International primarily assumes the underwriting risk. The plans provide 24/7 coverage for medical assistance and care, medical evacuation, emergency travel services, emergency dental care and return-home services. Prices range from \$70 to \$130 per policy per year depending on coverage. As of December 31, 2016, we had approximately 171,000 contracts in force primarily underwritten by On Call International.

*Co-branded credit cards:* We contract with Visa and Comenity Capital Bank to offer a Good Sam | Camping World Visa® branded credit card. Cardholders receive enhanced rewards points, which are referred to as REC rewards, for money spent at our retail locations, on our e-commerce platforms and at private campgrounds across the U.S. and Canada. As of December 31, 2016, we had approximately 128,000 issued and open co-branded credit card accounts.

*Consumer activities and resources:*









- *Membership events and chapters:* Our Good Sam Club collaborates with parks and campgrounds across the country to organize numerous events for its members. In addition, we have approximately 1,200 Good Sam Chapters across North America, which comprise smaller groups of members within the Good Sam Club that share common interests. Chapters hold campouts, plan social events and organize community volunteer opportunities. In 2016, our Good Sam Club and Chapters hosted over 70 events, which provide the social interaction associated with the RV lifestyle.
- *Consumer shows:* During 2016, we promoted and operated 18 separate consumer shows in 15 different cities across 12 different states. The primary focus of these consumer shows is to promote the RV lifestyle with the sales of new RVs, accessories and destination options. During 2016, the shows attracted in excess of 209,000 participants in total. Our consumer show division acquired five new shows in five cities in three states in the third quarter of 2016. These shows provide a strategic opportunity to expose first time buyers and existing RV enthusiasts to our products and services. To encourage participation by our Good Sam Club members, we offer members a 50% discount on admission fees.
- *Trip planning, travel directories and campground / fuel discount programs:* We help RV enthusiasts with trip planning in a variety of ways. On our Good Sam website, [www.goodsamclub.com](http://www.goodsamclub.com), and through our printed travel and campground directory, *Good Sam RV Travel and Savings Guide*, RV enthusiasts can plan trips by, among other things, searching campgrounds based on destination or particular needs and reading reviews. Good Sam Club members can search for parks that offer the Good Sam Club discount. Our fuel discount program, *Good Sam Club Swipe & Save*, enables our members to purchase gas, diesel and propane at discounted prices. Currently, members enjoy a 3 cent discount per gallon of gas and diesel at select service stations.

- **Consumer magazines:** We produce *Trailer Life* and *MotorHome*, two monthly consumer publications with an average monthly circulation in 2016 of 284,400 and 177,900, respectively. Both publications are produced in print and digitally and cater to the RV enthusiasts. Each publication is well recognized in the industry, with *Trailer Life* having celebrated its 75th anniversary in June 2016. In addition, we produce an annual *RV Buyers Guide*, which is sold on newsstands and distributed at most consumer shows free with the purchase of admission.
- **E-commerce and social media:** We use digital media extensively to market, sell and communicate with our customers and members. Each of our businesses has a distinct Web presence where consumers can learn about the services we provide, get rate quotes (as applicable), make purchases and interact with us on an ongoing basis. We make use of cross-selling and on-site marketing to present additional products to consumers as they visit our websites and transact business with us. We are active on social media, including Facebook, to support and promote the RV lifestyle, to engage with our customers and to reach potential new customers on an ongoing basis.
- **Contact centers and technical hotline:** We operate two multi-channel, full-service contact centers with over 260 seats. RV enthusiasts call, email, internet chat and use social media to contact us regarding products, consumer services and protection plans, concerns and anything else related to the RV lifestyle. For the year ended December 31, 2016, our contact centers handled over 2.2 million calls and responded to over 220,000 emails and social media contacts.
- **Hosted online forums:** *RV.net*, an internet based hosted forum, experienced approximately 7.0 million visitor sessions in 2016. With volunteer moderators ensuring a positive user experience, RV owners use *RV.net* to share information about the RV lifestyle, for assistance with “do it yourself” projects and to otherwise discuss all matters associated with RVing.

## **Camping World Offerings**

### **New and Used Vehicles**

**New Vehicles:** We offer a comprehensive selection of new RVs across a range of price points, classes and floor plans, from entry level travel trailers to Class A diesel pushers, at our retail locations and on our e-commerce platform. We have formed strategic alliances with leading RV manufacturers, including Thor Industries, Inc. (including Jayco, Inc. which was acquired by Thor Industries, Inc. on June 30, 2016 and operates as a wholly-owned subsidiary of Thor Industries, Inc.), Forest River, Inc., and Winnebago Industries, Inc. The table below sets forth certain information on our primary offerings for the year ended December 31, 2016.

<b>Towables</b>				<b>Motorhomes</b>			
		Average New Unit Price	% New Unit 2016 Sales			Average New Unit Price	% New Unit 2016 Sales
Travel Trailer		\$22,000	65.1%	Class C		\$ 76,000	8.3%
Fifth Wheels		\$50,000	17.7%	Class A Gas		\$ 92,000	6.0%
Fold Downs		\$11,000	1.3%	Class A Diesel		\$215,000	1.2%
Truck Camper		\$14,000	< 1%	Class B		\$ 90,000	< 1%

*Used Vehicles:* We sell a comprehensive selection of used RVs at our retail locations, including the vehicle types listed in the table above. The primary source of used RVs is through trade-ins at the time of the sale of new and used RVs. Used RVs are generally reconditioned in our service departments prior to sale. Used RVs that do not meet our standards for retail sale are typically sold at wholesale auctions.

For the year ended December 31, 2016, we sold approximately 48,700 new and 31,200 used vehicles at our retail locations and through our e-commerce platforms.

### **Parts, Services and Other**

*Repair and Maintenance:* We offer repair and maintenance services at our 122 retail locations nationwide as of December 31, 2016 and perform warranty repairs for RVs. With over 1,300 RV technicians, we are equipped to offer comprehensive repair and maintenance services for most RV components.

*Installation of parts and accessories:* Our full-service repair facilities enable us to install all parts and accessories that we sell in our retail locations, including, among other items, towing and hitching products, satellite systems, braking systems, leveling systems and appliances. While other RV dealerships may be able to install RV parts and accessories and other retailers may be able to sell certain parts and accessories, our ability to both sell and install necessary parts and accessories affords us a competitive advantage over online retailers and big box retailers that do not have service centers designed to accommodate RVs and over RV dealerships that do not offer a comprehensive inventory of parts and accessories.

*Collision repair:* We offer collision repair services at most of our service centers, and over 34% of our service facilities are equipped with full body paint booths. Our facilities are equipped to offer a wide selection of collision repair services, including fiberglass front and rear cap replacement, windshield replacement, interior remodel solutions and paint work. We perform collision repair services for a wide array of insurance carriers, including Progressive, National General and Nationwide.

*OEM and aftermarket parts and accessories:* Through our retail stores and e-commerce platform, we offer a comprehensive range of original and aftermarket RV parts, accessories and supplies, including towing and hitching, satellite and GPS systems, appliances and furniture, leveling systems, braking systems, generators and electrical products, supplies and other products necessary or desirable for the RV enthusiast and RV lifestyle.

### **Dealership Finance and Insurance**

*Vehicle financing:* Through arrangements with third party lenders, such as Bank of America, Bank of the West, US Bank, Ally Bank and M&T Bank, and other regional and local banks and credit unions, we are able to provide financing for most new and used RVs we sell through our retail locations. Generally, our financing transactions are structured through long-term retail installment sales contracts (with terms of up to 20 years), which we enter into with our customers on behalf of our third-party lenders, which have provided initial, non-binding approval to assume our position as creditor. The retail installment sales contracts are assigned on a non-recourse basis, with the third-party lender assuming underwriting and credit risk. In 2016, we arranged financing transactions for approximately 65% of our total annual number of new and used units sold.

*Protection Plans:* We offer and sell a variety of protection plans and services to the purchasers of our RVs as part of the delivery process, including, among others, our Good Sam branded extended vehicle service contracts, emergency roadside assistance and travel assist plans, and gap, wheel, tire and fabric protection plans. These products are primarily underwritten and administered by independent third parties, and we are primarily compensated on a commission basis.

### **Customers and Markets**

The estimated number of U.S. households that own an RV is approximately 9 million, which we believe has grown consistently over the past 20 years, including during the last economic downturn. We have

approximately 3.3 million Active Customers and aim to market and sell our services, protection plans, products and resources to the growing number of new market entrants.

The recreational vehicle industry is characterized by RV enthusiasts' investment in, and steadfast commitment to, the RV lifestyle. Owners spend on insurance, extended service contracts, roadside assistance and regular maintenance in order to protect and maintain their RV. They typically invest in new accessories and the necessary installation costs as they upgrade their RV. They also spend on services and resources as they plan, engage in, and return from their road trips. Furthermore, based on industry research and management's estimates, we believe that RV owners typically trade-in to buy another RV every four to five years.

In 2016, approximately 431,000 new RVs were shipped by manufacturers. Overall, from 2009 to 2016, the number of RV shipments grew by 15% annually. There are two main categories of RVs: motorhomes (motorized units) and towables (units that are towed behind a car, van or pickup). Motorized units include Class C Motorhomes, with prices for new units typically ranging from \$50,000 to \$100,000, Class A Gas Motorhomes, with prices for new units typically ranging from \$65,000 to \$160,000, Class A Diesel Motorhomes, with prices for new units typically ranging from \$120,000 to \$500,000, and Class B Motorhomes, with prices for new units typically ranging from \$71,000 to \$104,000. Towable units include travel trailers with prices for new units typically ranging from \$8,000 to \$60,000 and fifth wheel trailers, with prices for new units typically ranging from \$24,000 to \$90,000. According to data gathered by Statistical Surveys, Inc., which tracks the number of RV registrations in every state except Hawaii and Alaska, from 2010 to 2016, the annual new unit sales growth of diesel motorhomes, gas motorhomes and towables was 4.0%, 18.1% and 12.0%, respectively. RV manufacturers are now producing more innovative models, such as lightweight towables and smaller, fuel efficient motorhomes. In addition, green technologies, such as solar panels and energy efficient components are appearing on an increasing number of RVs.

Generally, used RVs are sold at a lower price level than comparable new RVs and the sale of used vehicles has historically been more stable through business cycles than the sale of new vehicles.

We believe RV trips remain the least expensive type of vacation and allow RV owners to travel more while spending less. RV trips offer savings on a variety of vacation costs, including, among others, airfare, lodging and dining. While fuel costs are a component of the overall vacation cost, we believe fluctuations in fuel prices are not a significant factor affecting a family's decision to take RV trips. We believe the average annual mileage use of an RV is between 3,000 miles and 5,000 miles.

The RV owner installed base has benefited positively from the aging and the increased industry penetration of the baby boomer consumer demographic, those aged 52 to 70 years old. In addition to growth from baby boomers, the RVIA estimates the fastest growing RV owner age group includes Generation X consumers, those currently 35 to 54 years old. The U.S. Census Bureau estimates that approximately 84 million Americans were of the age 35 to 54 years old in 2014. Furthermore, according to the RV Survey, RV ownership is most concentrated among those 35 to 64 years old and the median age of an RV owner is 48 years old.

In addition to positive age trends, according to the RV Survey, the typical RV customer has, on average, a household income of approximately \$75,000. This is approximately 50% higher than the median household income of the broader United States population at the time of the RV survey, according to the U.S. Census Bureau. The higher average income has resulted in a more resilient RV consumer with greater buying power across economic cycles.

Taken together, we believe the savings RVs offer on a variety of vacation costs, an increase in the pool of potential RV customers due to an aging baby boomer demographic, and the increased RV ownership among younger consumers should continue to grow the installed base of RV owners, and will have a positive impact on RV usage.



## Our Camping World Stores

As of December 31, 2016, we operated 122 Camping World retail locations across 36 states. Our retail locations are strategically located in key RV markets. Generally, our retail locations provide repair and installation services, collision repair, parts, services and accessories for RVs and RV enthusiasts, and 105 of our locations sell new and used RVs. We believe our retail store strategy of offering a comprehensive range of parts, services, accessories, products, and in most instances, new and used RVs, generates powerful cross-selling opportunities. The following map shows our retail location footprint as of December 31, 2016:



## Store Design and Layout

We present our broad and deep array of services, protection plans, products and resources in a convenient and engaging atmosphere to meet the everyday needs of RV enthusiasts. Our retail locations generally range in size from approximately 30,000 to 45,000 square feet and are typically situated on approximately eight to 18 acres. Approximately 15% of typical retail location floor space is devoted to a new and used RV sales area; approximately 25% is devoted to the sale of RV parts, services, accessories and products, a customer service area and a technical information counter; approximately 55% is comprised of a service, repair and installation facility, which generally contains 8 to 30 repair, installation and collision bays; and approximately 5% is allocated to office and warehouse space. Large parking areas provide sufficient space to facilitate maneuvering of RVs, and the area devoted to new and used RV inventory typically ranges from five to 12 acres.

Our retail locations feature service centers staffed with expert, in-house trained product specialists and are equipped with merchandise demonstrations to assist in educating customers about RV performance products. Our retail locations also provide opportunities to promote a more interactive and consultative selling environment. Our staff is trained to cross-sell and explain the benefits of our breadth of services, protection plans and products to which our customers have become accustomed, such as extended service contracts, emergency roadside assistance products, club memberships, discount camping and travel assistance.

We regularly refresh our retail locations to enhance the customers' shopping experience and maximize product and service offerings. New products and services are introduced in order to capitalize on the advances of the RV industry and to satisfy our customers' needs. Store dress, promotional signage and directional signage are also periodically refreshed to further enhance our customers' shopping experience at our retail locations.

## **Expansion Opportunities and Site Selection**

Our disciplined expansion and acquisition strategy focuses on growing our Active Customer base. We have developed a rigorous and flexible process that employs proprietary data and analytical tools to identify target markets for new store openings and acquisitions. We select sites for new locations or evaluate acquisition opportunities based on criteria such as local demographics, traffic patterns, proximity to RV parks and campgrounds, proximity to major interstates, analytics from our Active Customer database, RV sales and registrations, product availability and availability of attractive acquisition and/or lease terms. Members of our development team spend considerable time evaluating markets and prospective sites. Our prospective sites are typically located on major highways with convenient access and high visibility. Depending on market demographics, our prospective sites generally include eight to 18 acres and accommodate a 30,000 to 45,000 square foot retail footprint and five to 12 acres for RV inventory. Our greenfield locations typically reach profitability within three months. Acquisitions are typically profitable within two full calendar months after an acquisition, with the exception of acquisitions we consider turn-around opportunities, which are typically profitable within two to four months.

As the market leader, with a scalable cost structure, we have an established track record of successful acquisitions. Over the last three years ended December 31, 2016, we have spent over \$100 million, net of financing under the floor plan facility ("Floor Plan Facility"), on 15 acquisitions that included 15 retail locations, at multiples of acquired EBITDA in the low to mid-single digit range. We expect most acquisitions to result in cash-on-cash payback periods of under a year, and have designed an identification, assessment, negotiation, acquisition, and closing set of processes and procedures that allow us to move quickly on opportunities.

## **Store Level Management and Training**

Our President of Camping World oversees all retail operations. Our retail locations are each managed by a vice president of operations, each of whom is typically responsible for eight to 21 retail locations. Depending on the number of retail locations managed by any vice president of operations, the vice president of operations may have one or more market managers responsible for a smaller number of retail locations. Our vice presidents of operations have, on average, 23 years of experience in the RV industry and have been employed by us for 12 years.

Each retail location employs a general manager or a general sales manager (in either case, the "GM") that has responsibility for the daily operations of the retail location. Areas of responsibility include inventory management, hiring, associate training and development, maintenance of the facilities, customer service and customer satisfaction. A GM's management team includes a sales manager, a parts and accessories manager, a service manager, and a finance and insurance manager to help oversee the operations of each retail location department. A typical retail location employs approximately 40 to 100 full-time equivalent employees.

We employ a national director of inventory and a centralized inventory management team to oversee our RV inventory and provide consistency and controls in the ordering, purchasing and distribution of RV inventory. We also employ a national director of service, a national director of parts and accessories, and a national director of finance and insurance to assist in the management and training for the respective areas.

We actively seek to improve our ability to assess talent during the interview process and hire talented people and provide extensive training programs and opportunities for our employees, including, among others, new-hire training and orientations, e-learning and training modules, national training directors and certification programs for our RV technicians.

## **Product Sourcing and Distribution**

### **Sourcing**

*New and Used RVs*



We generally acquire new RVs for retail sale directly from the applicable manufacturer. We have strategic contractual arrangements with leading RV manufacturers, including Thor Industries, Inc., Forest River, Inc., and Winnebago Industries, Inc., with such manufacturers supplying approximately 70%, 14%, and 12%, respectively, of our new RV inventory as of December 31, 2016. According to each such company's latest Annual Report on Form 10-K, we are the largest customer of Thor Industries, Inc. and Winnebago Industries, Inc., representing 20% and 17% of these suppliers' latest fiscal year revenue, respectively. We maintain a central inventory management and purchasing group to manage and maintain adequate inventory levels and mix. RVs are transported directly from a manufacturer's facility to our retail locations via a third-party transportation company.

Our strategy is to partner with financially sound manufacturers that make quality products, have adequate manufacturing capacity and distribution, and maintain an appropriate product mix. In certain instances, our manufacturing partners produce private label products exclusively available at our retail locations and through our e-commerce platforms.

Our supply arrangements with manufacturers are typically governed by dealer agreements, which are customary in the RV industry. Our dealer agreements with manufacturers are generally made on a location-by-location basis. The terms of these dealer agreements are typically subject to, among other things, us meeting all the requirements and conditions of the manufacturer's applicable programs, us maintaining certain minimum inventory requirements and meeting certain retail sales objectives, us performing services and repairs for all owners of the manufacturer's RVs (regardless from whom the RV was purchased) that are still under warranty and us carrying the manufacturer's parts and accessories needed to service and repair the manufacturer's RVs in stock at all times, us actively advertising and promoting the manufacturer's RVs and us indemnifying the manufacturer under certain circumstances. Our dealer agreements generally designate a specific geographical territory for us, which is often exclusive to us, provided that we are able to meet the material obligations of the applicable dealer agreement. In addition, many of our dealer agreements contain stocking level requirements and certain of our dealer agreements contain contractual provisions concerning minimum advertised product pricing for current model year units. Wholesale pricing is generally established on a model year basis and is subject to change in the manufacturer's sole discretion. In certain cases, the manufacturer may also establish a suggested retail price, below which we cannot advertise that manufacturer's RVs.

We generally acquire used RVs from customers, primarily through trade-ins, as well as through auctions and other sources, and we generally recondition used RVs acquired for retail sale in our parts and service departments. Used RVs that we do not sell at our retail locations generally are sold at wholesale prices through auctions.

We finance the purchase of substantially all of our new RV inventory from manufacturers through our Floor Plan Facility. Used vehicles may also be financed from time to time through our Floor Plan Facility. For more information on our Floor Plan Facility, see "Management's Discussion and Analysis of Financial Condition and Results of Operations—Liquidity and Capital Resources—Description of Senior Secured Credit Facilities and Floor Plan Facility" included in Part II, Item 7 of this Form 10-K and Note 3 — Inventories, net and Notes Payable — Floor Plan, net to our audited consolidated financial statements included in Part II, Item 8 of this Form 10-K.

#### *Parts and Accessories*

The purchasing activities for our parts and accessories departments are focused on RV maintenance products, outdoor lifestyle products, RV parts and accessories, such as, among others, generators and electrical, satellite receivers and GPS, towing and hitching products and RV appliances, essential supplies and other products and services necessary or desirable for the RV lifestyle. We maintain central purchasing, replenishment and distribution functions to manage inventory planning, allocate merchandise to our retail locations and oversee the replenishment of basic merchandise to our distribution centers. We have no long-term purchase commitments. During the year ended December 31, 2016, we purchased merchandise from approximately 1,300 vendors with no vendor accounting for more than approximately 7% of total merchandise purchased. During the year ended December 31, 2016, approximately 8% of our merchandise was imported directly from vendors located in foreign countries, with a substantial portion of the imported merchandise

being obtained directly from vendors in China. We have established long-standing, continuous relationships with our largest vendors. We believe that the volume of merchandise we purchase from domestic and international suppliers and our ability to buy direct from manufacturers enables us to obtain merchandise at costs which compare favorably to local RV dealers and retailers.

Our merchant team located in Bowling Green, Kentucky currently manages our parts and accessories sourcing. To ensure our product offerings are tailored to local market conditions and demand, our merchant team routinely meets one-on-one with vendors, attends trade shows, reviews trade periodicals and evaluates merchandise offered by other retail and online merchants. We also consistently gather feedback and new product reviews from our store management and employees, as well as from reviews submitted by our customers. We believe this feedback is valuable to our vendor-partners and improves our access to new models and technologies.

### **Distribution and Fulfillment**

We distribute our merchandise from three leased distribution and fulfillment centers located in Franklin, Kentucky, Bakersfield, California, and Fort Worth, Texas, which are 250,000, 169,123, and 197,400 square feet, respectively. The distribution centers support replenishment of parts and accessories for our 122 retail locations as of December 31, 2016 and manage the fulfillment of direct-to-consumer e-commerce and catalog orders. We use common carriers for replenishment of our retail locations and ship merchandise to our e-commerce customers via courier service. An experienced distribution management team leads a staff of approximately 110 full-time distribution center employees.

Our distribution centers have scalable systems and processes that we believe can accommodate continued new store growth. We use an Oracle enterprise system to procure inventory, manage online customer and retail demand and fulfill orders through the warehouse management module. Additionally, we have customized an order packing and shipping software package to handle the specific requirements of the e-commerce and retail business. We have the capability to both case pick and item pick, which is designed to ensure our retail locations have sufficient quantities of product while also allowing us to maintain in inventory slow moving but necessary items. This balance allows us to stock the right products at the necessary locations, all at the right time and in the correct quantity.

### **Marketing and Advertising**

We market our Good Sam branded offerings through retail point of sale, websites, e-mail, direct mail, inserts, paid search, space advertisements, promotional events, member-get-a-member campaigns, and telemarketing. In 2016, retail point of sale marketing efforts accounted for approximately 68% of new paid enrollments in our Good Sam Club. We generally use our internal proprietary database for marketing and advertising. We have over 12 million unique contacts in our database and we have approximately 3.3 million Active Customers.

We market our Camping World brand through the strategic location of our retail stores in high traffic RV areas, in-store promotions, our websites, mail order catalogs, direct mail retail flyers, local TV and radio, RV and outdoor shows, billboards, newspaper, email, paid search, advertisements in national and regional industry publications, vendor co-op advertising programs, promotional events, and personal solicitations and referrals. Camping World's principal marketing strategy is to capitalize on its broad name recognition among RV owners.

We currently operate an extensive network of RV lifestyle related websites, including [www.goodsamclub.com](http://www.goodsamclub.com), [www.campingworld.com](http://www.campingworld.com) and [www.goodsamcamping.com](http://www.goodsamcamping.com), that experienced more than 70 million visitor sessions in 2016. Our websites feature RV and RV lifestyle associated content, as well as the ability to purchase parts, services and accessories that enhance the RV lifestyle. We believe our network of websites provide RV owners and enthusiasts with the most expansive access to RV related content and e-commerce in the RV industry. Our websites also allow RV owners and enthusiasts to read about the RV lifestyle, make purchases and gather more information about RV parks and other RV-related entities.

In addition to websites, our digital presence includes apps and services that enable current and potential RV owners and enthusiasts to research RVs, read product reviews written by RV experts and other RV owners and enthusiasts, plan RV trips (including mapping routes and planning which RV parks to visit) and purchase thousands of products to support their RV lifestyle. We use various digital tools and services to foster the RV lifestyle and to introduce new and/or future RV owners and enthusiasts to our network of websites and the products and services we offer. Our wide reaching digital presence provides extensive marketing for the products and services we sell, while providing the RV community with access to valuable content and tools to enhance the RV lifestyle.

We also use promotional events as marketing tools. During 2016, we promoted and operated 18 consumer shows in 15 cities across 12 states, which are primarily RV, boat and sport shows. The total audience of RV, boating, powersports and outdoor recreation enthusiasts who attended our shows during 2016 exceeded 209,000. Our consumer show division acquired shows in five cities in three states in the third quarter of 2016. In addition, we have sponsored sporting events such as the NASCAR Camping World Truck Series, NASCAR Sprint Cup Series races and the College Football Camping World Independence Bowl. Periodically, we promote the opening of each new retail location through grand opening celebrations at which we may have special events and discounted prices.

## **E-Commerce Platform and Digital Strategy**

### **General**

We believe our websites and other digital marketing channels enable us to provide instant, on-demand access to the wide array of content, products and services we offer. Our content, such as RV park descriptions, ratings and user reviews, encourage RV owners and enthusiasts, whether or not current customers or members, to visit our websites.

We use a combination of targeted email, social media and e-newsletters to promote ongoing communication with our customers and members. We believe that by communicating with our customers and members on an ongoing basis, we build affinity and the likelihood of a continued consumer to business relationship.

We believe our websites help attract new customers who may not live near one of our retail locations, who desire to transact business online or who are discovering us for the first time. Additionally, we believe many people who transact at our retail locations visit our websites prior to visiting our retail locations. To attract new customers to our websites we use a combination of online marketing methods, including social media, paid search, search engine optimization and other web-based marketing methods. We test new online marketing methods on an ongoing basis. Once a customer interacts with us online and elects to receive our e-newsletters and/or promotional emails, we offer ongoing email-based content delivery and promotions. We also use customer data to enable cross-selling of complementary products and services.

Our Camping World website works in concert with our retail locations and logistics operations, with orders for stocked inventory shipped from the same distribution centers that support our network of retail locations. We currently offer more than 20,000 products on [www.campingworld.com](http://www.campingworld.com) and associated websites, which include products that are not available in our retail locations. To further support sales, we make use of various affiliate relationships, which helps us reach the RV community across a wide array of websites.

We continually invest in our network of websites and point of sale technology. Knowing our customers' purchasing history provides us with the opportunity to have a greater understanding of the wants and needs of our customers. Our websites enable simplified access to all Good Sam content and services in an integrated fashion through [www.goodsam.com](http://www.goodsam.com). The Camping World website, [www.campingworld.com](http://www.campingworld.com), features access to product search and optimized product presentation, as well as shopping and checkout processes. We invest in our websites on an ongoing basis to continually improve our customers' experience, and to increase visits and purchases by new and returning customers.

## **Customer Service**

We believe customer service and access to a live person is a critical component of our digital marketing and sales operation. Our sales and customer service centers in Englewood, Colorado and Bowling Green, Kentucky are multi-channel, full-service contact centers. RV enthusiasts call, email, internet chat and use social media to contact us regarding products, consumer services and protection plans, concerns and anything else related to the RV lifestyle. RV enthusiasts can also speak with our customer service specialists for help with orders, to receive answers to questions and to make purchases for any product offered through our websites.

Our contact center in Englewood, Colorado is an approximately 230-seat contact center that is over 20,000 square feet. For the year ended December 31, 2016, the Englewood, Colorado contact center handled approximately 2.1 million calls and responded to over 220,000 emails and social media contacts. Our contact center in Bowling Green, Kentucky provides service and support to the Camping World internet and catalog product sales. This contact center also houses a retail support team that handles our retail location overflow calls. For the year ended December 31, 2016, this team handled over 165,000 calls. Our dual contact centers give us the opportunity to establish redundant systems that provide back up in the event of a natural disaster, electrical problems or weather issues that may affect either location.

Our contact center specialists are extensively trained to assist customers with complex orders and provide a level of service that leads to long-term customer relationships. In addition, our quality assurance team monitors contacts daily and provides the leadership team with tools to maintain sales and service standards. With low turnover, we retain our employees longer than the industry average, which we believe allows our callers to be assisted by experienced contact center agents who are familiar with the RV lifestyle and our services, protection plans and products.

## **Management Information Systems**

We utilize sophisticated computer systems to support our operations, including a third-party dealer management system, point-of-sale registers ("POS"), enterprise resource planning system, supply chain management system, CRM, event business management system and marketing database. In addition, we utilize proprietary membership systems and data warehouses to provide analytical views of our data.

To support the applications, we have multiple data centers with advanced servers, storage and networking capabilities. We have a secure wide area network that facilitates communication within and between our offices and provides both voice and data services. Business critical systems are replicated in real time and all systems are protected with on and off site backups.

A database containing all customer activity across our various businesses and programs has been integrated into our websites and contact centers. Comprehensive information on each customer, including a profile of the purchasing activities, is made available to our CRM, POS and marketing database. We utilize information technology and analytics to actively market and sell multiple products and services to our Active Customers, including list segmentation and merge and purge programs, to select prospects for direct mail solicitations and other direct marketing efforts. We employ publishing software for publication makeup, content and advertising to support our publications operations.

Our management information systems and electronic data processing systems consist of an extensive range of retail, mail order, financial and merchandising systems, including purchasing, inventory distribution and logistics, sales reporting, accounts payable and merchandise management. Our POS and dealer management systems report comprehensive data in near real time to our data warehouses, including detailed sales volume, inventory information by product, merchandise transfers and receipts, special orders, supply orders and returns of product purchases to vendors. The registers capture Good Sam Club member numbers and associated sales and references to specific promotional campaigns. In conjunction with its nightly polling, our central computer sends price changes to registers at the point of sale. Management monitors the performance of each retail location and mail order operations to evaluate inventory levels, determine markdowns and analyze gross profit margins by product.

## Competition

We face competition in all of our business segments. We believe that the principal competitive factors in our industry are breadth and depth of product selection, value pricing, convenient retail locations, technical services and customer service. Our competitors vary in size and breadth of their product offerings. We compete directly or indirectly with the following types of companies:

- major national insurance and warranty companies, providers of roadside assistance and providers of extended vehicle service contracts;
- other dealers of new and used RVs for sale;
- other specialty retailers that compete with us across a significant portion of our merchandising categories through catalog or e-commerce businesses; and
- online retailers.

Additional competitors may enter the businesses in which we currently operate. Moreover, some of our mass merchandising competitors do not currently compete in many of the product categories we offer, but may choose to offer a broader array of competing products in the future.

## Trademarks and Other Intellectual Property

We own a variety of registered trademarks and service marks related to our brands and our services, protection plans, products and resources, including Good Sam and Camping World. We also own the copyrights to certain articles in our publications and numerous domain names, including [www.goodsamclub.com](http://www.goodsamclub.com) and [www.campingworld.com](http://www.campingworld.com), among others. We believe that our trademarks and other intellectual property have significant value and are important to our marketing efforts. We do not know of any material pending claims of infringement or other challenges to our right to use our intellectual property in the United States or elsewhere.

## Government Regulation

Our operations are subject to varying degrees of federal, state and local regulation, including our RV sales, vehicle financing, outbound telemarketing, direct mail, roadside assistance programs, extended vehicle service contracts and insurance activities. These laws and regulations include consumer protection laws, so-called "lemon laws," privacy laws, escheatment laws, anti-money laundering laws and other extensive laws and regulations applicable to new and used vehicle dealers, as well as a variety of other laws and regulations. These laws also include federal and state wage and hour, anti-discrimination and other employment practices laws. Furthermore, new laws and regulations, particularly at the federal level, may be enacted that could also affect our business. See "Risk Factors — Risks Related to Our Business — Our business is subject to numerous federal, state and local regulations." in Item 1A of Part I of this Annual Report on Form 10-K.

## Motor Vehicle Laws and Regulations

Our operations are subject to the National Traffic and Motor Vehicle Safety Act, Federal Motor Vehicle Safety Standards promulgated by the United States Department of Transportation and the rules and regulations of various state motor vehicle regulatory agencies. We are also subject to federal and numerous state consumer protection and unfair trade practice laws and regulations relating to the sale, transportation and marketing of motor vehicles, including so-called "lemon laws." Federal, state and local laws and regulations also impose upon vehicle operators various restrictions on the weight, length and width of motor vehicles that may be operated in certain jurisdictions or on certain roadways. Certain jurisdictions also prohibit the sale of vehicles exceeding length restrictions. Federal and state authorities also have various environmental control standards relating to air, water, noise pollution and hazardous waste generation and disposal.

Our financing activities with customers are subject to federal truth-in-lending, consumer leasing and equal credit opportunity laws and regulations as well as state and local motor vehicle finance laws, leasing laws, installment finance laws, usury laws and other installment sales and leasing laws and regulations, some of which regulate finance and other fees and charges that may be imposed or received in connection with motor vehicle retail installment sales. Claims arising out of actual or alleged violations of law may be asserted against us or our retail locations by individuals, a class of individuals, or governmental entities and may expose us to significant damages or other penalties, including revocation or suspension of our licenses to conduct retail operations and fines.

The Dodd-Frank Act, which was signed into law on July 21, 2010, established the CFPB, an independent federal agency funded by the United States Federal Reserve with broad regulatory powers and limited oversight from the United States Congress. Although automotive dealers are generally excluded, the Dodd-Frank Act could lead to additional, indirect regulation of automotive dealers, in particular, their sale and marketing of finance and insurance products, through its regulation of automotive finance companies and other financial institutions. In March 2013, the CFPB issued supervisory guidance highlighting its concern that the practice of automotive dealers being compensated for arranging customer financing through discretionary markup of wholesale rates offered by financial institutions (“dealer markup”) results in a significant risk of pricing disparity in violation of the ECOA. The CFPB recommended that financial institutions under its jurisdiction take steps to address compliance with the ECOA, which may include imposing controls on dealer markup, monitoring and addressing the effects of dealer markup policies, and eliminating dealer discretion to markup buy rates and fairly compensating dealers using a different mechanism that does not result in disparate impact to certain groups of consumers.

### **Insurance Laws and Regulations**

As a marketer of insurance programs, we are subject to state rules and regulations governing the business of insurance including, without limitation, laws governing the administration, underwriting, marketing, solicitation and/or sale of insurance programs. The insurance carriers that underwrite the programs that we sell are required to file their rates for approval by state regulators. Additionally, certain state laws and regulations govern the form and content of certain disclosures that must be made in connection with the sale, advertising or offer of any insurance program to a consumer. We review all marketing materials we disseminate to the public for compliance with applicable insurance regulations. We are required to maintain certain licenses and approvals in order to market insurance programs.

### **Marketing Laws and Regulations**

The Federal Trade Commission (the “FTC”) and each of the states have enacted consumer protection statutes designed to ensure that consumers are protected from unfair and deceptive marketing practices. We review all of our marketing materials for compliance with applicable FTC regulations and state marketing laws.

Our e-commerce business is subject to the Mail or Telephone Order Merchandise Rule and related regulations promulgated by the FTC which affect our catalog mail order operations. FTC regulations, in general, govern the solicitation of orders, the information provided to prospective customers, and the timeliness of shipments and refunds. In addition, the FTC has established guidelines for advertising and labeling many of the products we sell.

In 2003, the FTC amended its Telemarketing Sales Rule to establish a National “Do Not Call” Registry. As of September 2016, the “Do Not Call” Registry included approximately 226 million phone numbers. To comply with the rule, companies are required to match their call lists against the “Do Not Call” Registry prior to conducting outbound telemarketing and remove the names of consumers who have requested they not be called. In addition, the amended Telemarketing Sales Rule requires additional disclosures and sales practices for goods and services sold over the phone. We match our call lists with the “Do Not Call Registry” and implement telemarketing scripts to comply with this regulation.

On December 29, 2010, federal legislation entitled the “Restore Online Shoppers’ Confidence Act” was enacted (“ROSCA”). The legislation prohibits the acquisition of consumers’ credit or debit card account



numbers automatically from our partners when a consumer enrolls in one of our programs immediately after making a purchase through one of our partners' websites and requires additional disclosure relating to the online marketing of, and billing for, membership programs in the online post-transaction environment. We have put procedures in place to address compliance with ROSCA.

Effective October 2011, Florida passed legislation similar to ROSCA, but with some additional requirements, and effective January 2012, Oregon passed legislation regulating free trial offers. The Florida law, like ROSCA, requires that an online post-transaction third party seller must obtain the express informed consent of the consumer to the sale by obtaining from the consumer the full account number of the account to be charged. The Florida law also requires that online post-transaction third party sellers must send a written notice confirming the transaction to the consumer by first class U.S. mail or by email. The Oregon legislation prohibits a person from causing a consumer to incur a financial obligation as a result of accepting a free offer unless the person obtains the consumer's billing information directly from the consumer. We have put procedures in place to address compliance with these laws.

In addition to the discussion of the Dodd-Frank Act above in connection with our automotive activities, see "— Motor Vehicle Laws and Regulations," we are also subject to Dodd-Frank Act in connection with our various marketing efforts.

### **Environmental, Health and Safety Laws and Regulations**

Our operations involve the use, handling, storage and contracting for recycling and/or disposal of materials such as motor oil and filters, transmission fluids, antifreeze, refrigerants, paints, thinners, batteries, cleaning products, lubricants, degreasing agents, tires and propane. Consequently, our business is subject to a complex variety of federal, state and local requirements that regulate the environment and public health and safety.

Most of our retail locations utilize aboveground storage tanks, and to a lesser extent underground storage tanks, primarily for petroleum-based products. Storage tanks are subject to periodic testing, containment, upgrading and removal requirements under the Resource Conservation and Recovery Act and its state law counterparts. Clean-up or other remedial action may be necessary in the event of leaks or other discharges from storage tanks or other sources. In addition, water quality protection programs under the federal Water Pollution Control Act (commonly known as the Clean Water Act), the Safe Drinking Water Act and comparable state and local programs govern certain discharges from some of our operations. Similarly, air emissions from our operations, such as RV painting, are subject to the federal Clean Air Act and related state and local laws. Certain health and safety standards promulgated by the Occupational Safety and Health Administration of the United States Department of Labor and related state agencies also apply.

Although we incur costs to comply with applicable environmental, health and safety laws and regulations in the ordinary course of our business, we do not presently anticipate that such costs will have a material adverse effect on our business, financial condition or results of operations. We do not have any material known environmental commitments or contingencies.

### **Insurance**

We use a combination of insurance and self-insurance plans to provide for the potential liabilities for workers' compensation, product liability, general liability, business interruption, property insurance, director and officers' liability insurance, environmental, vehicle liability and employee health care benefits. Liabilities associated with the risks that are retained by us are estimated, in part, by considering historical claims experience, demographic factors, severity factors and other actuarial assumptions. Where we have retained risk through self-insurance or similar arrangements, we utilize third party actuarial firms to assist management in assessing the financial impact of risk retention. Our results could be adversely affected by claims and other expenses related to such plans and policies if future occurrences and claims differ from these assumptions and historical trends.

## Employees

As of December 31, 2016, we had 7,221 full-time and 290 part-time or seasonal employees. None of our employees are represented by a labor union or are party to a collective bargaining agreement, and we have had no labor-related work stoppages. We believe that our employee relations are good.

## Seasonality

We have experienced, and expect to continue to experience, variability in revenues and net income as a result of annual seasonality in our business. Because RVs are used primarily by vacationers and campers, demand for services, protection plans, products and resources generally declines during the winter season, while sales and profits are generally highest during the spring and summer months. In addition, unusually severe weather conditions in some geographic areas may impact demand. On average over the last three years ended December 31, 2016, we generated 29.9% and 28.7% of our annual revenues in the second and third fiscal quarters, respectively, which include the spring and summer months. Additionally, the average quarterly revenue percentage generated over the last three years ended December 31, 2016 from our Consumer Services and Plans segment was 24.8%, 24.5%, 23.8% and 26.9% for the first, second, third and fourth quarters, respectively, and the average quarterly revenue percentage generated over the last three years ended December 31, 2016 from our Retail segment was 21.6%, 30.2%, 28.9% and 19.3% for the first, second, third and fourth quarters, respectively. We incur additional expenses in the second and third fiscal quarters due to higher purchase volumes, increased staffing in our retail locations and program costs. For further discussion, see "Management's Discussion and Analysis of Financial Condition and Results of Operations — Seasonality" in Item 7 of Part II of this Annual Report on Form 10-K.

## ITEM 1A. RISK FACTORS

### RISK FACTORS

*Investing in our common stock involves a high degree of risk. You should consider carefully the risks and uncertainties described below, together with the other information included in this Annual Report on Form 10-K. The occurrence of any of the following risks may materially and adversely affect our business, financial condition, results of operations and future prospects. In these circumstances, the market price of our Class A common stock could decline. Other events that we do not currently anticipate or that we currently deem immaterial may also affect our business, prospects, financial condition and results of operations.*

#### Risks Related to Our Business

##### ***Our business is affected by the availability of financing to us and our customers.***

Our business is affected by the availability of financing to us and our customers. Generally, RV dealers, including us, finance their purchases of inventory with financing provided by lending institutions. As of December 31, 2016, we had up to \$1.165 billion in maximum borrowing capacity under the Floor Plan Facility of which \$625.2 million was outstanding and an additional \$539.8 million was available under the Floor Plan Facility. As of December 31, 2016, approximately 88.2% of the invoice cost of new RV inventory and no used RV inventory was financed under the Floor Plan Facility. A decrease in the availability of this type of wholesale financing or an increase in the cost of such wholesale financing could prevent us from carrying adequate levels of inventory, which may limit product offerings and could lead to reduced sales and revenues.

Furthermore, many of our customers finance their RV purchases. Although consumer credit markets have improved, consumer credit market conditions continue to influence demand, especially for RVs, and may continue to do so. There continue to be fewer lenders, more stringent underwriting and loan approval criteria, and greater down payment requirements than in the past. If credit conditions or the credit worthiness of our customers worsen, and adversely affect the ability of consumers to finance potential purchases at acceptable terms and interest rates, it could result in a decrease in the sales of our products and have a material adverse effect on our business, financial condition and results of operations.



***Fuel shortages, or high prices for fuel, could have a negative effect on our business.***

Gasoline or diesel fuel is required for the operation of RVs. There can be no assurance that the supply of these petroleum products will continue uninterrupted, that rationing will not be imposed or that the price of or tax on these petroleum products will not significantly increase in the future. Shortages of gasoline and diesel fuel have had a material adverse effect on the RV industry as a whole in the past and any such shortages or substantial increases in the price of fuel could have a material adverse effect on our business, financial condition or results of operations.

***Our success depends to a significant extent on the well-being, as well as the continued popularity and reputation for quality, of our manufacturers, particularly Thor Industries, Inc., Forest River, Inc., Winnebago Industries, Inc. and Jayco, Inc.***

Thor Industries, Inc. (including Jayco, Inc. which was acquired by Thor Industries, Inc. on June 30, 2016 and operates as a wholly-owned subsidiary of Thor Industries, Inc.), Forest River, Inc., and Winnebago Industries, Inc. supplied approximately 70.4%, 13.6%, and 11.8%, respectively, of our new RV inventory as of December 31, 2016. We depend on our manufacturers to provide us with products that compare favorably with competing products in terms of quality, performance, safety and advanced features. Any adverse change in the production efficiency, product development efforts, technological advancement, marketplace acceptance, reputation, marketing capabilities or financial condition of our manufacturers, particularly Thor Industries, Inc., Forest River, Inc., and Winnebago Industries, Inc., could have a substantial adverse impact on our business. Any difficulties encountered by any of our manufacturers, particularly Thor Industries, Inc., Forest River, Inc., and Winnebago Industries, Inc., resulting from economic, financial, or other factors could adversely affect the quality and amount of products that they are able to supply to us and the services and support they provide to us.

The interruption or discontinuance of the operations of Thor Industries, Inc., Forest River, Inc., and Winnebago Industries, Inc. or other manufacturers could cause us to experience shortfalls, disruptions, or delays with respect to needed inventory. Although we believe that adequate alternate sources would be available that could replace any manufacturer as a product source, those alternate sources may not be available at the time of any interruption, and alternative products may not be available at comparable quality and prices.

Our supply arrangements with manufacturers are typically governed by dealer agreements, which are customary in the RV industry. Our dealer agreements with manufacturers are generally made on a location-by-location basis, and each retail location typically enters into multiple dealer agreements with multiple manufacturers. Our dealer agreements also generally provide for a one-year term, which is typically renewed annually. The terms of our dealer agreements are typically subject to:

- us meeting all the requirements and conditions of the manufacturer's applicable programs;
- us maintaining certain minimum inventory requirements and meeting certain retail sales objectives;
- us performing services and repairs for all owners of the manufacturer's RVs (regardless from whom the RV was purchased) that are still under warranty and us carrying the manufacturer's parts and accessories needed to service and repair the manufacturer's RVs in stock at all times;
- us actively advertising and promoting the manufacturer's RVs; and
- us indemnifying the manufacturer under certain circumstances.

Our dealer agreements generally designate a specific geographical territory for us, which is often exclusive to us, provided that we are able to meet the material obligations of the applicable dealer agreement.

In addition, many of our dealer agreements contain stocking level requirements and certain of our dealer agreements contain contractual provisions concerning minimum advertised product pricing for current

model year units. Wholesale pricing is generally established on a model year basis and is subject to change in the manufacturer's sole discretion. In certain cases, the manufacturer may also establish a suggested retail price, below which we cannot advertise that manufacturer's RVs. Any change, non-renewal, unfavorable renegotiation or termination of these arrangements for any reason could adversely affect product availability and cost and our financial performance.

***Our business model is impacted by general economic conditions in our markets, and ongoing economic and financial uncertainties may cause a decline in consumer spending that may adversely affect our business, financial condition and results of operations.***

As a business that relies on consumer discretionary spending, we may be adversely affected if our customers reduce, delay or forego their purchases of our services, protection plans, products and resources as a result of:

- job losses;
- bankruptcies;
- higher consumer debt and interest rates;
- reduced access to credit;
- higher energy and fuel costs;
- relative or perceived cost, availability and comfort of RV use versus other modes of travel, such as air travel and rail;
- falling home prices;
- lower consumer confidence;
- uncertainty or changes in tax policies and tax rates; or
- uncertainty due to national or international security concerns.

We also rely on our retail locations to attract and retain customers and to build our customer database. If we close retail locations or are unable to open or acquire new retail locations due to general economic conditions or otherwise, our ability to maintain and grow our customer database and our Active Customers will be limited, which could have a material adverse effect on our business, financial condition and results of operation.

Decreases in Active Customers, average spend per customer or retention and renewal rates for our consumer services and plans would negatively affect our financial performance, and a prolonged period of depressed consumer spending could have a material adverse effect on our business. Promotional activities and decreased demand for consumer products could also affect our profitability and margins. In addition, adverse economic conditions may result in an increase in our operating expenses due to, among other things, higher costs of labor, energy, equipment and facilities. Due to recent fluctuations in the U.S. economy, our sales, operating and financial results for a particular period are difficult to predict, making it difficult to forecast results for future periods. Additionally, we are subject to economic fluctuations in local markets that may not reflect the economic conditions of the U.S. economy. Any of the foregoing factors could have a material adverse effect on our business, financial condition and results of operations.

In addition, the success of our recurring Good Sam consumer services and plans depends, in part, on our customers' use of certain RV sites and/or the purchase of services, protection plans, products and resources through participating merchants. If general economic conditions worsen, our customers may perceive that they have less disposable income for leisure activities or they may not be able to obtain credit

for discretionary purchases. As a result, they may travel less frequently, spend less when they travel and purchase and utilize our services, protection plans, products and resources less often, if at all, which could have a material adverse effect on our business, financial condition and results of operations. Furthermore, if we face increased competition from other businesses with similar product and service offerings, we may need to respond by establishing pricing, marketing and other programs or by seeking out additional strategic alliances or acquisitions that may be less favorable to us than we could otherwise establish or obtain in more favorable economic environments. In addition, declines in the national economy could cause merchants who participate in our programs to go out of business. It is likely that, should the number of merchants entering bankruptcy rise, the number of uncollectible accounts would also rise. These factors could have a material adverse effect on our business, financial condition and results of operations.

***We depend on our ability to attract and retain customers.***

Our future success depends in large part upon our ability to attract and retain Active Customers for our services, protection plans, products and resources. The extent to which we achieve growth in our customer base and sustain high renewal rates of our recurring consumer services and plans materially influences our profitability. Any number of factors could affect our ability to grow our customer base and sustain high renewal rates of our recurring consumer services and plans. These factors include consumer preferences, the frequency with which customers utilize our services, protection plans, products and resources, general economic conditions, our ability to maintain our retail locations, weather conditions, the availability of alternative services, protection plans, products and resources, significant increases in gasoline prices, the disposable income of consumers available for discretionary expenditures and the external perception of our brands. Any significant decline in our customer base, the growth of our customer base or the usage of our services, protection plans, products or resources by our customers, including the renewal rates of our recurring consumer services and plans, could have a material adverse effect on our business, financial condition and results of operations.

***Competition in the market for services, protection plans, products and resources targeting the RV lifestyle or RV enthusiast could reduce our revenues and profitability.***

The market for services, protection plans, products and resources targeting the RV lifestyle or RV enthusiast is highly fragmented and competitive. Competitive factors that drive the RV market are price, product and service features, technology, performance, reliability, quality, availability, variety, delivery and customer service. We compete directly or indirectly with the following types of companies:

- major national insurance and warranty companies, providers of roadside assistance and providers of extended service contracts;
- other dealers of new and used RVs;
- other specialty retailers that compete with us across a significant portion of our merchandising categories through retail catalog or e-commerce businesses; and
- online retailers.

Additional competitors may enter the businesses in which we currently operate. Moreover, some of our mass merchandising competitors do not currently compete in many of the product categories we offer, but may choose to offer a broader array of competing products in the future. In addition, an increase in the number of aggregator and price comparison sites for insurance products may negatively impact our sales of these products. If any of our competitors successfully provides a broader, more efficient or attractive combination of services, protection plans, products and resources to our target customers, our business results could be materially adversely affected. Our inability to compete effectively with existing or potential competitors could have a material adverse effect on our business, financial condition and results of operations.

***Our expansion into new, unfamiliar markets, products lines or categories presents increased risks that may prevent us from being profitable in these new markets, products lines or categories. Delays in opening or acquiring new retail locations could have a material adverse effect on our business, financial condition and results of operations.***

We intend to expand by building or acquiring new retail locations in new markets and may elect to acquire new product lines or categories. As a result, we may have less familiarity with local consumer preferences and less product or category knowledge with respect to new product lines or categories, and could encounter difficulties in attracting customers due to a reduced level of consumer familiarity with our brands or reduced product or category knowledge. Other factors that may impact our ability to open or acquire new retail locations in new markets and to operate them profitably or acquire new product lines or categories, many of which are beyond our control, include:

- our ability to identify suitable acquisition opportunities or new locations, including our ability to gather and assess demographic and marketing data to determine consumer demand for our products in the locations we select;
- our ability to negotiate favorable lease agreements;
- our ability to secure product lines;
- the availability of construction materials and labor for new retail locations and significant construction delays or cost overruns;
- our ability to accurately assess the profitability of potential acquisitions or new locations;
- our ability to secure required governmental permits and approvals;
- our ability to hire and train skilled store operating personnel, especially management personnel;
- our ability to provide a satisfactory mix of merchandise that is responsive to the needs of our customers living in the geographic areas where new retail locations are built or acquired;
- our ability to supply new retail locations with inventory in a timely manner;
- our competitors building or leasing retail locations near our retail locations or in locations we have identified as targets;
- regional economic and other factors in the geographic areas in which we expand; and
- general economic and business conditions affecting consumer confidence and spending and the overall strength of our business.

Once we decide on a new market and identify a suitable location or acquisition opportunity, any delays in opening or acquiring new retail locations could impact our financial results. It is possible that events, such as delays in the entitlements process or construction delays caused by permitting or licensing issues, material shortages, labor issues, weather delays or other acts of god, discovery of contaminants, accidents, deaths or injuries, could delay planned openings beyond their expected dates or force us to abandon planned openings altogether.

As we grow, we will face the risk that our existing resources and systems, including management resources, accounting and finance personnel and operating systems, may be inadequate to support our growth. We cannot assure you that we will be able to retain the personnel or make the changes in our systems that may be required to support our growth. Failure to secure these resources and implement these systems on a timely basis could have a material adverse effect on our results of operations. In addition, hiring additional personnel and implementing changes and enhancements to our systems will require capital

expenditures and other increased costs that could also have a material adverse impact on our results of operations.

Our expansion into new markets, products or categories may also create new distribution and merchandising challenges, including additional strain on our distribution centers, an increase in information to be processed by our management information systems and diversion of management attention from existing operations. To the extent that we are not able to meet these additional challenges, our sales could decrease and our operating expenses could increase, which could have a material adverse effect on our business, financial condition and results of operations.

Finally, the size, timing, and integration of any future new retail location openings or acquisitions or the acquisition of new product lines or categories may cause substantial fluctuations in our results of operations from quarter to quarter. Consequently, our results of operations for any quarter may not be indicative of the results that may be achieved for any subsequent quarter or for a full fiscal year. These fluctuations could adversely affect the market price of our common stock.

As a result of the above factors, we cannot assure you that we will be successful in operating our retail locations in new markets or acquiring new product lines or categories on a profitable basis, and our failure to do so could have a material adverse effect on our business, financial condition and results of operations.

***Unforeseen expenses, difficulties, and delays frequently encountered in connection with expansion through acquisitions could inhibit our growth and negatively impact our profitability.***

Since January 1, 2012, we have acquired 33 retail locations and we have sold two retail locations. Each acquired retail location operated independently prior to its acquisition by us. Our success depends, in part, on our ability to continue to make successful acquisitions and to integrate the operations of acquired retail locations, including centralizing certain functions to achieve cost savings and pursuing programs and processes that promote cooperation and the sharing of opportunities and resources among our retail locations and consumer services and plans. Unforeseen expenses, difficulties and delays frequently encountered in connection with rapid expansion through acquisitions could inhibit our growth and negatively impact our profitability.

We also may be unable to identify suitable acquisition candidates or to complete the acquisitions of candidates that we identify. Increased competition for acquisition candidates or increased asking prices by acquisition candidates may increase purchase prices for acquisitions to levels beyond our financial capability or to levels that would not result in the returns required by our acquisition criteria. Acquisitions also may become more difficult or less attractive in the future as we continue to acquire the most attractive dealers and stores. In addition, we may encounter difficulties in integrating the operations of acquired dealers and stores with our own operations or managing acquired dealers and stores profitably without substantial costs, delays, or other operational or financial problems.

Our ability to continue to grow through the acquisition of additional retail locations will depend upon various factors, including the following:

- the availability of suitable acquisition candidates at attractive purchase prices;
- the ability to compete effectively for available acquisition opportunities;
- the availability of cash on hand, borrowed funds or Class A common stock with a sufficient market price to finance the acquisitions;
- the ability to obtain any requisite third party or governmental approvals; and
- the absence of one or more third parties attempting to impose unsatisfactory restrictions on us in connection with their approval of acquisitions.

As a part of our acquisition strategy, we frequently engage in discussions with various dealerships regarding their potential acquisition by us. In connection with these discussions, we and each potential acquisition candidate exchange confidential operational and financial information, conduct due diligence inquiries, and consider the structure, terms, and conditions of the potential acquisition. Potential acquisition discussions frequently take place over a long period of time and involve difficult business integration and other issues, including in some cases, management succession and related matters. As a result of these and other factors, a number of potential acquisitions that from time to time appear likely to occur do not result in binding legal agreements and are not consummated. In addition, we may have disagreements with potential acquisition targets, which could lead to litigation. Any of these factors or outcomes could result in a material adverse effect on our business, financial condition and results of operations.

***Failure to maintain the strength and value of our brands could have a material adverse effect on our business, financial condition and results of operations.***

Our success depends on the value and strength of the Camping World and Good Sam brands. The Camping World and Good Sam names are integral to our business as well as to the implementation of our strategies for expanding our business. Maintaining, enhancing, promoting and positioning our brands, particularly in new markets where we have limited brand recognition, will depend largely on the success of our marketing and merchandising efforts and our ability to provide high quality services, protection plans, products and resources and a consistent, high quality customer experience. Our brands could be adversely affected if we fail to achieve these objectives, if we fail to comply with local laws and regulations, if we are subject to publicized litigation or if our public image or reputation were to be tarnished by negative publicity. Some of these risks may be beyond our ability to control, such as the effects of negative publicity regarding our manufacturers, suppliers or third party providers of services or negative publicity related to members of management. Any of these events could result in decreases in revenues. Further, maintaining, enhancing, promoting and positioning our brands image may require us to make substantial investments in areas such as merchandising, marketing, store operations, community relations, store graphics and employee training, which could adversely affect our cash flow and which may ultimately be unsuccessful. These factors could have a material adverse effect on our business, financial condition and results of operations.

***Our failure to successfully order and manage our inventory to reflect consumer demand in a volatile market and anticipate changing consumer preferences and buying trends could have a material adverse effect on our business, financial condition and results of operations.***

Our success depends upon our ability to successfully manage our inventory and to anticipate and respond to merchandise trends and consumer demands in a timely manner. Our products appeal to consumers who are, or could become, RV owners across North America. The preferences of these consumers cannot be predicted with certainty and are subject to change. Further, the retail consumer industry, by its nature, is volatile and sensitive to numerous economic factors, including consumer preferences, competition, market conditions, general economic conditions and other factors outside of our control. We cannot predict consumer preferences with certainty, and consumer preferences often change over time. We typically order merchandise well in advance of the following selling season. The extended lead times for many of our purchases may make it difficult for us to respond rapidly to new or changing product trends, increases or decreases in consumer demand or changes in prices. If we misjudge either the market for our merchandise or our consumers' purchasing habits in the future, our revenues may decline significantly and we may not have sufficient quantities of merchandise to satisfy consumer demand or sales orders or we may be required to discount excess inventory, either of which could have a material adverse effect on our business, financial condition and results of operations.

***Our same store sales may fluctuate and may not be a meaningful indicator of future performance.***

Our same store sales may vary from quarter to quarter. A number of factors have historically affected, and will continue to affect, our same store sales results, including:

- changes or anticipated changes to regulations related to some of the products we sell;
- consumer preferences, buying trends and overall economic trends;

- our ability to identify and respond effectively to local and regional trends and customer preferences;
- our ability to provide quality customer service that will increase our conversion of shoppers into paying customers;
- competition in the regional market of a store;
- atypical weather patterns;
- changes in our product mix;
- changes to local or regional regulations affecting our stores;
- changes in sales of consumer services and plans and retention and renewal rates for our annually renewing consumer services and plans; and
- changes in pricing and average unit sales.

An unanticipated decline in revenues or same store sales may cause the price of our Class A common stock to fluctuate significantly.

***The cyclical nature of our business has caused our sales and results of operations to fluctuate. These fluctuations may continue in the future, which could result in operating losses during downturns.***

The RV industry is cyclical and is influenced by many national and regional economic and demographic factors, including:

- terms and availability of financing for retailers and consumers;
- overall consumer confidence and the level of discretionary consumer spending;
- population and employment trends;
- income levels; and
- general economic conditions, including inflation, deflation and recessions.

As a result of the foregoing factors, our sales and results of operations have fluctuated, and we expect that they will continue to fluctuate in the future.

***Our business is seasonal and this leads to fluctuations in sales and revenues.***

We have experienced, and expect to continue to experience, variability in revenue, net income and cash flows as a result of annual seasonality in our business. Because RVs are used primarily by vacationers and campers, demand for services, protection plans, products and resources generally declines during the winter season, while sales and profits are generally highest during the spring and summer months. In addition, unusually severe weather conditions in some geographic areas may impact demand.

On average, over the three years ended December 31, 2016, we have generated 29.9% and 28.7% of our annual revenue in the second and third fiscal quarters, respectively, which include the spring and summer months. We incur additional expenses in the second and third fiscal quarters due to higher purchase volumes, increased staffing in our retail locations and program costs. If, for any reason, we miscalculate the demand for our products or our product mix during the second and third fiscal quarters, our sales in these quarters could decline, resulting in higher labor costs as a percentage of sales, lower margins and excess



inventory, which could have a material adverse effect on our business, financial condition and results of operations.

Due to our seasonality, the possible adverse impact from other risks associated with our business, including atypical weather, consumer spending levels and general business conditions, is potentially greater if any such risks occur during our peak sales seasons.

***Our ability to operate and expand our business and to respond to changing business and economic conditions will depend on the availability of adequate capital.***

The operation of our business, the rate of our expansion and our ability to respond to changing business and economic conditions depend on the availability of adequate capital, which in turn depends on cash flow generated by our business and, if necessary, the availability of equity or debt capital. We also require sufficient cash flow to meet our obligations under our existing debt agreements. As of December 31, 2016, we had a credit agreement that included a \$645.0 million term loan (the “New Term Loan Facility”) and \$35.0 million of commitments for revolving loans and letters of credit (the “New Revolving Credit Facility”) and, together with the New Term Loan Facility, the “New Senior Secured Credit Facilities”). Additionally, as of December 31, 2016, we also had up to \$1.165 billion in maximum borrowing availability under the Floor Plan Facility. The Floor Plan Facility also provides a letter of credit commitment of \$15.0 million. As of December 31, 2016, we had \$626.8 million of term loans outstanding under the New Senior Secured Credit Facilities, net of \$6.3 million of unamortized original issue discount and \$11.9 million of finance costs, no revolving borrowings outstanding under the New Senior Secured Credit Facilities aside from letters of credit in the aggregate amount of \$3.2 million outstanding under the New Revolving Credit Facility, and \$625.2 million in floor plan notes payable outstanding under the Floor Plan Facility, with \$31.8 million of additional borrowing capacity under our New Revolving Credit Facility and \$539.8 million of additional borrowing capacity under our Floor Plan Facility. The proceeds from the New Term Loan Facility were used to repay the Company’s previous senior secured credit facilities (“Previous Senior Secured Credit Facilities”).

Our New Term Loan Facility, which we entered into on November 8, 2016, requires us to make quarterly principal payments of 0.25% of the outstanding principal amount thereof. The first principal payment under the New Term Loan Facility is due on March 31, 2017. We paid total cash interest on our New Senior Secured Credit Facilities of \$45,000 for the portion of the fiscal quarter ended December 31, 2016 that the New Revolving Credit Facility was outstanding. No interest payments were due or paid on our New Term Loan Facility during the year ended December 31, 2016. We also paid total cash interest on our Previous Senior Secured Credit Facilities of \$41.6 million and \$36.8 million for the years ended December 31, 2016 and 2015, respectively, and we paid total floor plan interest on our Floor Plan Facility of \$18.9 million and \$12.4 million for the years ended December 31, 2016 and 2015, respectively. In addition to interest paid on our Previous Senior Secured Credit Facilities, our New Senior Secured Credit Facilities and our Floor Plan Facility, we paid cash interest of \$1.4 million for the year ended December 31, 2016, and in addition to interest paid on our Previous Senior Secured Credit Facilities and our Floor Plan Facility, we paid cash interest of \$8.5 million for the year ended December 31, 2015. The New Term Loan Facility also provides for an excess cash flow payment following the end of each fiscal year beginning with our fiscal year ending December 31, 2017, such that our indirect wholly-owned subsidiary, CWGS Group, LLC (the “Borrower”), will be required to prepay the term loan borrowings in an aggregate amount equal to 50% of excess cash flow for such fiscal year if the total leverage ratio is greater than 2.00 to 1.00. The required percentage of excess cash flow prepayment is reduced to 25% if the total leverage ratio is 1.50 to 1.00 or greater, but less than 2.00 to 1.00, and 0% if the total leverage ratio is less than 1.50 to 1.00. See “Management’s Discussion and Analysis of Financial Condition and Results of Operations — Liquidity and Capital Resources — Description of Senior Secured Credit Facilities and Floor Plan Facility” in Item 7 of Part II of this Annual Report on Form 10-K and Note 7 — Long-Term Debt to our audited consolidated financial statements included in Item 8 of Part II of this Annual Report on Form 10-K. We are dependent to a significant extent on our ability to finance our new and certain of our used RV inventory under our Floor Plan Facility. Floor plan financing arrangements allow us to borrow money to buy a particular new RV from the manufacturer or a used RV on trade in or at auction and pay off the loan when we sell that particular RV. We may need to increase the capacity of our existing Floor Plan Facility in connection with our acquisition of dealerships and overall growth. In the event that we are unable to obtain such incremental financing, our ability to complete acquisitions could be limited.



We cannot assure you that our cash flow from operations or cash available under our New Revolving Credit Facility or our Floor Plan Facility will be sufficient to meet our needs. If we are unable to generate sufficient cash flows from operations in the future, and if availability under our New Revolving Credit Facility or our Floor Plan Facility is not sufficient, we may have to obtain additional financing. If we obtain additional capital by issuing equity, the interests of our existing stockholders will be diluted. If we incur additional indebtedness, that indebtedness may contain significant financial and other covenants that may significantly restrict our operations. We cannot assure you that we could obtain refinancing or additional financing on favorable terms or at all.

***Our New Senior Secured Credit Facilities and our Floor Plan Facility contain restrictive covenants that may impair our ability to access sufficient capital and operate our business.***

Our New Senior Secured Credit Facilities and our Floor Plan Facility contain various provisions that limit our ability to, among other things:

- incur additional indebtedness;
- incur certain liens;
- consolidate or merge;
- alter the business conducted by us and our subsidiaries;
- make investments, loans, advances, guarantees and acquisitions;
- sell assets, including capital stock of our subsidiaries;
- enter into certain sale and leaseback transactions;
- pay dividends on capital stock or redeem, repurchase or retire capital stock or certain other indebtedness;
- engage in transactions with affiliates; and
- enter into agreements restricting our subsidiaries' ability to pay dividends.

In addition, the restrictive covenants in our New Senior Secured Credit Facilities and our Floor Plan Facility require us to maintain specified financial ratios. See "Management's Discussion and Analysis of Financial Condition and Results of Operations — Liquidity and Capital Resources — Description of Senior Secured Credit Facilities and Floor Plan Facility" in Item 7 of Part II of this Annual Report on Form 10-K and Note 7 — Long-Term Debt to our audited consolidated financial statements included in Item 8 of Part II of this Annual Report on Form 10-K. Our ability to comply with those financial ratios may be affected by events beyond our control, and our failure to comply with these ratios could result in an event of default.

These covenants may affect our ability to operate and finance our business as we deem appropriate. Our inability to meet obligations as they become due or to comply with various financial covenants contained in the instruments governing our current or future indebtedness could constitute an event of default under the instruments governing our indebtedness.

If there were an event of default under the instruments governing our indebtedness, the holders of the affected indebtedness could declare all of the affected indebtedness immediately due and payable, which, in turn, could cause the acceleration of the maturity of all of our other indebtedness. We may not have sufficient funds available, or we may not have access to sufficient capital from other sources, to repay any accelerated debt. Even if we could obtain additional financing, the terms of the financing may not be favorable to us. In addition, substantially all of our assets are subject to liens securing our New Senior Secured Credit Facilities and our Floor Plan Facility. If amounts outstanding under our New Senior Secured Credit Facilities and our

Floor Plan Facility were accelerated, our lenders could foreclose on these liens and we could lose substantially all of our assets. Any event of default under the instruments governing our indebtedness could have a material adverse effect on our business, financial condition and results of operations.

***We primarily rely on three fulfillment and distribution centers for our retail, e-commerce and catalog businesses, and, if there is a natural disaster or other serious disruption at either facility, we may be unable to deliver merchandise effectively to our stores or customers.***

We currently rely on three distribution and fulfillment centers located in Franklin, Kentucky, Bakersfield, California, and Fort Worth, Texas for our retail, e-commerce and catalog businesses. We handle almost all of our e-commerce and catalog orders through these three facilities. Any natural disaster or other serious disruption at either facility due to fire, tornado, earthquake, flood or any other cause could damage our on-site inventory or impair our ability to use such distribution and fulfillment center. While we maintain business interruption insurance, as well as general property insurance, the amount of insurance coverage may not be sufficient to cover our losses in such an event. Any of these occurrences could impair our ability to adequately stock our stores or fulfill customer orders and harm our results of operations.

***Natural disasters, whether or not caused by climate change, unusual weather condition, epidemic outbreaks, terrorist acts and political events could disrupt business and result in lower sales and otherwise adversely affect our financial performance.***

The occurrence of one or more natural disasters, such as tornadoes, hurricanes, fires, floods, hail storms and earthquakes, unusual weather conditions, epidemic outbreaks such as Ebola, Zika virus or measles, terrorist attacks or disruptive political events in certain regions where our stores are located could adversely affect our business and result in lower sales. Severe weather, such as heavy snowfall or extreme temperatures, may discourage or restrict customers in a particular region from traveling to our stores or utilizing our products, thereby reducing our sales and profitability. Natural disasters including tornadoes, hurricanes, floods, hail storms and earthquakes may damage our stores or other operations, which may materially adversely affect our consolidated financial results. In addition to business interruption, our retailing business is subject to substantial risk of property loss due to the concentration of property at our retail locations. To the extent these events also impact one or more of our key suppliers or result in the closure of one or more of our distribution centers or our corporate headquarters, we may be unable to maintain inventory balances, maintain delivery schedules or provide other support functions to our stores. Any of these events could have a material adverse effect on our business, financial condition and results of operations.

***We depend on our relationships with third party providers of services, protection plans, products and resources and a disruption of these relationships or of these providers' operations could have an adverse effect on our business and results of operations.***

Our business depends in part on developing and maintaining productive relationships with third party providers of services, protection plans, products and resources that we market to our customers. During the year ended December 31, 2016 we sourced our products from approximately 1,300 domestic and international vendors. Additionally, we rely on certain third party providers to support our services, protection plans, products and resources, including insurance carriers for our property and casualty insurance and extended service contracts, banks and captive financing companies for vehicle financing and refinancing, Comenity Capital Bank as the issuer of our co-branded credit card and a tow provider network for our roadside assistance programs. We cannot accurately predict when, or the extent to which, we will experience any disruption in the supply of products from our vendors or services from our third-party providers. Any such disruption could negatively impact our ability to market and sell our services, protection plans, products and resources, which could have a material adverse effect on our business, financial condition and results of operations. In addition, Comenity Capital Bank could decline to renew our services agreement or become insolvent and unable to perform our contract, and we may be unable to timely find a replacement bank to provide these services.

We depend on merchandise purchased from our vendors to obtain products for our retail locations. We have no contractual arrangements providing for continued supply from our key vendors, and our vendors may discontinue selling to us at any time. Changes in commercial practices of our key vendors or

manufacturers, such as changes in vendor support and incentives or changes in credit or payment terms, could also negatively impact our results. If we lose one or more key vendors or are unable to promptly replace a vendor that is unwilling or unable to satisfy our requirements with a vendor providing equally appealing products at comparable prices, we may not be able to offer products that are important to our merchandise assortment.

We also are subject to risks, such as the price and availability of raw materials and fabrics, labor disputes, union organizing activity, strikes, inclement weather, natural disasters, war and terrorism and adverse general economic and political conditions that might limit our vendors' ability to provide us with quality merchandise on a timely and cost-efficient basis. We may not be able to develop relationships with new vendors, and products from alternative sources, if any, may be of a lesser quality and more expensive than those we currently purchase. Any delay or failure in offering quality products and services to our customers could have a material adverse effect on our business, financial condition and results of operations.

We offer emergency roadside assistance to our customers at a fixed price per year and we pay our tow provider network based on usage. If the amount of emergency roadside claims substantially exceeds our estimates or if our tow provider is unable to adequately respond to calls, it could have a material adverse effect on our business, financial condition or results of operations.

With respect to the insurance programs that we offer, we are dependent on the insurance carriers that underwrite the insurance to obtain appropriate regulatory approvals and maintain compliance with insurance regulations. If such carriers do not obtain appropriate state regulatory approvals or comply with such changing regulations, we may be required to use an alternative carrier or change our insurance products or cease marketing certain insurance related products in certain states, which could have a material adverse effect on our business, financial condition and results of operations. If we are required to use an alternative insurance carrier or change our insurance related products, it may materially increase the time required to bring an insurance related product to market. Any disruption in our service offerings could harm our reputation and result in customer dissatisfaction.

Additionally, we provide financing to qualified customers through a number of third party financing providers. If one or more of these third-party providers ceases to provide financing to our customers, provides financing to fewer customers or no longer provides financing on competitive terms, or if we were unable to replace the current third party providers upon the occurrence of one or more of the foregoing events, it could have a material adverse effect on our business, financial condition and results of operations.

We also offer a co-branded credit card issued by Comenity Capital Bank, a third-party bank that manages and directly extends credit to our customers. The cardholders can earn promotional points on a variety of qualifying purchases, such as purchases at Camping World, on Good Sam purchases and at private campgrounds across the United States and Canada. We earn incentive payments from our card network partner based on the use of the credit card. A decrease in the popularity and use of our co-branded credit card could reduce our ability to earn incentive payment income as part of the program and could have a material adverse effect on our business, financial condition and results of operations.

***A portion of our net income is from financing, insurance and extended service contracts, which depend on third party lenders and insurance companies. We cannot assure you third party lending institutions will continue to provide financing for RV purchases.***

A portion of our net income comes from the fees we receive from lending institutions and insurance companies for arranging financing and insurance coverage for our customers. The lending institution pays us a fee for each loan that we arrange. If these lenders were to lend to our customers directly rather than through us, we would not receive a fee. In addition, if customers prepay financing we arranged within a specified period (generally within six months of making the loan), we are required to rebate (or "chargeback") all or a portion of the commissions paid to us by the lending institution. Our revenues from financing fees and vehicle service contract fees are recorded net of a reserve for estimated future chargebacks based on historical operating results. Lending institutions may change the criteria or terms they use to make loan decisions, which could reduce the number of customers for whom we can arrange financing, or may elect to not continue to provide these products with respect to RVs. Our customers may also use the internet or other

electronic methods to find financing alternatives. If any of these events occur, we could lose a significant portion of our income and profit.

Furthermore, new and used vehicles may be sold and financed through retail installment sales contracts entered into between us and third-party purchasers. Prior to entering into a retail installment sales contract with a third-party purchaser, we typically have a commitment from a third-party lender for the assignment of such retail installment sales contract, subject to final review, approval and verification of the retail installment sales contract, related documentation and the information contained therein. Retail installment sales contracts are typically assigned by us to third-party lenders simultaneously with the execution of the retail installment sales contracts. Contracts in transit represent amounts due from third-party lenders from whom pre-arranged assignment agreements have been determined, and to whom the retail installment sales contract have been assigned. We recognize revenue when the applicable new or used vehicle is delivered and we have assigned the retail installment sales contract to a third-party lender and collectability is reasonably assured. Funding from the third-party lender is provided upon receipt, final review, approval and verification of the retail installment sales contract, related documentation and the information contained therein. Retail installment sales contracts are typically funded within ten days of the initial approval of the retail installment sales contract by the third-party lender. Contracts in transit are included in current assets in our consolidated financial statements included in Item 8 of Part II of this Annual Report on Form 10-K and totaled \$29.0 million and \$21.9 million as of December 31, 2016 and December 31, 2015, respectively. Any defaults on these retail installment sales contracts could have a material adverse effect on our business, financial condition and results of operations.

***If we are unable to retain senior executives and attract and retain other qualified employees, our business might be adversely affected.***

Our success depends in part on our ability to attract, hire, train and retain qualified managerial, sales and marketing personnel. Competition for these types of personnel is high. We may be unsuccessful in attracting and retaining the personnel we require to conduct our operations successfully and, in such an event, our business could be materially and adversely affected. Our success also depends to a significant extent on the continued service and performance of our senior management team, including our Chairman and Chief Executive Officer Marcus Lemonis. The loss of any member of our senior management team could impair our ability to execute our business plan and could therefore have a material adverse effect on our business, results of operations and financial condition. Additionally, certain members of our management team, including Mr. Lemonis, currently pursue and may continue to pursue other business ventures, which could divert their attention from executing on our business plan and objectives. We do not currently maintain key-man life insurance policies on any member of our senior management team or other key employees. We have entered into employment agreements with Marcus A. Lemonis, our Chief Executive Officer, Thomas F. Wolfe, our Chief Financial Officer and Secretary, Brent L. Moody, our Chief Operating and Legal Officer, Roger L. Nuttall, our President of Camping World, and Mark J. Boggess, our President of Good Sam Enterprises.

***Our business depends on our ability to meet our labor needs.***

Our success depends in part upon our ability to attract, motivate and retain a sufficient number of qualified employees, including market managers, general managers, sales managers, department managers and sales associates. Qualified individuals of the requisite caliber and number needed to fill these positions may be in short supply in some areas, and the turnover rate in the retail industry is high. If we are unable to hire and retain sales associates capable of consistently providing a high level of customer service, as demonstrated by their enthusiasm for our culture and knowledge of our merchandise, our business could be materially adversely affected. Although none of our employees are currently covered by collective bargaining agreements, our employees may elect to be represented by labor unions in the future, which could increase our labor costs. Additionally, competition for qualified employees could require us to pay higher wages to attract a sufficient number of employees. An inability to recruit and retain a sufficient number of qualified individuals in the future may delay the planned openings of new stores. Any such delays, any material increases in employee turnover rates at existing stores or any increases in labor costs could have a material adverse effect on our business, financial condition or results of operations.

***We primarily lease our retail locations. If we are unable to maintain those leases or locate alternative sites for our stores in our target markets and on terms that are acceptable to us, our revenues and profitability could be adversely affected.***

We lease substantially all of the real properties where we have operations, including, as of December 31, 2016, all 122 of our Camping World retail locations in 36 states and our three distribution centers. Our leases generally provide for fixed monthly rentals with escalation clauses and range from one to five years. There can be no assurance that we will be able to maintain our existing retail locations as leases expire, extend the leases or be able to locate alternative sites in our target markets and on favorable terms. Any failure to maintain our existing retail locations, extend the leases or locate alternative sites on favorable or acceptable terms could have a material adverse effect on our business, financial condition and results of operations.

***Our business is subject to numerous federal, state and local regulations.***

Our operations are subject to varying degrees of federal, state and local regulation, including our RV sales, RV financing, outbound telemarketing, direct mail, roadside assistance programs and insurance activities. New regulatory efforts may be proposed from time to time that have a material adverse effect on our ability to operate our businesses or our results of operations. For example, in the past a principal source of leads for our direct response marketing efforts was new vehicle registrations provided by motor vehicle departments in various states. Currently, all states restrict access to motor vehicle registration information.

We are also subject to federal and numerous state consumer protection and unfair trade practice laws and regulations relating to the sale, transportation and marketing of motor vehicles, including so-called “lemon laws.” Federal, state and local laws and regulations also impose upon vehicle operators various restrictions on the weight, length and width of motor vehicles that may be operated in certain jurisdictions or on certain roadways. Certain jurisdictions also prohibit the sale of vehicles exceeding length restrictions. Federal and state authorities also have various environmental control standards relating to air, water, noise pollution and hazardous waste generation and disposal which affect our business and operations.

Further, certain federal and state laws and regulations affect our activities. Areas of our business affected by such laws and regulations include, but are not limited to, labor, advertising, consumer protection, real estate, promotions, quality of services, intellectual property, tax, import and export, anti-corruption, anti-competition, environmental, health and safety. Compliance with these laws and others may be onerous and costly, at times, and may be inconsistent from jurisdiction to jurisdiction which further complicates compliance efforts.

The Dodd-Frank Wall Street Reform and Consumer Protection Act (the “Dodd-Frank Act”), which was signed into law on July 21, 2010, established the Consumer Financial Protection Bureau (the “CFPB”), an independent federal agency funded by the United States Federal Reserve with broad regulatory powers and limited oversight from the United States Congress. Although automotive dealers are generally excluded, the Dodd-Frank Act could lead to additional, indirect regulation of automotive dealers, in particular, their sale and marketing of finance and insurance products, through its regulation of automotive finance companies and other financial institutions. In March 2013, the CFPB issued supervisory guidance highlighting its concern that the practice of automotive dealers being compensated for arranging customer financing through discretionary markup of wholesale rates offered by financial institutions (dealer markup) results in a significant risk of pricing disparity in violation of The Equal Credit Opportunity Act (the “ECOA”). The CFPB recommended that financial institutions under its jurisdiction take steps to address compliance with the ECOA, which may include imposing controls on dealer markup, monitoring and addressing the effects of dealer markup policies, and eliminating dealer discretion to markup buy rates and fairly compensating dealers using a different mechanism that does not result in disparate impact to certain groups of consumers.

In addition, the Patient Protection and Affordable Care Act (the “Affordable Care Act”), which was signed into law on March 23, 2010, may increase our annual employee health care costs that we fund and has increased our cost of compliance and compliance risk related to offering health care benefits.

Furthermore, our property and casualty insurance programs that we offer through third party insurance carriers are subject to various state laws and regulations governing the business of insurance, including, without limitation, laws and regulations governing the administration, underwriting, marketing, solicitation or sale of insurance programs. Our third-party insurance carriers are required to apply for, renew, and maintain licenses issued by state, federal or foreign regulatory authorities. Such regulatory authorities have relatively broad discretion to grant, renew and revoke such licenses. Accordingly, any failure by such parties to comply with the then current licensing requirements, which may include any determination of financial instability by such regulatory authorities, could result in such regulators denying their initial or renewal applications for such licenses, modifying the terms of licenses or revoking licenses that they currently possess, which could severely inhibit our ability to market these products. Additionally, certain state laws and regulations govern the form and content of certain disclosures that must be made in connection with the sale, advertising or offer of any insurance program to a consumer. We review all marketing materials we disseminate to the public for compliance with applicable insurance regulations. We are required to maintain certain licenses and approvals in order to market insurance programs.

We have instituted various and comprehensive policies and procedures to address compliance. However, there can be no assurance that employees, contractors, vendors or our agents will not violate such laws and regulations or our policies and procedures.

***Regulations applicable to the sale of extended service contracts could materially impact our business and results of operations.***

We offer extended service contracts that may be purchased as a supplement to the original purchaser's warranty. These products are subject to complex federal and state laws and regulations. There can be no assurance that regulatory authorities in the jurisdictions in which these products are offered will not seek to regulate or restrict these products. Failure to comply with applicable laws and regulations could result in fines or other penalties including orders by state regulators to discontinue sales of the warranty products in one or more jurisdictions. Such a result could materially and adversely affect our business, results of operations and financial condition.

We currently transfer the majority of the administration and liability obligations associated with these extended service contracts to a third party upon purchase by the customer. State laws and regulations, however, may limit or condition our ability to transfer these administration and liability obligations to third parties, which could in turn impact the way revenue is recognized from these products. Failure to comply with these laws could result in fines or other penalties, including orders by state regulators to discontinue sales of these product offerings as currently structured. Such a result could materially and adversely affect our business, financial condition and results of operations.

***If state dealer laws are repealed or weakened, our dealerships will be more susceptible to termination, non-renewal or renegotiation of dealer agreements.***

State dealer laws generally provide that a manufacturer may not terminate or refuse to renew a dealer agreement unless it has first provided the dealer with written notice setting forth good cause and stating the grounds for termination or non-renewal. Some state dealer laws allow dealers to file protests or petitions or attempt to comply with the manufacturer's criteria within the notice period to avoid the termination or non-renewal. Though unsuccessful to date, manufacturers' lobbying efforts may lead to the repeal or revision of state dealer laws. If dealer laws are repealed in the states in which we operate, manufacturers may be able to terminate our dealer agreements without providing advance notice, an opportunity to cure or a showing of good cause. Without the protection of state dealer laws, it may also be more difficult for our dealerships to renew their dealer agreements upon expiration.

The ability of a manufacturer to grant additional dealer agreements is based on several factors which are not within our control. If manufacturers grant new dealer agreements in areas near or within our existing markets, this could have a material adverse effect on our business, financial condition and results of operations.



***Our failure to comply with certain environmental regulations could adversely affect our business, financial condition and results of operations.***

Our operations involve the use, handling, storage and contracting for recycling and/or disposal of materials such as motor oil and filters, transmission fluids, antifreeze, refrigerants, paints, thinners, batteries, cleaning products, lubricants, degreasing agents, tires and propane. Consequently, our business is subject to a complex variety of federal, state and local requirements that regulate the environment and public health and safety and we may incur significant costs to comply with such requirements. Our failure to comply with these regulations could cause us to become subject to fines and penalties or otherwise have an adverse impact on our business. In addition, we have indemnified certain of our landlords for any hazardous waste which may be found on or about property we lease. If any such hazardous waste were to be found on property that we occupy, a significant claim giving rise to our indemnity obligation could have a negative effect on our business, financial condition and results of operations.

***Climate change legislation or regulations restricting emission of “greenhouse gases” could result in increased operating costs and reduced demand for the RVs we sell.***

The United States Environmental Protection Agency has adopted rules under existing provisions of the federal Clean Air Act that require a reduction in emissions of greenhouse gases from motor vehicles. The adoption of any laws or regulations requiring significant increases in fuel economy requirements or new federal or state restrictions on vehicles and automotive fuels in the United States could adversely affect demand for those vehicles and could have a material adverse effect on our business, financial condition and results of operations.

***A failure in our e-commerce operations, security breaches and cybersecurity risks could disrupt our business and lead to reduced sales and growth prospects and reputational damage.***

Our e-commerce business is an important element of our brands and relationship with our customers, and we expect it to continue to grow. In addition to changing consumer preferences and shifting traffic patterns and buying trends in e-commerce, we are vulnerable to additional risks and uncertainties associated with e-commerce sales, including rapid changes in technology, website downtime and other technical failures, security breaches, cyber-attacks, consumer privacy concerns, changes in state tax regimes and government regulation of internet activities. Our failure to successfully respond to these risks and uncertainties could reduce our e-commerce sales, increase our costs, diminish our growth prospects and damage our brands, which could negatively impact our results of operations and stock price.

In addition, there is no guarantee that we will be able to expand our e-commerce business. Our competitors may have e-commerce businesses that are substantially larger and more developed than ours, which places us at a competitive disadvantage. Although we continually update our websites, we may not be successful in implementing improved website features and there is no guarantee that such improvements will expand our e-commerce business. If we are unable to expand our e-commerce business, our growth plans will suffer and the price of our common stock could decline.

***We may be unable to enforce our intellectual property rights and we may be accused of infringing the intellectual property rights of third parties which could have a material adverse effect on our business, financial condition and results of operations.***

We own a variety of registered trademarks and service marks for the names of our clubs, magazines and other publications. We also own the copyrights to certain articles in our publications. We believe that our trademark and copyrights have significant value and are important to our marketing efforts. If we are unable to continue to protect the trademarks and service marks for our proprietary brands, if such marks become generic or if third parties adopt marks similar to our marks, our ability to differentiate our products and services may be diminished. In the event that our trademarks or service marks are successfully challenged by third parties, we could lose brand recognition and be forced to devote additional resources to advertising and marketing new brands for our products.

From time to time, we may be compelled to protect our intellectual property, which may involve litigation. Such litigation may be time-consuming, expensive and distract our management from running the day-to-day operations of our business, and could result in the impairment or loss of the involved intellectual property. There is no guarantee that the steps we take to protect our intellectual property, including litigation when necessary, will be successful. The loss or reduction of any of our significant intellectual property rights could diminish our ability to distinguish our products from competitors' products and retain our market share for our proprietary products. Our inability to effectively protect our proprietary intellectual property rights could have a material adverse effect on our business, results of operations and financial condition.

Other parties also may claim that we infringe their proprietary rights. Such claims, whether or not meritorious, may result in the expenditure of significant financial and managerial resources, injunctions against us or the payment of damages. These claims could have a material adverse effect on our business, financial condition and results of operations.

***If we are unable to maintain or upgrade our information technology systems or if we are unable to convert to alternate systems in an efficient and timely manner, our operations may be disrupted or become less efficient.***

We depend on a variety of information technology systems for the efficient functioning of our business. We rely on certain hardware, telecommunications and software vendors to maintain and periodically upgrade many of these systems so that we can continue to support our business. Various components of our information technology systems, including hardware, networks, and software, are licensed to us by third party vendors. We rely extensively on our information technology systems to process transactions, summarize results and manage our business. Additionally, because we accept debit and credit cards for payment, we are subject to the Payment Card Industry Data Security Standard (the "PCI Standard"), issued by the Payment Card Industry Security Standards Council. The PCI Standard contains compliance guidelines with regard to our security surrounding the physical and electronic storage, processing and transmission of cardholder data. We are currently in compliance with the PCI Standard, however, complying with the PCI Standard and implementing related procedures, technology and information security measures requires significant resources and ongoing attention. Costs and potential problems and interruptions associated with the implementation of new or upgraded systems and technology such as those necessary to maintain compliance with the PCI Standard or with maintenance or adequate support of existing systems could also disrupt or reduce the efficiency of our operations. Any material interruptions or failures in our payment-related systems could have a material adverse effect on our business, financial condition and results of operations.

***Any disruptions to our information technology systems or breaches of our network security could interrupt our operations, compromise our reputation, expose us to litigation, government enforcement actions and costly response measures and could have a material adverse effect on our business, financial condition and results of operations.***

We rely on the integrity, security and successful functioning of our information technology systems and network infrastructure across our operations. We use information technology systems to support our consumer services and plans, manage procurement and our supply chain, track inventory information at our retail locations, communicate customer information and aggregate daily sales, margin and promotional information. We also use information systems to report and audit our operational results.

In connection with sales, we transmit encrypted confidential credit and debit card information. Although we are currently in compliance with the PCI Standard, there can be no assurance that in the future we will be able to continue to operate our facilities and our customer service and sales operations in accordance with PCI or other industry recommended or contractually required practices. Even if we continue to be compliant with such standards, we still may not be able to prevent security breaches.

We also have access to, collect or maintain private or confidential information regarding our customers, associates and suppliers, as well as our business. For example, we maintain a customer database that had over 12 million unique contacts, as of December 31, 2016. This customer database includes information about our approximately 1.8 million club members and our 3.3 million Active Customers,



as of December 31, 2016. The protection of our customer, club member, associate, supplier and company data is critical to us. The regulatory environment surrounding information security and privacy is increasingly demanding, with the frequent imposition of new and constantly changing requirements across our business. In addition, customers have a high expectation that we will adequately protect their personal information from cyber-attack or other security breaches. We have procedures in place to safeguard such data and information. However, a significant breach of club member, customer, employee, supplier, or company data could attract a substantial amount of negative media attention, damage our club member, customer and supplier relationships and our reputation, and result in lost sales, fines and/or lawsuits.

An increasingly significant portion of our sales depends on the continuing operation of our information technology and communications systems, including but not limited to our point-of-sale system and our credit card processing systems. Our information technology, communication systems and electronic data may be vulnerable to damage or interruption from earthquakes, acts of war or terrorist attacks, floods, fires, tornadoes, hurricanes, power loss and outages, computer and telecommunications failures, computer viruses, loss of data, unauthorized data breaches, usage errors by our associates or our contractors or other attempts to harm our systems, including cyber-security attacks, hacking by third parties, computer viruses or other breaches of cardholder data. Some of our systems are not fully redundant, and our disaster recovery planning cannot account for all eventualities. The occurrence of a natural disaster, intentional sabotage or other unanticipated problems could result in lengthy interruptions in our service. Any errors or vulnerabilities in our systems, or damage to or failure of our systems, could result in interruptions in our services and non-compliance with certain regulations or expose us to risk of litigation and liability, which could have a material adverse effect on our business, financial condition and results of operations. Further, we have centralized the majority of our computer systems in our facilities in Englewood, Colorado and Bowling Green, Kentucky. It is possible that an event or disaster at our facilities in Englewood, Colorado and Bowling Green, Kentucky could materially and adversely affect the performance of our company and the ability of each of our stores to operate efficiently.

***Increases in the minimum wage could adversely affect our financial results.***

From time to time, legislative proposals are made to increase the federal minimum wage in the United States, as well as the minimum wage in a number of individual states. As federal or state minimum wage rates increase, we may be required to increase not only the wage rates of our minimum wage employees, but also the wages paid to our other hourly employees as well. Any increase in the cost of our labor could have an adverse effect on our operating costs, financial condition and results of operations.

***Increases in paper costs, postage costs and shipping costs may have an adverse impact on our future financial results.***

The price of paper is a significant expense relating to our publications and direct mail solicitations. Postage for publication distribution and direct mail solicitations is also a significant expense. In addition, shipping costs are a significant expense for our business. Paper, postage and shipping costs have increased in the past and may be expected to increase in the future. Such increases could have an adverse effect on our business if we are unable to pass them on to our customers.

***We may be subject to product liability claims if people or property are harmed by the products we sell.***

Some of the products we sell may expose us to product liability claims relating to personal injury, death, or environmental or property damage, and may require product recalls or other actions. Although we maintain liability insurance, we cannot be certain that our coverage will be adequate for liabilities actually incurred or that insurance will continue to be available to us on economically reasonable terms, or at all. In addition, some of our agreements with our vendors and sellers do not indemnify us from product liability. In addition, even if a product liability claim is not successful or is not fully pursued, the negative publicity surrounding a product recall or any assertion that our products caused property damage or personal injury could damage our brand identity and our reputation with existing and potential consumers and have a material adverse effect on our business, financial condition and results of operations.

We have a self-insured retention (“SIR”) for products liability and personal injury matters ranging from \$25,000 to \$500,000 depending on the product type and when the occurrence took place. Generally, any occurrence (as defined by our insurance policies) after June 1, 2007 is subject to the \$500,000 SIR. Amounts above the SIR, up to a certain dollar amount, are covered by our excess insurance policy. Currently, we maintain excess liability insurance aggregating \$150.0 million with outside insurance carriers to minimize our risks related to catastrophic claims in excess of our self-insured positions for products liability and personal injury matters. Any material change in the aforementioned factors could have an adverse impact on our results of operations. Any increase in the frequency and size of these claims, as compared to our experience in prior years, may cause the premium that we are required to pay for insurance to increase significantly and may negatively impact future SIR levels. It may also increase the amounts we pay in punitive damages, not all of which are covered by our insurance.

***We may be named in litigation, which may result in substantial costs and reputational harm and divert management’s attention and resources.***

We face legal risks in our business, including claims from disputes with our employees and our former employees and claims associated with general commercial disputes, product liability and other matters. Risks associated with legal liability often are difficult to assess or quantify and their existence and magnitude can remain unknown for significant periods of time. While we maintain director and officer insurance, as well as general and product liability insurance, the amount of insurance coverage may not be sufficient to cover a claim and the continued availability of this insurance cannot be assured. We have been named in the past and may be named in the future as defendants of class action lawsuits. For example, we were named as a defendant in a class action lawsuit by Camp Coast to Coast club members, which alleged certain violations of California’s Unfair Competition Law at Business and Professions Code and other laws, relating to our sale of trip points and certain advertising and marketing materials. In addition, we were also named as a defendant in a putative class action lawsuit filed by former employees in the State of California, which alleged various wage and hour claims under the California Labor Code. We have since settled both actions. Regardless of their subject matter or merits, class action lawsuits may result in significant cost to us, which may not be covered by insurance, may divert the attention of management or may otherwise have an adverse effect on our business, financial condition and results of operations. Negative publicity from litigation, whether or not resulting in a substantial cost, could materially damage our reputation. We may in the future be the target of litigation and this litigation may result in substantial costs and reputational harm and divert management’s attention and resources. Costs, harm to our reputation and diversion could have a material adverse effect on our business, financial condition and results of operations.

***Our private brand offerings expose us to various risks.***

We expect to continue to grow our exclusive private brand offerings through a combination of brands that we own and brands that we license from third parties. We have invested in our development and procurement resources and marketing efforts relating to these private brand offerings. Although we believe that our private brand products offer value to our customers at each price point and provide us with higher gross margins than comparable third party branded products we sell, the expansion of our private brand offerings also subjects us to certain specific risks in addition to those discussed elsewhere in this section, such as:

- potential mandatory or voluntary product recalls;
- our ability to successfully protect our proprietary rights (including defending against counterfeit, knock offs, grey-market, infringing or otherwise unauthorized goods);
- our ability to successfully navigate and avoid claims related to the proprietary rights of third parties;
- our ability to successfully administer and comply with obligations under license agreements that we have with the licensors of brands, including, in some instances, certain minimum sales requirements that, if not met, could cause us to lose the licensing rights or pay damages; and

- other risks generally encountered by entities that source, sell and market exclusive branded offerings for retail.

An increase in sales of our private brands may also adversely affect sales of our vendors' products, which may, in turn, adversely affect our relationship with our vendors. Our failure to adequately address some or all of these risks could have a material adverse effect on our business, results of operations and financial condition.

***Political and economic uncertainty and unrest in foreign countries where some of our merchandise vendors are located and trade restrictions upon imports from these foreign countries could adversely affect our ability to source merchandise and our results of operations.***

For the years ended December 31, 2016 and 2015, approximately 8% and 10%, respectively, of our merchandise was imported directly from vendors located in foreign countries, with a substantial portion of the imported merchandise being obtained directly from vendors in China. In addition, we believe that a significant portion of our domestic vendors obtain their products from foreign countries that may also be subject to political and economic uncertainty. We are subject to risks and uncertainties associated with changing economic, political and other conditions in foreign countries where our vendors are located, such as:

- increased import duties, tariffs, trade restrictions and quotas;
- work stoppages;
- economic uncertainties;
- adverse foreign government regulations;
- wars, fears of war and terrorist attacks and organizing activities;
- adverse fluctuations of foreign currencies;
- natural disasters; and
- political unrest.

We cannot predict when, or the extent to which, the countries in which our products are manufactured will experience any of the above events. Any event causing a disruption or delay of imports from foreign locations would likely increase the cost or reduce the supply of merchandise available to us and would adversely affect our results of operations.

In addition, trade restrictions, including increased tariffs or quotas, embargoes, safeguards and customs restrictions against clothing items, as well as U.S. or foreign labor strikes, work stoppages or boycotts could increase the cost or reduce the supply of merchandise available to us or may require us to modify our current business practices, any of which could have a material adverse effect on our business, financial condition and results of operations.

***Our risk management policies and procedures may not be fully effective in achieving their purposes.***

Our policies, procedures, controls and oversight to monitor and manage our enterprise risks may not be fully effective in achieving their purpose and may leave exposure to identified or unidentified risks. Past or future misconduct by our employees or vendors could result in violations of law by us, regulatory sanctions and/or serious reputational harm or financial harm. We monitor our policies, procedures and controls; however, there can be no assurance that our policies, procedures and controls will be sufficient to prevent all forms of misconduct. We review our compensation policies and practices as part of our overall enterprise risk management program, but it is possible that our compensation policies could incentivize inappropriate risk

taking or misconduct. If such inappropriate risks or misconduct occurs, it is possible that it could have a material adverse effect on our business, financial condition and results of operations.

***We could incur asset impairment charges for goodwill, intangible assets or other long-lived assets.***

We have a significant amount of goodwill, intangible assets and other long-lived assets. At least annually, we review goodwill for impairment. Long-lived assets, identifiable intangible assets and goodwill are also reviewed for impairment whenever events or changes in circumstances indicate the carrying amount of an asset may not be recoverable from future cash flows. These events or circumstances could include a significant change in the business climate, legal factors, operating performance indicators, competition, sale or disposition of a significant portion of the business or other factors. If the carrying value of a long-lived asset is considered impaired, an impairment charge is recorded for the amount by which the carrying value of the long-lived asset exceeds its fair value. Our determination of future cash flows, future recoverability and fair value of our long-lived assets includes significant estimates and assumptions. Changes in those estimates or assumptions or lower than anticipated future financial performance may result in the identification of an impaired asset and a non-cash impairment charge, which could be material. Any such charge could adversely affect our business, financial condition and results of operations.

**Risks Relating to Our Organizational Structure**

***Marcus Lemonis, through his beneficial ownership of our shares directly or indirectly held by ML Acquisition and ML RV Group, has substantial control over us, including over decisions that require the approval of stockholders, and his interests, along with the interests of our other Continuing Equity Owners, in our business may conflict with yours.***

Each share of our Class B common stock entitles its holders to one vote per share on all matters presented to our stockholders generally provided that, for as long as ML Acquisition Company, LLC, a Delaware limited liability company, indirectly owned by each of Stephen Adams and our Chairman and Chief Executive Officer, Marcus Lemonis (“ML Acquisition”) and its permitted transferees of common units (the “ML Related Parties”), directly or indirectly, beneficially own in the aggregate 27.5% or more of all of the outstanding common units of CWGS, LLC, the shares of our Class B common stock held by the ML Related Parties entitle the ML Related Parties, and, through his beneficial ownership of our shares directly or indirectly held by ML Acquisition, Marcus Lemonis, to the number of votes necessary such that the ML Related Parties, in the aggregate, cast 47% of the total votes eligible to be cast by all of our stockholders on all matters presented to a vote of our stockholders generally. Additionally, our one share of Class C common stock entitles ML RV Group, LLC, a Delaware limited liability company, wholly-owned by our Chairman and Chief Executive Officer, Marcus Lemonis (“ML RV Group”) and, through his beneficial ownership of our shares directly or indirectly held by ML RV Group, Marcus Lemonis, to the number of votes necessary such that he casts 5% of the total votes eligible to be cast by all of our stockholders on all matters presented to a vote of our stockholders generally for as long as there is no Class C Change of Control (as defined in our amended and restated certificate of incorporation). Accordingly, subject to the voting agreement that we entered into with ML Acquisition, ML RV Group, CVRV Acquisition LLC and CVRV Acquisition II LLC in connection with our IPO (the “Voting Agreement”) as described below, Marcus Lemonis, through his beneficial ownership of our shares directly or indirectly held by ML Acquisition and ML RV Group, may approve or disapprove substantially all transactions and other matters requiring approval by our stockholders, such as a merger, consolidation, dissolution or sale of all or substantially all of our assets, the issuance or redemption of certain additional equity interests, and the election of directors. These voting and class approval rights may also enable Marcus Lemonis to approve transactions that may not be in the best interests of holders of our Class A common stock or, conversely, prevent the consummation of transactions that may be in the best interests of holders of our Class A common stock.

Additionally, the Continuing Equity Owners may receive payments from us under the Tax Receivable Agreement upon any redemption or exchange of their common units in CWGS, LLC, including the issuance of shares of our Class A common stock upon any such redemption or exchange. As a result, the interests of the Continuing Equity Owners may conflict with the interests of holders of our Class A common stock. For example, the Continuing Equity Owners may have different tax positions from us which could influence their decisions regarding whether and when to dispose of assets, whether and when to incur new or refinance

existing indebtedness, especially in light of the existence of the Tax Receivable Agreement, and whether and when we should terminate the Tax Receivable Agreement and accelerate our obligations thereunder. In addition, the structuring of future transactions may take into consideration tax or other considerations of the Continuing Equity Owners even in situations where no similar considerations are relevant to us.

In addition, pursuant to the Voting Agreement, Crestview Advisors, L.L.C., a registered investment adviser to private equity funds, including funds affiliated with Crestview Partners II GP, L.P. (“Crestview”) has the right to designate certain of our directors (the “Crestview Directors”), which will be four Crestview Directors (unless Marcus Lemonis is no longer our Chief Executive Officer, in which case, Crestview will have the right to designate three Crestview Directors) for as long as Crestview Partners II GP, L.P. directly or indirectly, beneficially owns, in the aggregate, 32.5% or more of our Class A common stock, three Crestview Directors for so long as Crestview Partners II GP, L.P., directly or indirectly, beneficially owns, in the aggregate, less than 32.5% but 25% or more of our Class A common stock, two Crestview Directors for as long as Crestview Partners II GP, L.P., directly or indirectly, beneficially owns, in the aggregate, less than 25% but 15% or more of our Class A common stock and one Crestview Director for as long as Crestview Partners II GP, L.P., directly or indirectly, beneficially owns, in the aggregate, less than 15% but 7.5% or more of our Class A common stock (assuming in each such case that all outstanding common units in CWGS, LLC are redeemed for shares of our Class A common stock on a one for one basis). Each of ML Acquisition and ML RV Group has agreed to vote, or cause to vote, all of their outstanding shares of our Class A common stock, Class B common stock and Class C common stock at any annual or special meeting of stockholders in which directors are elected, so as to cause the election of the Crestview Directors. In addition, the ML Related Parties also have the right to designate certain of our directors (the “ML Acquisition Directors”), which will be four ML Acquisition Directors for as long as the ML Related Parties, directly or indirectly, beneficially own in the aggregate 27.5% or more of our Class A common stock, three ML Acquisition Directors for as long as the ML Related Parties, directly or indirectly, beneficially own, in the aggregate, less than 27.5% but 25% or more of our Class A common stock, two ML Acquisition Directors for as long as the ML Related Parties, directly or indirectly, beneficially own, in the aggregate, less than 25% but 15% or more of our Class A common stock and one ML Acquisition Director for as long as the ML Related Parties, directly or indirectly, beneficially own, in the aggregate, less than 15% but 7.5% or more of our Class A common stock (assuming in each such case that all outstanding common units in CWGS, LLC are redeemed for shares of our Class A common stock on a one for one basis). Moreover, ML RV Group has the right to designate one director for as long as it holds our one share of Class C common stock (the “ML RV Director”). Funds controlled by Crestview Partners II GP, L.P. have agreed to vote, or cause to vote, all of their outstanding shares of our Class A common stock and Class B common stock at any annual or special meeting of stockholders in which directors are elected, so as to cause the election of the ML Acquisition Directors and the ML RV Director. Additionally, pursuant to the Voting Agreement, we shall take commercially reasonable action to cause (i) the board of directors to be comprised at least of nine directors; (ii) the individuals designated in accordance with the terms of the Voting Agreement to be included in the slate of nominees to be elected to the board of directors at the next annual or special meeting of stockholders of the Company at which directors are to be elected and at each annual meeting of stockholders of the Company thereafter at which a director’s term expires; (iii) the individuals designated in accordance with the terms of the Voting Agreement to fill the applicable vacancies on the board of directors; and (iv) a ML Acquisition Director or the ML RV Director to be the chairperson of the board of directors (as defined in the bylaws). The Voting Agreement allows for the board of directors to reject the nomination, appointment or election of a particular director if such nomination, appointment or election would constitute a breach of the board of directors’ fiduciary duties to the Company’s stockholders or does not otherwise comply with any requirements of our amended and restated certificate of incorporation or our amended and restated bylaws or the charter for, or related guidelines of, the board of directors’ nominating and corporate governance committee.

The Voting Agreement further provides that, for so long as Crestview Partners II GP, L.P., directly or indirectly, beneficially owns, in the aggregate, 22.5% or more of our Class A common stock, or the ML Related Parties, directly or indirectly, beneficially own, in the aggregate, 22.5% or more of our Class A common stock (assuming in each such case that all outstanding common units in CWGS, LLC are redeemed for shares of our Class A common stock on a one-for-one basis), the approval of Crestview Partners II GP, L.P. and the ML Related Parties, as applicable, will be required for certain corporate actions. These actions include: (1) a change of control; (2) acquisitions or dispositions of assets above \$100 million; (3) the issuance of securities of Camping World Holdings, Inc. or any of its subsidiaries (other than under equity

incentive plans that have received the prior approval of our board of directors); (4) material amendments to our certificate of incorporation or bylaws; and (5) any change in the size of the board of directors. The Voting Agreement also provides that, for so long as either Crestview Partners II GP, L.P., directly or indirectly, beneficially owns, in the aggregate, 28% or more of our Class A common stock, or the ML Related Parties, directly or indirectly, beneficially own, in the aggregate, 28% or more of our Class A common stock (assuming in each such case that all outstanding common units of CWGS, LLC are redeemed for shares of our Class A common stock, on a one-for-one basis), the approval of Crestview Partners II GP, L.P. and the ML Related Parties, as applicable, will be required for the hiring and termination of our Chief Executive Officer; provided, however, that the approval of Crestview Partners II GP, L.P., and the ML Related Parties, as applicable, shall only be required at such time as Marcus Lemonis no longer serves as our Chief Executive Officer. These rights may prevent the consummation of transactions that may be in the best interests of holders of our Class A common stock.

***Our amended and restated certificate of incorporation provides that the doctrine of “corporate opportunity” will not apply with respect to any director or stockholder who is not employed by us or our affiliates.***

The doctrine of corporate opportunity generally provides that a corporate fiduciary may not develop an opportunity using corporate resources, acquire an interest adverse to that of the corporation or acquire property that is reasonably incident to the present or prospective business of the corporation or in which the corporation has a present or expectancy interest, unless that opportunity is first presented to the corporation and the corporation chooses not to pursue that opportunity. The doctrine of corporate opportunity is intended to preclude officers or directors or other fiduciaries from personally benefiting from opportunities that belong to the corporation. Our amended and restated certificate of incorporation provides that the doctrine of “corporate opportunity” does not apply with respect to any director or stockholder who is not employed by us or our affiliates. Any director or stockholder who is not employed by us or our affiliates therefore has no duty to communicate or present corporate opportunities to us, and has the right to either hold any corporate opportunity for their (and their affiliates’) own account and benefit or to recommend, assign or otherwise transfer such corporate opportunity to persons other than us, including to any director or stockholder who is not employed by us or our affiliates.

As a result, certain of our stockholders, directors and their respective affiliates are not be prohibited from operating or investing in competing businesses. We therefore may find ourselves in competition with certain of our stockholders, directors or their respective affiliates, and we may not have knowledge of, or be able to pursue, transactions that could potentially be beneficial to us. Accordingly, we may lose a corporate opportunity or suffer competitive harm, which could negatively impact our business or prospects.

***We are a “controlled company” within the meaning of the NYSE listing requirements and, as a result, qualify for, and rely on, exemptions from certain corporate governance requirements. Our stockholders do not have the same protections afforded to stockholders of companies that are subject to such corporate governance requirements.***

Pursuant to the terms of the Voting Agreement, Marcus Lemonis, through his beneficial ownership of our shares directly or indirectly held by ML Acquisition and ML RV Group, and certain funds controlled by Crestview Partners II GP, L.P., in the aggregate, have more than 50% of the voting power for the election of directors, and, as a result, we are considered a “controlled company” for the purposes of the New York Stock Exchange (the “NYSE”) listing requirements. As such, we qualify for, and rely on, exemptions from certain corporate governance requirements, including the requirements to have a majority of independent directors on our board of directors, an entirely independent nominating and corporate governance committee, an entirely independent compensation committee or to perform annual performance evaluation of the nominating and corporate governance and compensation committees.

The corporate governance requirements and specifically the independence standards are intended to ensure that directors who are considered independent are free of any conflicting interest that could influence their actions as directors. We have utilized, and intend to continue to utilize, certain exemptions afforded to a “controlled company.” As a result, we are not subject to certain corporate governance requirements, including that a majority of our board of directors consists of “independent directors,” as defined under the rules of the



NYSE. In addition, we are not required to have a nominating and corporate governance committee or compensation committee that is composed entirely of independent directors with a written charter addressing the committee's purpose and responsibilities or to conduct annual performance evaluations of the nominating and corporate governance and compensation committees and currently we do not have an entirely independent nominating and corporate governance committee. Accordingly, our stockholders do not have the same protections afforded to stockholders of companies that are subject to all of the corporate governance requirements of the NYSE.

***Our principal asset is our interest in CWGS, LLC, and accordingly, we depend on distributions from CWGS, LLC to pay dividends, taxes and expenses, including payments under the Tax Receivable Agreement. CWGS, LLC's ability to make such distributions may be subject to various limitations and restrictions.***

We are a holding company and had no material assets as of December 31, 2016, other than our ownership of 18,935,916 common units, representing a 22.6% economic interest in the business of CWGS, LLC, and cash of \$2.2 million. We have no independent means of generating revenue or cash flow, and our ability to pay dividends in the future, if any, will be dependent upon the financial results and cash flows of CWGS, LLC and its subsidiaries and distributions we receive from CWGS, LLC. There can be no assurance that our subsidiaries will generate sufficient cash flow to dividend or distribute funds to us or that applicable state law and contractual restrictions, including negative covenants in our debt instruments, will permit such dividends or distributions.

CWGS, LLC is treated as a partnership for U.S. federal income tax purposes and, as such, is not subject to any entity-level U.S. federal income tax. Instead, taxable income is allocated to holders of its common units, including us. As a result, we incur income taxes on our allocable share of any net taxable income of CWGS, LLC. Under the terms of the CWGS LLC Agreement, CWGS, LLC is obligated to make tax distributions to holders of its common units, including us, except to the extent such distributions would render CWGS, LLC insolvent or are otherwise prohibited by law or our New Senior Secured Credit Facilities, our Floor Plan Facility or any of our future debt agreements. In addition to tax expenses, we will also incur expenses related to our operations, our interests in CWGS, LLC and related party agreements, including payment obligations under the Tax Receivable Agreement, and expenses and costs of being a public company, all of which could be significant. We intend, as its managing member, to cause CWGS, LLC to make distributions in an amount sufficient to allow us to pay our taxes and operating expenses, including any ordinary course payments due under the Tax Receivable Agreement. However, CWGS, LLC's ability to make such distributions may be subject to various limitations and restrictions including, but not limited to, restrictions on distributions that would either violate any contract or agreement to which CWGS, LLC is then a party, including debt agreements, or any applicable law, or that would have the effect of rendering CWGS, LLC insolvent. If CWGS, LLC does not have sufficient funds to pay tax distributions or other liabilities to fund our operations, we may have to borrow funds, which could materially adversely affect our liquidity and financial condition and subject us to various restrictions imposed by any such lenders. To the extent that we are unable to make payments under the Tax Receivable Agreement for any reason, such payments will be deferred and will accrue interest until paid; provided, however, that nonpayment for a specified period may constitute a material breach of a material obligation under the Tax Receivable Agreement and therefore may accelerate payments due under the Tax Receivable Agreement. If CWGS, LLC does not have sufficient funds to make distributions, our ability to declare and pay cash dividends may also be restricted or impaired. See “— Risks Relating to Ownership of Our Class A Common Stock.”

***Our Tax Receivable Agreement with the Continuing Equity Owners and Crestview Partners II GP, L.P. requires us to make cash payments to them in respect of certain tax benefits to which we may become entitled, and the amounts that we may be required to pay could be significant.***

In connection with our IPO, we entered into a Tax Receivable Agreement with CWGS, LLC, each of the Continuing Equity Owners and Crestview Partners II GP, L.P. Pursuant to the Tax Receivable Agreement, we are required to make cash payments to the Continuing Equity Owners and Crestview Partners II GP, L.P. equal to 85% of the tax benefits, if any, that we actually realize, or in some circumstances are deemed to realize as a result of (i) increases in tax basis resulting from the purchase of common units from Crestview Partners II GP, L.P. in exchange for Class A common stock in connection with the consummation of the IPO



and the related corporate reorganization transactions and any future redemptions that are funded by Camping World Holdings, Inc. or exchanges of common units and (ii) certain other tax benefits attributable to payments under the Tax Receivable Agreement. The amount of the cash payments that we may be required to make under the Tax Receivable Agreement could be significant. Payments under the Tax Receivable Agreement will be based on the tax reporting positions that we determine, which tax reporting positions are subject to challenge by taxing authorities. Any payments made by us to the Continuing Equity Owners and Crestview Partners II GP, L.P. under the Tax Receivable Agreement will generally reduce the amount of overall cash flow that might have otherwise been available to us. To the extent that we are unable to make timely payments under the Tax Receivable Agreement for any reason, the unpaid amounts will be deferred and will accrue interest until paid by us. Nonpayment for a specified period may constitute a material breach of a material obligation under the Tax Receivable Agreement and therefore may accelerate payments due under the Tax Receivable Agreement. Furthermore, our future obligation to make payments under the Tax Receivable Agreement could make us a less attractive target for an acquisition, particularly in the case of an acquirer that cannot use some or all of the tax benefits that may be deemed realized under the Tax Receivable Agreement. The payments under the Tax Receivable Agreement are also not conditioned upon the Continuing Equity Owners or Crestview Partners II GP, L.P. maintaining a continued ownership interest in CWGS, LLC.

***The amounts that we may be required to pay to the Continuing Equity Owners and Crestview Partners II GP, L.P. under the Tax Receivable Agreement may be accelerated in certain circumstances and may also significantly exceed the actual tax benefits that we ultimately realize.***

The Tax Receivable Agreement provides that if certain mergers, asset sales, other forms of business combination, or other changes of control were to occur, if we materially breach any of our material obligations under the Tax Receivable Agreement or if, at any time, we elect an early termination of the Tax Receivable Agreement, then the Tax Receivable Agreement will terminate and our obligations, or our successor's obligations, to make payments under the Tax Receivable Agreement would accelerate and become immediately due and payable. The amount due and payable in those circumstances is determined based on certain assumptions, including an assumption that we would have sufficient taxable income to fully utilize all potential future tax benefits that are subject to the Tax Receivable Agreement. We may need to incur debt to finance payments under the Tax Receivable Agreement to the extent our cash resources are insufficient to meet our obligations under the Tax Receivable Agreement as a result of timing discrepancies or otherwise.

As a result of the foregoing, (i) we could be required to make cash payments to the Continuing Equity Owners and Crestview Partners II GP, L.P. that are greater than the specified percentage of the actual benefits we ultimately realize in respect of the tax benefits that are subject to the Tax Receivable Agreement and (ii) we would be required to make an immediate cash payment equal to the present value of the anticipated future tax benefits that are the subject of the Tax Receivable Agreement, which payment may be made significantly in advance of the actual realization, if any, of such future tax benefits. In these situations, our obligations under the Tax Receivable Agreement could have a substantial negative impact on our liquidity and could have the effect of delaying, deferring or preventing certain mergers, asset sales, other forms of business combination, or other changes of control. There can be no assurance that we will be able to finance our obligations under the Tax Receivable Agreement.

***We will not be reimbursed for any payments made to the Continuing Equity Owners and Crestview Partners II GP, L.P. under the Tax Receivable Agreements in the event that any tax benefits are disallowed.***

We will not be reimbursed for any cash payments previously made to the Continuing Equity Owners and Crestview Partners II GP, L.P. pursuant to the Tax Receivable Agreement if any tax benefits initially claimed by us are subsequently challenged by a taxing authority and are ultimately disallowed. Instead, any excess cash payments made by us to a Continuing Equity Owner or Crestview Partners II GP, L.P. will be netted against any future cash payments that we might otherwise be required to make under the terms of the Tax Receivable Agreement. However, a challenge to any tax benefits initially claimed by us may not arise for a number of years following the initial time of such payment or, even if challenged early, such excess cash payment may be greater than the amount of future cash payments that we might otherwise be required to make under the terms of the Tax Receivable Agreement and, as a result, there might not be future cash

payments from which to net against. The applicable U.S. federal income tax rules are complex and factual in nature, and there can be no assurance that the IRS or a court will not disagree with our tax reporting positions. As a result, it is possible that we could make cash payments under the Tax Receivable Agreement that are substantially greater than our actual cash tax savings.

***Unanticipated changes in effective tax rates or adverse outcomes resulting from examination of our income or other tax returns could adversely affect our operating results and financial condition.***

We are subject to income taxes in the United States, and our tax liabilities will be subject to the allocation of expenses in differing jurisdictions. Our future effective tax rates could be subject to volatility or adversely affected by a number of factors, including:

- changes in the valuation of our deferred tax assets and liabilities;
- expected timing and amount of the release of any tax valuation allowances;
- expiration of, or detrimental changes in, research and development tax credit laws;
- tax effects of equity-based compensation;
- costs related to intercompany restructurings; or
- changes in tax laws, regulations or interpretations thereof.

In addition, we may be subject to audits of our income, sales and other transaction taxes by U.S. federal and state authorities. Outcomes from these audits could have an adverse effect on our operating results and financial condition.

***If we were deemed to be an investment company under the Investment Company Act of 1940, as amended (the "1940 Act"), as a result of our ownership of CWGS, LLC, applicable restrictions could make it impractical for us to continue our business as contemplated and could have a material adverse effect on our business, financial condition and results of operations.***

Under Sections 3(a)(1)(A) and (C) of the 1940 Act, a company generally will be deemed to be an "investment company" for purposes of the 1940 Act if (i) it is, or holds itself out as being, engaged primarily, or proposes to engage primarily, in the business of investing, reinvesting or trading in securities or (ii) it engages, or proposes to engage, in the business of investing, reinvesting, owning, holding or trading in securities and it owns or proposes to acquire investment securities having a value exceeding 40% of the value of its total assets (exclusive of U.S. government securities and cash items) on an unconsolidated basis. We do not believe that we are an "investment company," as such term is defined in either of those sections of the 1940 Act.

As the sole managing member of CWGS, LLC, we control and operate CWGS, LLC. On that basis, we believe that our interest in CWGS, LLC is not an "investment security" as that term is used in the 1940 Act. However, if we were to cease participation in the management of CWGS, LLC, our interest in CWGS, LLC could be deemed an "investment security" for purposes of the 1940 Act.

We and CWGS, LLC intend to conduct our operations so that we will not be deemed an investment company. However, if we were to be deemed an investment company, restrictions imposed by the 1940 Act, including limitations on our capital structure and our ability to transact with affiliates, could make it impractical for us to continue our business as contemplated and could have a material adverse effect on our business, financial condition and results of operations.

***Our organizational structure, including the Tax Receivable Agreement, confers certain benefits upon the Continuing Equity Owners and Crestview Partners II GP, L.P. that do not benefit Class A common stockholders to the same extent as it benefits the Continuing Equity Owners and Crestview Partners II GP, L.P.***

Our organizational structure, including the Tax Receivable Agreement, confers certain benefits upon the Continuing Equity Owners and Crestview Partners II GP, L.P. that do not benefit the holders of our Class A common stock to the same extent as it benefits such Continuing Equity Owners and Crestview Partners II GP, L.P. In connection with our IPO, we entered into the Tax Receivable Agreement with CWGS, LLC and such Continuing Equity Owners and Crestview Partners II GP, L.P. and it provides for the payment by Camping World Holdings, Inc. to the Continuing Equity Owners and Crestview Partners II GP, L.P. of 85% of the amount of tax benefits, if any, that Camping World Holdings, Inc. actually realizes, or in some circumstances is deemed to realize, as a result of (i) increases in tax basis resulting from the purchase of common units from Crestview Partners II GP, L.P. in exchange for Class A common stock in connection with the consummation of the IPO and the related corporate reorganization transactions and any future redemptions that are funded by Camping World Holdings, Inc. or exchanges of common units and (ii) certain other tax benefits attributable to payments under the Tax Receivable Agreement. Although Camping World Holdings, Inc. will retain 15% of the amount of such tax benefits, this and other aspects of our organizational structure may adversely impact the future trading market for the Class A common stock.

#### **Risks Relating to Ownership of Our Class A Common Stock**

***The Continuing Equity Owners (through common units) own interests in CWGS, LLC, and the Continuing Equity Owners have the right to redeem their interests in CWGS, LLC pursuant to the terms of the CWGS LLC Agreement for shares of Class A common stock or cash.***

At December 31, 2016, we had an aggregate of 231,064,084 shares of Class A common stock authorized but unissued, including approximately 64,835,914 shares of Class A common stock issuable, at our election, upon redemption of CWGS, LLC common units held by the Continuing Equity Owners. In connection with our IPO, CWGS, LLC entered into the CWGS LLC Agreement, and subject to certain restrictions set forth therein, the Continuing Equity Owners are entitled to have their common units redeemed from time to time at each of their options for, at our election (determined solely by our independent directors (within the meaning of the rules of the NYSE) who are disinterested), shares of our Class A common stock on a one-for-one basis or a cash payment equal to a volume weighted average market price of one share of Class A common stock for each common unit redeemed, in each case in accordance with the terms of the CWGS LLC Agreement; provided that, at our election (determined solely by our independent directors (within the meaning of the rules of the NYSE) who are disinterested), we may effect a direct exchange of such Class A common stock or such cash, as applicable, for such common units. The Continuing Equity Owners may exercise such redemption right for as long as their common units remain outstanding. In connection with our IPO, we also entered into a Registration Rights Agreement pursuant to which the shares of Class A common stock issued upon such redemption and the shares of Class A common stock issued to the Original Equity Owners in connection with the corporate reorganization transactions entered into in connection therewith will be eligible for resale, subject to certain limitations set forth therein.

We cannot predict the size of future issuances of our Class A common stock or the effect, if any, that future issuances and sales of shares of our Class A common stock may have on the market price of our Class A common stock. Sales or distributions of substantial amounts of our Class A common stock, including shares issued in connection with an acquisition, or the perception that such sales or distributions could occur, may cause the market price of our Class A common stock to decline.

***You may be diluted by future issuances of additional Class A common stock or common units in connection with our incentive plans, acquisitions or otherwise; future sales of such shares in the public market, or the expectations that such sales may occur, could lower our stock price.***

Our amended and restated certificate of incorporation authorizes us to issue shares of our Class A common stock and options, rights, warrants and appreciation rights relating to our Class A common stock for the consideration and on the terms and conditions established by our board of directors in its sole discretion,

whether in connection with acquisitions or otherwise. In addition, we, CWGS, LLC and the Continuing Equity Owners are party to the CWGS LLC Agreement under which the Continuing Equity Owners (or certain permitted transferees thereof) have the right (subject to the terms of the CWGS LLC Agreement) to have their common units redeemed from time to time at each of their options by CWGS, LLC in exchange for, at our election (determined solely by our independent directors (within the meaning of the rules of the NYSE) who are disinterested), shares of our Class A common stock on a one-for-one basis or a cash payment equal to a volume weighted average market price of one share of Class A common stock for each common unit redeemed, in each case in accordance with the terms of the CWGS LLC Agreement; provided that, at our election (determined solely by our independent directors (within the meaning of the rules of the NYSE) who are disinterested), we may effect a direct exchange of such Class A common stock or such cash, as applicable, for such common units. The Continuing Equity Owners may exercise such redemption right for as long as their common units remain outstanding. The market price of shares of our Class A common stock could decline as a result of these redemptions or exchanges or the perception that a redemption could occur. These redemptions or exchanges, or the possibility that these redemptions or exchanges may occur, also might make it more difficult for holders of our Class A common stock to sell such stock in the future at a time and at a price that they deem appropriate.

We have reserved shares for issuance under our 2016 Incentive Award Plan (the "2016 Plan") in an amount equal to 14,693,518 shares of Class A common stock, including, as of December 31, 2016, shares of Class A common stock issuable pursuant to 1,132,557 stock options and 145,158 restricted stock units that were granted to certain of our directors and certain of our employees in connection with our IPO. Any Class A common stock that we issue, including under our 2016 Plan or other equity incentive plans that we may adopt in the future, would dilute the percentage ownership of holders of our Class A common stock.

In connection with our IPO, we, our officers and directors and the Original Equity Owners, subject to certain exceptions, agreed that, without the prior written consent of Goldman, Sachs & Co. and J.P. Morgan Securities LLC, on behalf of the underwriters of our IPO, we and they will not, during the period ending 180 days after October 6, 2016 (i) offer, pledge, sell, contract to sell, sell any option or contract to purchase, purchase any option or contract to sell, grant any option, right or warrant to purchase, lend or otherwise transfer or dispose of, directly or indirectly, beneficially any shares of Class A common stock or any securities convertible into or exercisable or exchangeable for shares of Class A common stock; (ii) file any registration statement with the SEC relating to the offering of any shares of Class A common stock or any securities convertible into or exercisable or exchangeable for Class A common stock; or (iii) enter into any swap or other arrangement that transfers to another, in whole or in part, any of the economic consequences of ownership of Class A common stock, subject to certain exceptions. Goldman, Sachs & Co. and J.P. Morgan Securities LLC, in their sole discretion, may release the Class A common stock and other securities subject to the lock-up agreements described above in whole or in part at any time with or without notice.

The market price of our Class A common stock may decline significantly when the restrictions on resale by our existing stockholders lapse. A decline in the price of our Class A common stock might impede our ability to raise capital through the issuance of additional shares of Class A common stock or other equity securities.

In connection with our IPO, we entered into a Registration Rights Agreement with the Original Equity Owners. Any sales in connection with the Registration Rights Agreement, or the prospect of any such sales, could materially impact the market price of our Class A common stock and could impair our ability to raise capital through future sales of equity securities.

In the future, we may also issue additional securities if we need to raise capital, including, but not limited to, in connection with acquisitions, which could constitute a material portion of our then-outstanding shares of Class A common stock.

***Our Class A common stock price may be volatile or may decline regardless of our operating performance.***

Volatility in the market price of our Class A common stock may prevent you from being able to sell your shares at or above the price you paid for such shares. Many factors, which are outside our control, may

cause the market price of our Class A common stock to fluctuate significantly, including those described elsewhere in this “Risk Factors” section and this Annual Report on Form 10-K, as well as the following:

- our operating and financial performance and prospects;
- our quarterly or annual earnings or those of other companies in our industry compared to market expectations;
- conditions that impact demand for our services;
- future announcements concerning our business or our competitors’ businesses;
- the public’s reaction to our press releases, other public announcements and filings with the SEC;
- the size of our public float;
- coverage by or changes in financial estimates by securities analysts or failure to meet their expectations;
- market and industry perception of our success, or lack thereof, in pursuing our growth strategy;
- strategic actions by us or our competitors, such as acquisitions or restructurings;
- changes in laws or regulations which adversely affect our industry or us;
- changes in accounting standards, policies, guidance, interpretations or principles;
- changes in senior management or key personnel;
- issuances, exchanges or sales, or expected issuances, exchanges or sales of our capital stock;
- changes in our dividend policy;
- adverse resolution of new or pending litigation against us; and
- changes in general market, economic and political conditions in the United States and global economies or financial markets, including those resulting from natural disasters, terrorist attacks, acts of war and responses to such events.

As a result, volatility in the market price of our Class A common stock may prevent investors from being able to sell their Class A common stock at or above the price they paid for such shares. These broad market and industry factors may materially reduce the market price of our Class A common stock, regardless of our operating performance. In addition, price volatility may be greater if the public float and trading volume of our Class A common stock is low. As a result, you may suffer a loss on your investment.

***Our ability to pay regular and special dividends on our Class A common stock is subject to the discretion of our board of directors and may be limited by our structure and statutory restrictions and restrictions imposed by our New Senior Secured Credit Facilities and our Floor Plan Facility as well as any future agreements.***

CWGS, LLC intends to make a regular quarterly cash distribution to its common unit holders of approximately \$0.08 per common unit, and we intend to use all of the proceeds from such distribution on our common units to declare cash dividends on our Class A common stock. Our first regular quarterly cash dividend was paid during the quarter ended December 31, 2016. CWGS, LLC shall make cash distributions in accordance with the CWGS LLC Agreement in an amount sufficient for us to pay any expenses incurred by us in connection with the regular quarterly cash dividend, along with any of our other operating expenses and

other obligations. In addition, we currently intend to pay a special cash dividend of all or a portion of the Excess Tax Distribution to the holders of our Class A common stock from time to time, subject to the discretion of our board of directors. However, the payment of future dividends on our Class A common stock will be subject to our discretion as the sole managing member of CWGS, LLC, the discretion of our board of directors and will depend on, among other things, our results of operations, financial condition, level of indebtedness, capital requirements, contractual restrictions, restrictions in our debt agreements and in any preferred stock, business prospects and other factors that our board of directors may deem relevant. Our New Senior Secured Credit Facilities and our Floor Plan Facility will also effectively limit our ability to pay dividends. Additionally, our ability to distribute any Excess Tax Distribution will also be subject to no early termination or amendment of the Tax Receivable Agreement, as well as the amount of tax distributions actually paid to us and our actual tax liability. As a consequence of these limitations and restrictions, we may not be able to make, or may have to reduce or eliminate, the payment of dividends on our Class A common stock. Accordingly, you may have to sell some or all of your Class A common stock after price appreciation in order to generate cash flow from your investment. You may not receive a gain on your investment when you sell your Class A common stock and you may lose the entire amount of the investment. Additionally, any change in the level of our dividends or the suspension of the payment thereof could adversely affect the market price of our Class A common stock.

***Delaware law and certain provisions in our amended and restated certificate of incorporation may prevent efforts by our stockholders to change the direction or management of our company.***

We are a Delaware corporation, and the anti-takeover provisions of Delaware law impose various impediments to the ability of a third party to acquire control of us, even if a change of control would be beneficial to our existing stockholders. In addition, our amended and restated certificate of incorporation and our amended and restated bylaws contain provisions that may make the acquisition of our Company more difficult without the approval of our board of directors, including, but not limited to, the following:

- our board of directors is classified into three classes, each of which serves for a staggered three-year term;
- a majority of our stockholders or a majority of our board of directors may call special meetings of our stockholders, and at such time as the ML Related Parties, directly or indirectly, beneficially own in the aggregate, less than 27.5% of all of the outstanding common units of CWGS, LLC, only the chairperson of our board of directors or a majority of our board of directors may call special meetings of our stockholders;
- we have authorized undesignated preferred stock, the terms of which may be established and shares of which may be issued without stockholder approval;
- any action required or permitted to be taken by our stockholders at an annual meeting or special meeting of stockholders may be taken without a meeting, without prior notice and without a vote, if a written consent is signed by the holders of our outstanding shares of common stock representing not less than the minimum number of votes that would be necessary to authorize such action at a meeting at which all outstanding shares of common stock entitled to vote thereon, and at such time as the ML Related Parties, directly or indirectly, beneficially own in the aggregate, less than 27.5% of all of the outstanding common units of CWGS, LLC, any action required or permitted to be taken by our stockholders at an annual meeting or special meeting of stockholders may not be taken by written consent in lieu of a meeting;
- our amended and restated certificate of incorporation may be amended or repealed by the affirmative vote of a majority of the votes which all our stockholders would be eligible to cast in an election of directors and our amended and restated bylaws may be amended or repealed by a majority vote of our board of directors or by the affirmative vote of a majority of the votes which all our stockholders would be eligible to cast in an election of directors, and at such time as the ML Related Parties, directly or indirectly, beneficially own in the aggregate, less than 27.5% of all of the outstanding common units of CWGS, LLC, our amended and restated certificate of incorporation and our amended and restated bylaws may be amended or repealed by the



affirmative vote of the holders of at least  $66\frac{2}{3}\%$  of the votes which all our stockholders would be entitled to cast in any annual election of directors and our amended and restated bylaws may also be amended or repealed by a majority vote of our board of directors;

- we require advance notice and duration of ownership requirements for stockholder proposals; and
- we have opted out of Section 203 of the Delaware General Corporation Law of the State of Delaware (the “DGCL”), however, our amended and restated certificate of incorporation contains provisions that are similar to Section 203 of the DGCL (except with respect to ML Acquisition and Crestview and any of their respective affiliates and any of their respective direct or indirect transferees of Class B common stock).

These provisions could discourage, delay or prevent a transaction involving a change in control of our company. These provisions could also discourage proxy contests and make it more difficult you and other stockholders to elect directors of your choosing and cause us to take other corporate actions you desire, including actions that you may deem advantageous, or negatively affect the trading price of our Class A common stock. In addition, because our board of directors is responsible for appointing the members of our management team, these provisions could in turn affect any attempt by our stockholders to replace current members of our management team.

Please see “— Risks Relating to Our Organizational Structure — *Marcus Lemonis, through his beneficial ownership of our shares directly or indirectly held by ML Acquisition and ML RV Group, has substantial control over us, including over decisions that require the approval of stockholders, and his interests, along with the interests of our other Continuing Equity Owners, in our business may conflict with yours.*”

***Our amended and restated certificate of incorporation provides, subject to certain exceptions, that the Court of Chancery of the State of Delaware will be the sole and exclusive forum for certain stockholder litigation matters, which could limit our stockholders’ ability to obtain a favorable judicial forum for disputes with us or our directors, officers, employees or stockholders.***

Our amended and restated certificate of incorporation provides, subject to limited exceptions, that the Court of Chancery of the State of Delaware will, to the fullest extent permitted by law, be the sole and exclusive forum for (i) any derivative action or proceeding brought on our behalf; (ii) any action asserting a claim of breach of a fiduciary duty owed by any of our directors, officers or other employees to us or our stockholders; (iii) any action asserting a claim against us, any director or our officers or employees arising pursuant to any provision of the DGCL, our amended and restated certificate of incorporation or our amended and restated bylaws; or (iv) any action asserting a claim against us, any director or our officers or employees that is governed by the internal affairs doctrine. Any person or entity purchasing or otherwise acquiring any interest in shares of our capital stock shall be deemed to have notice of and to have consented to the provisions of our amended and restated certificate of incorporation described above. This choice of forum provision may limit a stockholder’s ability to bring a claim in a judicial forum that it finds favorable for disputes with us or any of our directors, officers, other employees or stockholders which may discourage lawsuits with respect to such claims. Alternatively, if a court were to find the choice of forum provision in our amended and restated certificate of incorporation to be inapplicable or unenforceable in an action, we may incur additional costs associated with resolving such action in other jurisdictions, which could materially adversely affect our business, financial condition and results of operations.

***We may issue shares of preferred stock in the future, which could make it difficult for another company to acquire us or could otherwise adversely affect holders of our Class A common stock, which could depress the price of our Class A common stock.***

Our amended and restated certificate of incorporation authorizes us to issue one or more series of preferred stock. Our board of directors will have the authority to determine the preferences, limitations and relative rights of the shares of preferred stock and to fix the number of shares constituting any series and the designation of such series, without any further vote or action by our stockholders. Our preferred stock could



be issued with voting, liquidation, dividend and other rights superior to the rights of our Class A common stock. The potential issuance of preferred stock may delay or prevent a change in control of us, discouraging bids for our Class A common stock at a premium to the market price, and materially and adversely affect the market price and the voting and other rights of the holders of our Class A common stock.

***The obligations associated with being a public company have required, and will continue to require, significant resources and management attention, which may divert from our business operations.***

As a public company, we are subject to the reporting requirements of the Securities Exchange Act of 1934, as amended (the "Exchange Act") and the Sarbanes-Oxley Act of 2002, as amended (the "Sarbanes-Oxley Act"). The Exchange Act requires 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 establish and maintain effective internal control over financial reporting. As a result, we have incurred, and will continue to incur, significant legal, accounting and other expenses that we did not previously incur prior to our IPO.

In addition, the need to continue to establish the corporate infrastructure demanded of a public company may divert management's attention from implementing our business strategy, which could prevent us from improving our business, results of operations and financial condition. We have made, and will continue to make, changes to our internal control over financial reporting, including information technology controls, and procedures for financial reporting and accounting systems to meet our reporting obligations as a public company. However, the measures we take may not be sufficient to satisfy our obligations as a public company. If we do not continue to develop and implement the right processes and tools to manage our changing enterprise and maintain our culture, our ability to compete successfully and achieve our business objectives could be impaired, which could negatively impact our business, financial condition and results of operations. In addition, we cannot predict or estimate the amount of additional costs we may continue to incur to comply with these requirements. We anticipate that these costs will continue to materially increase our general and administrative expenses in comparison to the amount of such general and administrative expenses prior to our IPO.

Furthermore, as a public company, we will continue to incur additional legal, accounting and other expenses that have not been reflected in our historical financial statements for periods prior to the IPO included in Item 8 of Part II of this Annual Report on Form 10-K. In addition, rules implemented by the SEC and the NYSE have imposed various requirements on public companies, including establishment and maintenance of effective disclosure and financial controls and changes in corporate governance practices. Our management and other personnel have devoted, and will need to continue to devote, a substantial amount of time to these compliance initiatives. These rules and regulations result in our incurring legal and financial compliance costs and have made, and will continue to make, some activities more time-consuming and costly. For example, we expect these rules and regulations to make it more difficult and more expensive for us to obtain director and officer liability insurance, and we may be required to accept reduced policy limits and coverage or incur substantially higher costs to obtain the same or similar coverage. As a result, it may be more difficult for us to attract and retain qualified people to serve on our board of directors, our board committees or as executive officers.

***As a public reporting company, we are subject to rules and regulations established from time to time by the SEC regarding our internal control over financial reporting. If we fail to establish and maintain effective internal control over financial reporting and disclosure controls and procedures, we may not be able to accurately report our financial results, or report them in a timely manner.***

As a public reporting company, we are subject to the rules and regulations established from time to time by the SEC and NYSE. These rules and regulations require, among other things, that we have, and periodically evaluate, procedures with respect to our internal control over financial reporting. Reporting obligations as a public company are likely to continue to place a considerable strain on our financial and management systems, processes and controls, as well as on our personnel.

In addition, as a public company we are required to document and test our internal control over financial reporting pursuant to Section 404 of the Sarbanes-Oxley Act so that our management can certify as

to the effectiveness of our internal control over financial reporting by the time our second annual report is filed with the SEC and thereafter, which will require us to document and make significant changes to our internal control over financial reporting. Likewise, our independent registered public accounting firm will be required to provide an attestation report on the effectiveness of our internal control over financial reporting.

If our senior management is unable to conclude that we have effective internal control over financial reporting, or to certify the effectiveness of such controls, or if our independent registered public accounting firm cannot render an unqualified opinion on management's assessment and the effectiveness of our internal control over financial reporting, or if material weaknesses in our internal control over financial reporting are identified, we could be subject to regulatory scrutiny, a loss of public and investor confidence, and to litigation from investors and stockholders, which could have a material adverse effect on our business and the price of our Class A common stock. In addition, if we do not maintain adequate financial and management personnel, processes and controls, we may not be able to manage our business effectively or accurately report our financial performance on a timely basis, which could cause a decline in our common stock price and adversely affect our results of operations and financial condition. Failure to comply with the Sarbanes-Oxley Act could potentially subject us to sanctions or investigations by the SEC, the NYSE or other regulatory authorities, which would require additional financial and management resources.

***If securities analysts do not publish research or reports about our company, or if they issue unfavorable commentary about us or our industry or downgrade our Class A common stock, the price of our Class A common stock could decline.***

The trading market for our Class A common stock depends in part on the research and reports that third party securities analysts publish about our company and our industry. If one or more analysts cease coverage of our company, we could lose visibility in the market. In addition, one or more of these analysts could downgrade our Class A common stock or issue other negative commentary about our company or our industry. As a result of one or more of these factors, the trading price of our Class A common stock could decline.

## ITEM 1B. UNRESOLVED STAFF COMMENTS

None.

## ITEM 2. PROPERTIES

We typically lease all of the real properties where we have operations. Our real property leases generally provide for fixed monthly rentals with annual escalation clauses. The table below sets forth certain information concerning our offices and distribution centers and the lease expiration date includes all stated option periods.

	Square Feet	Acres	Lease Expiration(1)
<b>Office Facilities:</b>			
Lincolnshire, IL (Corporate headquarters and Dealership headquarters)	25,900		2024
Denver, CO (Consumer services and plans operations, customer contact and service center and information system functions)	60,000		2054
Bowling Green, KY (Retail administrative and information systems functions)	33,947		2054
Oxnard, CA (Publishing and administrative)	10,254		2024
<b>Retail Distribution Centers</b>			
Bakersfield, California	169,123	13.1	2053
Franklin, Kentucky	250,000	33.0	2035
Fort Worth, Texas	197,400	5.1	2036

(1) Assumes exercise of applicable lease renewal options.

As of December 31, 2016, we also leased 122 retail locations in 36 states where we operate our retail locations. These retail locations generally range in size from approximately 30,000 to 45,000 square feet and are typically situated on approximately eight to 18 acres. The leases for our retail locations typically have terms of 15 to 20 years, with multiple renewal terms of five years each. These leases are typically “triple net leases” that require us to pay real estate taxes, insurance and maintenance costs.

The following table lists the location by state of our 122 retail locations open as of December 31, 2016:

	<u>Number of Retail Locations</u>		<u>Number of Retail Locations</u>
Alabama	4	Nevada	2
Arizona	4	New Hampshire	2
Arkansas	2	New Jersey	2
California	11	New Mexico	1
Colorado	3	New York	3
Florida	14	North Carolina	7
Georgia	5	Ohio	4
Idaho	2	Oklahoma	2
Illinois	1	Oregon	4
Indiana	2	Pennsylvania	2
Iowa	2	South Carolina	5
Kentucky	1	South Dakota	1
Louisiana	3	Tennessee	3
Massachusetts	1	Texas	7
Michigan	3	Utah	3
Minnesota	2	Virginia	2
Mississippi	3	Washington	3
Missouri	4	Wisconsin	2

### ITEM 3. LEGAL PROCEEDINGS

We are engaged in various legal actions, claims and proceedings arising in the ordinary course of business, including claims related to employment-related matters, breach of contracts, products liabilities, consumer protection and intellectual property matters resulting from our business activities. We do not believe that the ultimate resolution of these pending claims will have a material adverse effect on our business, financial condition or results of operations. However, litigation is subject to many uncertainties, and the outcome of certain individual litigated matters may not be reasonably predictable and any related damages may not be estimable. Some litigation matters could result in an adverse outcome to us, and any such adverse outcome could have a material adverse effect on our business, financial condition and results of operations.

### ITEM 4. MINE SAFETY DISCLOSURES

Not applicable.

### Executive Officers and Directors of the Registrant

The following table provides information regarding the Company’s executive officers and directors (ages are as of March 13, 2017):

<b>Name</b>	<b>Age</b>	<b>Position(s)</b>
Marcus A. Lemonis	43	Chairman and Chief Executive Officer
Thomas F. Wolfe	55	Chief Financial Officer and Secretary
Brent L. Moody	55	Chief Operating and Legal Officer
Roger L. Nuttall	65	President of Camping World
Mark J. Boggess	61	President of Good Sam Enterprises
Stephen Adams	79	Director
Andris A. Baltins	71	Director
Brian P. Cassidy	43	Director
Mary J. George	66	Director
Daniel G. Kilpatrick	36	Director
Jeffrey A. Marcus	70	Director
K. Dillon Schickli	63	Director

Set forth below is a description of the background of each of the Company's executive officers and directors.

*Marcus A. Lemonis* has served as Camping World Holdings, Inc.'s Chairman and Chief Executive Officer and on the board of directors of Camping World Holdings, Inc. since its formation, as the President and Chief Executive Officer and on the board of directors of CWGS, LLC since February 2011, as the Chief Executive Officer and on the board of directors of Good Sam Enterprises, LLC since January 2011, as President and Chief Executive Officer and on the board of directors of Camping World, Inc. since September 2006 and as the President and Chief Executive Officer and on the board of directors of FreedomRoads, LLC since May 1, 2003. Mr. Lemonis received a B.A. from Marquette University. Mr. Lemonis' extensive experience in retail, RV and automotive, business operations and entrepreneurial ventures makes him well qualified to serve on our board of directors.

*Thomas F. Wolfe* has served as Camping World Holdings, Inc.'s Chief Financial Officer since its formation, as the Executive Vice President of Operations of Good Sam Enterprises, LLC from September 2011 through February 2015, the Chief Financial Officer of Good Sam Enterprises, LLC since January 2004 and as the Executive Vice President and Chief Financial officer of CWGS, LLC since January 2011. Previously, Mr. Wolfe served as Good Sam Enterprises, LLC's Senior Vice President and Chief Financial Officer since January 2004. Prior to that time, Mr. Wolfe had been Vice President and Controller of Good Sam Enterprises, LLC since 1997. From 1991 to 1997, Mr. Wolfe was vice president of finance of Convenience Management Group, LLC, a privately-owned distributor of petroleum products and equipment. From 1989 to 1991, Mr. Wolfe was vice president and controller of First City Properties, Inc. From 1983 to 1988, Mr. Wolfe held a variety of staff and management positions at Deloitte & Touche LLP. Mr. Wolfe received a B.S. from California Polytechnic State University, San Luis Obispo.

*Brent L. Moody* has served as Camping World Holdings, Inc.'s Chief Operating and Legal Officer since its formation, as the Chief Operating and Legal Officer of CWGS, LLC and its subsidiaries since January 1, 2016, as the Executive Vice President and Chief Administrative and Legal Officer of CWGS, LLC from February 2011 to December 31, 2015, as the Executive Vice President and Chief Administrative and Legal Officer of Good Sam Enterprises, LLC from January 2011 to December 31, 2015, as the Executive Vice President and Chief Administrative and Legal Officer of FreedomRoads, LLC and Camping World, Inc. from 2010 until December 31, 2015, as Executive Vice President/General Counsel and Business Development of Camping World, Inc. and FreedomRoads, LLC from 2006 to 2010, as Senior Vice President/General Counsel and Business Development of Camping World, Inc. and Good Sam Enterprises, LLC from 2004 to 2006 and as Vice President and General Counsel of Camping World, Inc. from 2002 to 2004. From 1998 to 2002, Mr. Moody was a shareholder of the law firm of Greenberg Traurig, P.A. From 1996 to 1998, Mr. Moody served as vice president and assistant general counsel for Blockbuster, Inc. Mr. Moody received a J.D. from Nova Southeastern University, Shepard Broad Law Center and a B.S. from Western Kentucky University.

*Roger L. Nuttall* has served as President of Camping World, Inc. since January 2011, as Chief Operating Officer of FreedomRoads, LLC from January 2009 until January 2011 and as Executive Vice

President and Chief Financial Officer of FreedomRoads, LLC from November 2003 until December 2015. From 1981 to 1983, Mr. Nuttall was a partner at McKay, Nuttall and Reid, a local accounting and consulting firm. Prior to that time, from 1974 to 1981, Mr. Nuttall held a variety of staff and management positions at Grant Thornton LLP. From 1983 until 2003, Mr. Nuttall served as chief financial officer and member of the board of directors of Blaine Jensen & Sons, Inc., a multi dealership RV company. Mr. Nuttall received a B.A. from Weber State University.

*Mark J. Boggess* has served as the President of Good Sam Enterprises, LLC since January 2015 and as President of GS Media & Events, a division of Good Sam Enterprises, LLC, since December 2012. From April 2009 until April 2011, Mr. Boggess served as Chief Financial Officer of DirectBuy, Inc. Prior to that time, Mr. Boggess served as President and Chief Executive Officer of Camping World, Inc. from January 2004 until July 2008. From June 1993 until January 2004, Mr. Boggess served as Senior Vice President and Chief Financial Officer of Good Sam Enterprises, LLC. Previously, from June 1992 until May 1993, Mr. Boggess was vice president and chief financial officer of Hypro Corporation, a privately-owned manufacturer of fluid transfer pumps. From June 1989 until June 1992, Mr. Boggess was treasurer of Adams Communications Corporation, a holding company controlled by Stephen Adams, which owned television and radio station operations throughout the United States. Mr. Boggess received a B.B.A. from the University of Cincinnati.

*Stephen Adams* has served on the board of directors of Camping World Holdings, Inc. since its formation, as the chairman of the board of directors of CWGS, LLC since February 2011, as the chairman of the board of directors of Good Sam Enterprises, LLC since December 1988, as the chairman of the board of directors of Camping World, Inc. since April 1997 and as the chairman of the board of directors of FreedomRoads Holding Company, LLC since February 3, 2005. In addition, Mr. Adams is the chairman of the board of directors and the controlling shareholder of Adams Outdoor Advertising, Inc., which operates an outdoor media advertising business. From November 2011 until April 2012, Mr. Adams inadvertently failed to timely file ownership reports on Forms 4 and 5 and as of the end of calendar year 2011, as of May 15, 2012 and as of the end of calendar year 2012, Mr. Adams mistakenly failed to timely file Schedule 13G amendments with respect to an entity in which he unknowingly accumulated an interest in excess of 5%. As a result, the Securities and Exchange Commission entered an order on September 10, 2014, pursuant to which Mr. Adams agreed to cease and desist from committing or causing any violations of the requirements of Section 13(d) and 16(a) of the Exchange Act and certain of the rules promulgated thereunder and paid a civil money penalty to the SEC without admitting or denying the findings therein. In August 2009, Affinity Bank, a California depository institution in which Mr. Adams indirectly owned a controlling interest, was closed by the California Department of Financial Institutions and the Federal Deposit Insurance Corporation was appointed as the receiver. Mr. Adams received an M.B.A. from the Stanford Graduate School of Business and a B.S. from Yale University. Mr. Adams' long association with the Company as a chairman of the board of directors of several of its subsidiaries since he acquired Good Sam Enterprises, LLC in 1988 and his current or former ownership of a variety of businesses with significant assets and operations during his over 40 year business career, during which time he has had substantial experience in providing management oversight and strategic direction, makes him well qualified to serve on our board of directors.

*Andris A. Baltins* has served on the board of directors of Camping World Holdings, Inc. since its formation, on the board of directors of CWGS, LLC since February 2011 and on the board of directors of Good Sam Enterprises, LLC since February 2006. He has been a member of the law firm of Kaplan, Strangis and Kaplan, P.A. since 1979. Mr. Baltins serves as a director of various private and non profit corporations, including Adams Outdoor Advertising, Inc., which is controlled by Mr. Adams. Mr. Baltins previously served as a director of Polaris Industries, Inc. from 1995 until 2011. Mr. Baltins received a J.D. from the University of Minnesota Law School and a B.A. from Yale University. Mr. Baltins' over 40 year legal career as an advisor to numerous public and private companies and his experience in the areas of complex business transactions, mergers and acquisitions and corporate law makes him well qualified to serve on our board of directors.

*Brian P. Cassidy* has served on the board of directors of Camping World Holdings, Inc. since its formation and on the board of directors of CWGS, LLC since March 2011. Mr. Cassidy is a Partner at Crestview, which he joined in 2004, and currently serves as co head of Crestview's media and communications strategy. Mr. Cassidy has served as a director of NEP Group, Inc. since December 2012, Cumulus Media, Inc. since May 2014, Interoute Communications Holdings since April 2015 and the parent company of WideOpenWest Finance, LLC since January 2016. He is also responsible for monitoring the firm's investment in CORE Media

Group. Mr. Cassidy previously served as a director of San Juan Cable LLC (d/b/a OneLink Communications) from May 2007 until November 2012 and ValueOptions, Inc. from December 2007 until December 2014 and was also involved with Crestview's investments in Charter Communications, Inc. and Insight Communications, Inc. Prior to joining Crestview, Mr. Cassidy worked in private equity at Boston Ventures, where he invested in companies in the media and communications, entertainment and business services industries. Previously, he worked for one year as the acting chief financial officer of one of their portfolio companies. Prior to that time, Mr. Cassidy was an investment banking analyst at Alex. Brown & Sons, where he completed a range of financing and mergers and acquisitions assignments for companies in the consumer and business services sectors. Mr. Cassidy received an M.B.A. from the Stanford Graduate School of Business and an A.B. in Physics from Harvard College. Mr. Cassidy's private equity investment and company oversight experience and background with respect to acquisitions, debt financings and equity financings makes him well qualified to serve on our board of directors.

*Mary J. George* has served on the board of directors of Camping World Holdings, Inc. since January 2017. Ms. George has been a founding partner of Morningstar Capital Investments, LLC, an investment firm, since 2001. Ms. George served as chief executive officer and a director at Easton Hockey Holdings Inc., a private manufacturer of ice hockey equipment, from August 2014 to December 2016. From 2002 to 2015, Ms. George held various positions, including co-chairman (2002 to 2009) and vice chairman (2009 to 2015), at Bell Automotive Products, Inc., a private manufacturer of automotive accessories. From 1994 to 2004, Ms. George held various positions, including chief operating officer (1995 to 1998), chief executive officer (1998 to 2000), and chairman (2000 to 2004), at Bell Sports Inc., a formerly public helmet manufacturer. Ms. George also currently serves or previously served as a director of various public and private companies, including Image Entertainment, Inc., a formerly public independent distributor of home entertainment programming, from 2010 to 2012, Oakley, Inc., a public sports equipment and lifestyle accessories manufacturer, from 2004 to 2007, BRG Sports Inc. since 2013, 3 Day Blinds Inc. from 2007 to 2015, and Oreck Corporation. from 2008 to 2012. Ms. George's experience in sales, marketing and general management in the consumer products industry, as well as success in the development of internationally renowned branded products, provides our board of directors with greater insight in the areas of product branding and strategic growth in the consumer products industry, and makes her well-qualified to serve on our board of directors.

*Daniel G. Kilpatrick* has served on the board of directors of Camping World Holdings, Inc. since January 2017. Mr. Kilpatrick. Mr. Kilpatrick serves as a principal at Crestview Advisors, L.L.C., a private equity firm that he joined in 2009, where he has overseen investments in companies across a variety of industries, including media and financial services. Mr. Kilpatrick is currently on the board of directors of various private companies, including Accuride Group Holdings, Inc., NYDJ Corporation, the parent company of WideOpenWest Finance, LLC and the parent company of CORE Media Group, and was previously a director of Symbion, Inc. from August 2012 to November 2014. Mr. Kilpatrick's private equity investment and company oversight experience and background with respect to acquisitions, debt financings and equity financings makes him well-qualified to serve on our board of directors.

*Jeffrey A. Marcus* has served on the board of directors of Camping World Holdings, Inc. since its formation and on the board of directors of CWGS, LLC since March 2011. Mr. Marcus joined Crestview in 2004 and currently serves as co head of Crestview's media and communications strategy. Prior to joining Crestview, Mr. Marcus served in various positions in the media and communications industry, including as President and chief executive officer of AMFM Inc. (formerly Chancellor Media Corporation) from 1998 until 1999 and as founder and chief executive officer of Marcus Cable Company, a privately held cable company, from 1989 until 1998. Mr. Marcus has served as the chairman of the board of directors of Cumulus Media, Inc. since April 2015 and on its board of directors since September 2011 and has served as the chairman of the board of directors of the parent company of WideOpenWest Finance, LLC since January 2016 and as a director of NEP Group, Inc. since December 2012. Mr. Marcus previously served as a director of DS Services of America, Inc. from September 2013 until December 2014, Charter Communications, Inc. from May 2012 until November 2013, San Juan Cable LLC (d/b/a OneLink Communications) from July 2011 until December 2012 and Insight Communications Company, Inc. from April 2010 until February 2012. Mr. Marcus received a B.A. from the University of California, Berkeley. Mr. Marcus' extensive experience serving as a director of numerous public and private companies, operating experience as a chief executive officer in the cable television, broadcast and outdoor industries and his experience as a private equity investor with respect to acquisitions, debt financings, equity financings and public market sentiment makes him well qualified to serve on our board of directors.



*K. Dillon Schickli* has served on the board of directors of Camping World Holdings, Inc. since its formation and on the board of directors of CWGS, LLC since August 2011. Mr. Schickli previously served on the board of directors of CWGS, LLC from 1990 until 1995 and was chief operating officer of Affinity Group, Inc., the predecessor of Good Sam Enterprises, LLC, from 1993 until 1995. Previously, Mr. Schickli was a co investor with Crestview in DS Waters Group, Inc. (“DS Waters”) and served as vice chairman of its board of directors until it was sold to Cott Corporation in December 2014. Prior to that time, Mr. Schickli was the chief executive officer of DS Waters from June 2010 until February 2013 and subsequently led the buyout of the business by Crestview. Mr. Schickli also previously led the buyout of DS Waters from Danone Group & Suntory Ltd. in November 2005 and was also a co investor in DS Waters with Kelso & Company. Mr. Schickli served as co chief executive officer and chief financial officer of DS Waters from November 2005 until June 2010, when he became the sole chief executive officer. Mr. Schickli started his business career in the capital planning and acquisitions group of the Pepsi Cola Company after he received his M.B.A. from the University of Chicago. Mr. Schickli received a B.A. from Carleton College in 1975. Mr. Schickli’s long association with, and knowledge of, the Company, extensive experience serving as a director of other businesses, operating experience as a chief executive officer and his experience as a private equity investor with respect to acquisitions, debt financings, equity and financings makes him well qualified to serve on our board of directors.



## PART II

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

#### Market Information

On October 7, 2016, our Class A common stock began trading on the New York Stock Exchange under the symbol "CWH." Prior to that time, there was no public market for our stock. The high and low sales prices of our common stock as reported on the New York Stock Exchange during the quarter ended December 31, 2016 were \$33.59 and \$20.45, respectively.

Our Class B common stock and Class C common stock is neither listed nor traded on any stock exchange.

#### Holders of Record

As of February 23, 2017, there were 9,828 stockholders of record of our Class A common stock. As of February 23, 2017, there were two and one stockholders of record of our Class B common stock and Class C common stock, respectively.

#### Dividend Policy

CWGS, LLC intends to make a regular quarterly cash distribution to its common unit holders of approximately \$0.08 per common unit, and we intend to use all of the proceeds from such distribution on our common units to pay a regular quarterly cash dividend of approximately \$0.08 per share on our Class A common stock, subject to our discretion as the sole managing member of CWGS, LLC and the discretion of our board of directors. Holders of our Class B common stock and Class C common stock are not entitled to participate in any dividends declared by our board of directors. Our first regular quarterly cash dividend of \$0.08 per share of our Class A common stock, or \$1.5 million, was paid during the quarter ended December 31, 2016.

CWGS, LLC is required to make cash distributions in accordance with the CWGS LLC Agreement in an amount sufficient for us to pay any expenses incurred by us in connection with the regular quarterly cash dividend, along with any of our other operating expenses and other obligations. We believe that our cash and cash equivalents and cash provided by operating activities will be sufficient for CWGS, LLC to make this regular quarterly cash distribution for at least the next twelve months.

In addition, the CWGS LLC Agreement requires tax distributions to be made by CWGS, LLC to its members, including us. In general, tax distributions are made on a quarterly basis, to each member of CWGS, LLC, including us, based on such member's allocable share of the taxable income of CWGS, LLC (which, in our case, will be determined without regard to any Basis Adjustments described in our Tax Receivable Agreement) and an assumed tax rate based on the highest combined federal, state, and local tax rate that may potentially apply to any one of CWGS, LLC's members (currently 52.62%), regardless of the actual final tax liability of any such member. Based on the current applicable effective tax rates, we expect that (i) the assumed tax rate that will be used for purposes of determining tax distributions from CWGS, LLC will exceed our actual combined federal, state and local tax rate (assuming no changes in corporate tax rates) and (ii) the annual amount of tax distributions paid to us will exceed the sum of (A) our actual annual tax liability and (B) the annual amount payable by us under the Tax Receivable Agreement (assuming no early termination of the Tax Receivable Agreement) (such excess in clauses (A) and (B), collectively referred to herein as the "Excess Tax Distribution"). We currently intend to pay a special cash dividend of all or a portion of the Excess Tax Distribution to the holders of our Class A common stock from time to time subject to the discretion of our board of directors.

Our ability to pay cash dividends on our Class A common stock depends on, among other things, our results of operations, financial condition, level of indebtedness, capital requirements, contractual restrictions, restrictions in our debt agreements and in any preferred stock, restrictions under applicable law, the extent to

which such distributions would render CWGS, LLC insolvent, our business prospects and other factors that our board of directors may deem relevant. Additionally, our ability to distribute any Excess Tax Distribution will also be subject to no early termination or amendment of the Tax Receivable Agreement, as well as the amount of tax distributions actually paid to us and our actual tax liability. Furthermore, because we are a holding company, our ability to pay cash dividends on our Class A common stock depends on our receipt of cash distributions from CWGS, LLC and, through CWGS, LLC, cash distributions and dividends from its operating subsidiaries, which may further restrict our ability to pay dividends as a result of the laws of their jurisdiction of organization, agreements of our subsidiaries or covenants under any existing and future outstanding indebtedness we or our subsidiaries incur. In particular, our ability to pay any cash dividends on our Class A common stock is limited by restrictions on the ability of CWGS, LLC and our other subsidiaries and us to pay dividends or make distributions to us under the terms of our New Senior Secured Credit Facilities and Floor Plan Facility. We do not currently believe that the restrictions contained in our existing indebtedness will impair the ability of CWGS, LLC to make the distributions or pay the dividends as described above. Our dividend policy has certain risks and limitations, particularly with respect to liquidity, and we may not pay dividends according to our policy, or at all. See "Management's Discussion and Analysis of Financial Condition and Results of Operations—Liquidity and Capital Resources" and "Risk Factors—Risks Relating to Ownership of Our Class A Common Stock—Our ability to pay regular and special dividends on our Class A common stock is subject to the discretion of our board of directors and may be limited by our structure and statutory restrictions and restrictions imposed by our New Senior Secured Credit Facilities and our Floor Plan Facility as well as any future agreements" in this Annual Report on Form 10-K.

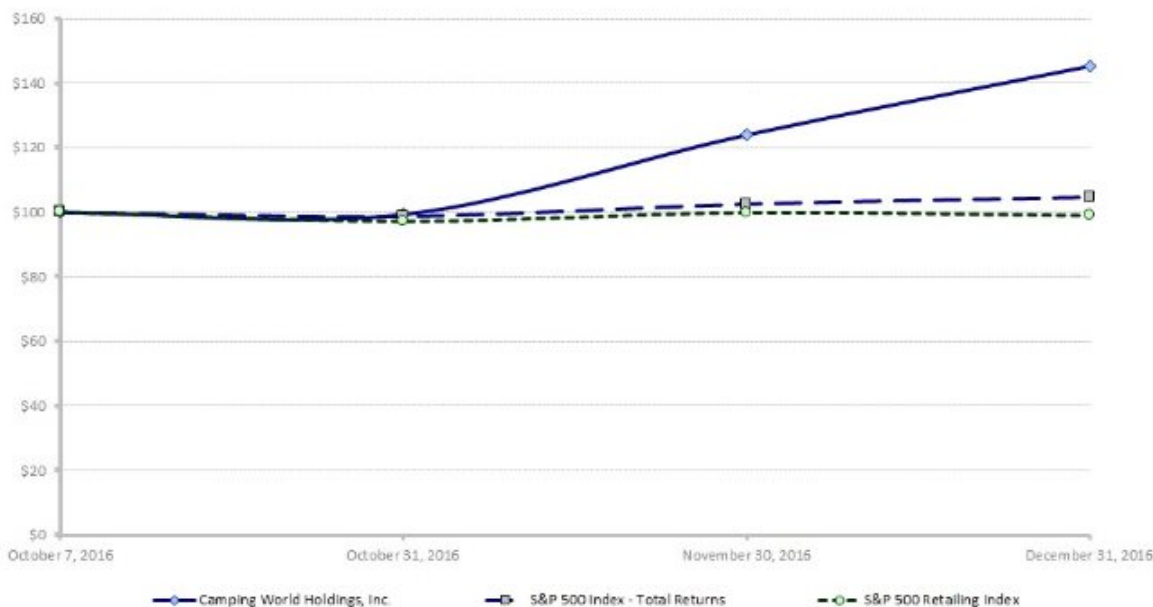
CWGS, LLC paid cash tax distributions to its members during the years ended December 31, 2016, 2015 and 2014 aggregating \$103.9 million, \$83.1 million and \$58.0 million, respectively. CWGS, LLC also made quarterly preferred return payments to one of its members during the years ended December 31, 2016, 2015 and 2014 aggregating \$6.4 million, \$8.4 million and \$2.1 million, respectively. Additionally, CWGS, LLC paid special cash distributions to its members aggregating \$111.2 million and \$137.4 million during the years ended December 31, 2016 and 2015, respectively.

### **Stock Performance Graph**

The following graph and table illustrate the total return from October 7, 2016 through December 31, 2016, for (i) our Class A common stock, (ii) the Standard and Poor's ("S&P") 500 Index, and (iii) the S&P 500 Retailing Index. The comparisons reflected in the graph and table are not intended to forecast the future performance of our stock and may not be indicative of future performance. The graph and table assume that

\$100 was invested on October 7, 2016 in each of our Class A common stock, the S&P 500 Index, and S&P 500 Retailing Index and that any dividends were reinvested.

**COMPARISON OF CUMULATIVE TOTAL RETURN**



	October 7, 2016	October 31, 2016	November 30, 2016	December 31, 2016
Camping World Holdings, Inc. Class A common stock	\$100.00	\$ 99.38	\$ 124.00	\$ 145.27
S&P 500 Index	\$100.00	\$ 98.77	\$ 102.43	\$ 104.45
S&P 500 Retailing Index	\$100.00	\$ 97.18	\$ 99.83	\$ 98.91

**Recent Sales of Unregistered Securities**

In connection with the reorganization transactions and our IPO on October 6, 2016, we issued (i) 7,063,716 shares of Class A common stock to funds controlled by Crestview Partners II GP, L.P. in exchange for their direct or indirect ownership interests in common units of CWGS, LLC on a one-to-one basis with no additional consideration, (ii) 69,066,445 shares of Class B common stock to funds controlled by Crestview Partners II GP, L.P. and CWGS Holding, LLC, a wholly owned subsidiary of ML Acquisition Company, LLC (of which 7,063,716 shares of Class B common stock were subsequently canceled for no consideration) for nominal consideration and (iii) one share of Class C common stock to ML RV Group, LLC for nominal consideration. The issuances of shares of Class A common stock, Class B common stock and Class C common stock described in this paragraph were made in reliance on Section 4(a)(2) of the Securities Act of 1933, as amended, and Rule 506 promulgated thereunder.

**Use of Proceeds from Initial Public Offering of Class A Common Stock**

On October 13, 2016, we completed the IPO of our Class A common stock pursuant to a Registration Statement (File No. 333-211977), which was declared effective on October 6, 2016.

Under the Registration Statement, on October 13, 2016 we sold 11,363,636 shares of our Class A common stock at a price of \$22.00 per share. Additionally, under the Registration Statement, on November 9,

2016, we sold an additional 508,564 shares of our Class A common stock at a price of \$22.00 per share pursuant to the underwriters' exercise of their option, in part, to purchase additional shares of our Class A common stock. We used all of the net proceeds to make a capital contribution to CWGS, LLC in exchange for 11,872,200 common units of CWGS, LLC. CWGS, LLC used \$200.4 million of the capital contribution to repay a portion of the then outstanding borrowings under the Previous Term Loan Facility and the remainder of the capital contribution will be used for general corporate purposes, including the potential acquisition of dealerships.

There has been no material change in the use of proceeds as described in our prospectus, dated October 6, 2016, filed with the Securities and Exchange Commission ("SEC") in accordance with Rule 424(b) of the Securities Act of 1933, as amended, on October 11, 2016.

#### **ITEM 6. SELECTED FINANCIAL DATA**

The following tables present the selected historical consolidated financial and other data for Camping World Holdings, Inc. The selected consolidated balance sheets data as of December 31, 2016 and 2015 and the selected consolidated statements of income and statements of cash flows data for each of the years in the three year period ended December 31, 2016 are derived from our audited consolidated financial statements contained in Part II, Item 8 of this Form 10-K. The selected consolidated balance sheet data as of December 31, 2014 and the selected consolidated statement of income and statement of cash flows data for the year ended December 31, 2013 have been derived from our audited consolidated financial statements not included herein. The selected consolidated balance sheets data as of December 31, 2013 and 2012 and the selected consolidated statement of income and statement of cash flows data for the year ended December 31, 2012 have been derived from our unaudited consolidated financial statements not included herein.

Certain amounts for the years ended December 31, 2015, 2014, 2013, and 2012 have been revised to correct for immaterial errors in prior periods as described in Note 1 — Summary of Significant Accounting Policies — Revisions to Prior Periods in Part II, Item 8 of this Form 10-K.

Subsequent to the IPO and the related reorganization transactions, Camping World Holdings, Inc. has been a holding company whose principal asset is its equity interest in CWGS, LLC. As the sole managing member of CWGS, LLC, Camping World Holdings, Inc. operates and controls all of the business and affairs of CWGS, LLC, and, through CWGS, LLC, conducts its business. As a result, the Company consolidates CWGS, LLC's financial results and reports a non-controlling interest related to the common units not owned by Camping World Holdings, Inc. Such consolidation has been reflected for all periods presented. Our selected historical consolidated financial and other data does not reflect what our financial position, results of operations and cash flows would have been had we been a separate, stand-alone public company during those periods.

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Our selected historical consolidated financial and other data may not be indicative of our future results of operations or future cash flows. You should read the information set forth below in conjunction with our historical consolidated financial statements and the notes to those statements, “Item 1A. – Risk Factors,” and “Item 7. – Management’s Discussion and Analysis of Financial Condition and Results of Operations” included elsewhere in this Form 10-K.

(\$ in thousands)	Fiscal Year Ended				
	December 31, 2016	December 31, 2015	December 31, 2014	December 31, 2013	December 31, 2012
<b>Consolidated Statements of Income Data:</b>					
Revenue:					
Consumer Services and Plans	\$ 184,773	174,600	\$ 162,598	166,231	166,173
Retail					
New vehicles	1,866,182	1,606,465	1,174,816	1,030,687	731,168
Used vehicles	705,893	806,399	680,190	569,681	472,705
Parts, services and other	540,019	507,810	482,254	446,955	411,238
Finance and insurance, net	229,839	190,820	135,140	106,589	72,991
Subtotal	3,341,933	3,111,494	2,472,400	2,153,912	1,688,102
Total revenue	3,526,706	3,286,094	2,634,998	2,320,143	1,854,275
Gross profit:					
Consumer Services and Plans	105,501	92,851	88,533	84,103	79,050
Retail					
New vehicles	261,648	227,309	168,427	146,760	104,508
Used vehicles	150,780	159,463	133,568	115,244	90,278
Parts, services and other	250,833	232,821	220,527	201,781	183,905
Finance and insurance, net	229,839	190,820	135,140	106,589	72,991
Subtotal	893,100	810,413	657,662	570,374	451,682
Total gross profit	998,601	903,264	746,195	654,477	530,732
Operating expenses:					
Selling, general and administrative	691,884	634,890	536,485	475,476	393,098
Depreciation and amortization	24,695	24,101	24,601	21,183	21,315
Debt restructure Expense	1,218	—	—	—	—
(Gain) loss on asset sales	(564)	(237)	33	1,803	(1,263)
Total operating expenses	717,233	658,754	561,119	498,462	413,150
Operating income	281,368	244,510	185,076	156,015	117,582
Other income (expense):					
Floor plan interest expense	(18,854)	(11,248)	(10,675)	(9,980)	(8,009)
Interest expense	(48,318)	(53,377)	(46,769)	(74,728)	(78,097)
Gain on derivative instrument	—	—	—	—	3,871
Loss on debt restructure	(5,052)	—	(1,831)	(49,450)	(440)
Other income (expense)	—	1	(35)	(59)	(43)
Total other income (expense)	(72,224)	(64,624)	(59,310)	(134,217)	(82,718)
Income before income taxes	209,144	179,886	125,766	21,798	34,864
Income tax expense	(5,907)	(1,356)	(2,140)	(1,988)	7,470
Net income	203,237	178,530	123,626	19,810	42,334
Less: net income attributable to non-controlling interests	(11,576)	—	—	—	—
Net income attributable to Camping World Holdings, Inc.	\$ 191,661	178,530	\$ 123,626	\$ 19,810	\$ 42,334
Earnings per share of Class A common stock (1):					
Basic	\$ 0.11				
Diluted	\$ 0.09				
Cash dividends declared per share of Class A common stock					
	\$ 0.08				
<b>Consolidated Statements of Cash Flows Data:</b>					
Net cash provided by operating activities	223,710	112,143	44,064	14,623	(196)
Net cash used in investing activities	(115,703)	(176,200)	(50,225)	(46,195)	(41,665)
Net cash provided by financing activities	(85,836)	45,372	80,366	48,120	41,501
<b>Selected Other Data:</b>					
EBITDA (2)	282,157	257,364	197,136	117,709	134,276
Adjusted EBITDA (2)	291,335	253,718	197,025	167,474	129,547
Adjusted EBITDA margin (2)	8.3%	7.7%	7.5%	7.2%	7.0%
<b>Selected Other Operating Data:</b>					
Active Customers (3)	3,344,959	3,131,961	2,845,612	2,645,503	2,613,401

(\$ in thousands)	Fiscal Year Ended				
	December 31, 2016	December 31, 2015	December 31, 2014	December 31, 2013	December 31, 2012
<b>Consolidated Balance sheets data (at period end):</b>					
Cash and cash equivalents	114,196	92,025	110,710	36,505	19,957
Total assets	1,563,765	1,338,105	1,157,255	902,499	739,067
Total debt (4)	626,753	725,393	613,185	589,214	537,215
Total noncurrent liabilities	726,043	769,867	752,222	710,296	618,766
Total members'/stockholders' equity (deficit)	(28,215)	(294,860)	(242,613)	(379,521)	(367,075)

(1) Basic and diluted earnings per Class A common stock is applicable only for periods after the Company’s IPO. See Note 21 — Earnings Per Share.

- (2) EBITDA, Adjusted EBITDA, and Adjusted EBITDA Margin are supplemental measures of our performance that are not required by, or presented in accordance with, GAAP. EBITDA, Adjusted EBITDA, and Adjusted EBITDA Margin are not measurements of our financial performance under GAAP and should not be considered as an alternative to net income, net income margin, or any other performance measure derived in accordance with GAAP, or as an alternative to cash flows from operating activities as a measure of our liquidity. See “Non-GAAP Financial Measures” in Part II, Item 7 of this Form 10-K for additional information and a reconciliation to the most directly comparable GAAP financial measure.
- (3) We define an “Active Customer” as a customer who has transacted with us in any of the eight most recently completed fiscal quarters prior to the date of measurement.
- (4) Total debt consists of borrowings under our New Senior Secured Credit Facilities and Previous Senior Secured Credit Facilities, as applicable, net of unamortized original issue discount and capitalized finance costs as of December 31, 2016, 2015, 2014, 2013 and 2012 of \$6.3 million and \$11.9 million, \$4.9 million and \$11.1 million, \$4.9 million and \$10.0 million, \$5.2 million and \$8.6 million, and \$6.1 million and \$18.1 million, respectively, (as discussed under “Management’s Discussion and Analysis of Financial Condition and Results of Operations — Liquidity and Capital Resources” in Part II, Item 7 of this Form 10-K). See our audited consolidated financial statements included in Part II, Item 8 of this Form 10-K, which include all liabilities, including amounts outstanding under our Floor Plan Facility.

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

*You should read the following discussion and analysis of our financial condition and results of operations together with our Consolidated Financial Statements and notes thereto included in Part II, Item 8 of this Form 10-K. This discussion contains forward-looking statements based upon current plans, expectations and beliefs involving risks and uncertainties. Our actual results may differ materially from those anticipated in these forward-looking statements as a result of various important factors, including those set forth under "Risk Factors" include in Part I, Item 1A of this Form 10-K, "Cautionary Note Regarding Forward-Looking Statements" and in other parts of this Annual Report on Form 10-K. Except to the extent that differences among reportable segments are material to an understanding of our business taken as a whole, we present the discussion in Management's Discussion and Analysis of Financial Condition and Results of Operations on a consolidated basis.*

### Overview

We believe we are the only provider of a comprehensive portfolio of services, protection plans, products, and resources for RV enthusiasts. Approximately 9 million households in the United States own an RV, and of that installed base, we have approximately 3.3 million Active Customers. We generate recurring revenue by providing RV owners and enthusiasts the full spectrum of services, protection plans, products, and resources that we believe are essential to operate, maintain, and protect their RV and to enjoy the RV lifestyle. We provide these offerings through our two iconic brands: Good Sam and Camping World.

We believe our Good Sam branded offerings provide the industry's broadest and deepest range of services, protection plans, products, and resources, including: extended vehicle service contracts and insurance protection plans, roadside assistance, membership clubs, and financing products. A majority of these programs are on a multi-year or annually renewable basis. Across our extended vehicle service contracts, emergency roadside assistance, property and casualty insurance programs and membership clubs, for each of the years ended December 31, 2016, 2015, and 2014, we experienced high annual retention rates that ranged between 65% and 74%, 66% and 74%, and 63% and 76%, respectively. We also operate the Good Sam Club, which we believe is the largest RV organization in the world, with over 1.7 million members as of December 31, 2016. Membership benefits include a variety of discounts, exclusive benefits, specialty publications, and other membership benefits, all of which we believe enhance the RV experience, drive customer engagement, and provide cross-selling opportunities for our other services, protection plans, and products.

Our Camping World brand operates the largest national network of RV-centric retail locations in the United States through our 122 retail locations in 36 states, as of December 31, 2016, and through our e-commerce platforms. We believe we are significantly larger in scale than our next largest competitor. We provide new and used RVs, repair parts, RV accessories and supplies, RV repair and maintenance services, protection plans, travel assistance plans, RV financing, and lifestyle products and services for new and existing RV owners. Our retail locations are staffed with knowledgeable local team members, providing customers access to extensive RV expertise. Our retail locations are strategically located in key national RV markets. In 2016, our network generated approximately 3.7 million transactions, continuing to build our Active Customer database.

We attract new customers primarily through our retail locations, e-commerce platforms, and direct marketing. Once we acquire our customers through a transaction, they become part of our customer database where we leverage customized CRM tools and analytics to actively engage, market, and sell multiple products and services. Our goal is to consistently grow our customer database through our various channels to increasingly cross-sell our products and services.

### Segments

We identify our reporting segments based on the organizational units used by management to monitor performance and make operating decisions. We have identified two reporting segments: (a) Consumer Services and Plans and (b) Retail. We provide our consumer services and plans offerings



through our Good Sam brand and we provide our retail offerings through our Camping World brand. Within the Consumer Services and Plans segment, we primarily derive revenue from the sale of the following offerings: emergency roadside assistance; property and casualty insurance programs; travel assist programs; extended vehicle service contracts; co-branded credit cards; vehicle financing and refinancing; club memberships; and publications and directories. Within the Retail segment, we primarily derive revenue from the sale of the following products: new vehicles; used vehicles; parts and service, including RV accessories and supplies; and finance and insurance. For the years ended December 31, 2016, 2015, and 2014, we generated 5.2%, 5.3%, and 6.2% of our total revenue from our Consumer Services and Plans segment, respectively, and 94.8%, 94.7%, and 93.8% of our total revenue from our Retail segment, respectively. For the years ended December 31, 2016, 2015, and 2014, we generated 10.6%, 10.3%, and 11.9% of our gross profit from our Consumer Services and Plans segment, respectively, and 89.4%, 89.7%, and 88.1% of our gross profit from our Retail segment, respectively. See Note 22 —, Segment Information to our audited consolidated financial statements included in Part II, Item 8 of this Form 10-K.

## Growth Strategies and Outlook

We believe RV trips remain the least expensive type of vacation and allow RV owners to travel more while spending less. RV trips offer savings on a variety of vacation costs, including, among others, airfare, lodging and dining. While fuel costs are a component of the overall vacation cost, we believe fluctuations in fuel prices are not a significant factor affecting a family's decision to take RV trips.

The RV owner installed base has benefited positively from the aging and the increased industry penetration of the baby boomer consumer demographic, those aged 52 to 70 years old. In addition to growth from baby boomers, the RVIA estimates the fastest growing RV owner age group includes Generation X consumers, those currently 35 to 54 years old. The U.S. Census Bureau estimates that approximately 84 million Americans were of the age 35 to 54 years old in 2014.

In addition to positive age trends, according to the RV Survey, the typical RV customer has, on average, a household income of approximately \$75,000. This is approximately 50% higher than the median household income of the broader United States population at the time of the RV survey, according to the U.S. Census Bureau. The higher average income has resulted in a more resilient RV consumer with greater buying power across economic cycles.

Taken together, we believe the savings RVs offer on a variety of vacation costs, an increase in the pool of potential RV customers due to an aging baby boomer demographic, and the increased RV ownership among younger consumers should continue to grow the installed base of RV owners, and will have a positive impact on RV usage.

We plan to take advantage of these positive trends in RV usage to pursue the following strategies to continue to grow our revenue and profits:

- **Grow our Active Base of Customers.** We believe our strong brands, leading market position, ongoing investment in our service platform, broad product portfolio, and full suite of resources will continue to provide us with competitive advantages in targeting and capturing a larger share of consumers with whom we do not currently transact in addition to the growing number of new RV enthusiasts that will enter the market. We expect to continue to grow the Active Customer base primarily through three strategies:
  - *Targeted Marketing:* We continuously work to attract new customers to our existing retail and online locations through targeted marketing, attractive introductory offerings, and access to our wide array of resources for RV enthusiasts.
  - *Greenfield Retail Locations:* We establish retail locations in new and existing markets to expand our customer base. Target markets and locations are identified by employing proprietary data and analytical tools.

- *Retail Location Acquisitions:* The RV dealership industry is highly fragmented with a large number of independent RV dealers. We use acquisitions of independent dealers as a fast and capital efficient alternative to new retail location openings to expand our business and grow our customer base.
- *Cross-Sell Products and Services.* We believe our customer database of over 12 million unique contacts provides us with the opportunity to continue our growth through the cross-selling of our products and services. We use our customized CRM system and database analytics to proactively market and cross-sell to Active Customers. We also seek to increase the penetration of our customers who exhibit higher multi-product attachment rates.
- *New Products and Vertical Acquisitions.* Introduction of new products enhances our cross-selling effort, both by catering to evolving customer demands and by bringing in new customers. Through relationships with existing suppliers and through acquisitions, we will look to increase the new products we can offer to our customers. Similarly, an opportunistic vertical acquisition strategy allows us to earn an increased margin on our services, protection plans, and products, and we evaluate such acquisitions that can allow us to capture additional sales from our customers at attractive risk-adjusted returns.

As discussed below under “— Liquidity and Capital Resources,” we believe that our sources of liquidity and capital will be sufficient to take advantage of these positive trends in RV usage and finance our growth strategy. However, the operation of our business, the rate of our expansion and our ability to respond to changing business and economic conditions depend on the availability of adequate capital, which in turn typically depends on cash flow generated by our business and, if necessary, the availability of equity or debt capital. In addition, as we grow, we will face the risk that our existing resources and systems, including management resources, accounting and finance personnel, and operating systems, may be inadequate to support our growth. Any inability to generate sufficient cash flows from operations or raise additional equity or debt capital or retain the personnel or make the other changes in our systems that may be required to support our growth could have a material adverse effect on our business, financial condition and results of operations. See “Risk Factors — Risks Related to our Business — Our ability to operate and expand our business and to respond to changing business and economic conditions will depend on the availability of adequate capital” and “Risk Factors — Risks Related to our Business — Our expansion into new, unfamiliar markets presents increased risks that may prevent us from being profitable in these new markets. Delays in opening or acquiring new retail locations could have a material adverse effect on our business, financial condition and results of operations” included in Part I, Item 1A of this Form 10-K.

## How We Generate Revenue

Revenue across each of our two reporting segments is impacted by the following key revenue drivers:

*Number of Active Customers.* We define an “Active Customer” as a customer who has transacted with us in any of the eight most recently completed fiscal quarters prior to the date of measurement. As of December 31, 2016, 2015, and 2014, we had approximately 3.3 million, 3.1 million, and 2.8 million Active Customers, respectively. Our Active Customer base is an integral part of our business model and has a significant effect on our revenue. We attract new customers to our business primarily through our retail locations. Once we acquire our customers through a transaction, they become part of our customer database where we use CRM tools to cross-sell Active Customers additional products and services.

*Consumer Services and Plans.* The majority of our consumer services and plans, such as our roadside assistance, extended service contracts, insurance programs, travel assist, and our Good Sam and Coast to Coast clubs, are built on a recurring revenue model. A majority of these programs are on a multi-year or annually renewable basis and have annualized fees typically ranging from \$20 to \$5,200. We believe that many of these products and services are essential for our customers to operate, maintain and protect their RVs, and to enjoy the RV lifestyle, resulting in attractive annual retention rates. As we continue to grow our consumer services and plans business, we expect to further enhance our visibility with respect to revenue and cash flow, and increase our overall profitability. As of December 31, 2016, 2015, and 2014 we

had, respectively, 1.8 million, 1.7 million, and 1.6 million club members in our Good Sam and Coast to Coast clubs.

**Retail Locations.** We open new retail locations through organic growth and acquisitions. Our new retail locations are one of the primary ways in which we attract new customers to our business. Our retail locations typically offer our full array of products and services, including new and used RVs, RV financing, protection plans, a selection of OEM and aftermarket repair parts, RV accessories, RV maintenance products, supplies, and outdoor lifestyle products.

The total number of new retail location openings in any period, including the mix of greenfield locations and acquired locations, the geographic location of the openings, and the timing of the incurrence of pre-opening costs, will continue to have an impact on our revenue and profitability. When we build or acquire new retail locations, we make capital investments in facilities, fixtures, and equipment, which we amortize over time. Before we open new retail locations organically or through acquisitions, we incur pre-opening expenses, including advertising costs, payroll expenses, travel expenses, employee training costs, rent expenses, and setup costs. For the years ended December 31, 2016, 2015 and 2014, we incurred pre-opening expenses of \$1.3 million, \$1.3 million, and \$1.9 million, respectively, for greenfield locations and acquired locations. While acquired sites typically remain open following an acquisition, in certain instances we may close a location following an acquisition for remodeling for a period of time generally not in excess of eight weeks. A greenfield retail location typically takes five to 12 months to open from the time we sign a lease for the location and we typically begin to incur pre-opening expenses 60 to 90 days prior to opening. Our acquisitions are typically profitable within two full calendar months after an acquisition, with the exception of acquisitions we consider turn-around opportunities, which are typically profitable within two to four months. Our greenfield locations typically reach profitability within three months. When we enter new markets, we may be exposed to start up times that are longer and store revenue and contribution margins that are lower than reflected in our average historical experience.

For the years ended December 31, 2016, 2015, and 2014, we opened one, two, and five greenfield locations, respectively, and acquired six, six, and three retail locations, respectively.

**Same store sales.** Same store sales measures the performance of a retail location during the current reporting period against the performance of the same retail location in the corresponding period of the previous year. Same store sales calculations for a given period include only those stores that were open both at the end of corresponding period and at the beginning of the preceding fiscal year.

Same store sales growth is driven by increases in the number of transactions and the average transaction price. In addition to attracting new customers and cross-selling our consumer services and plans, we also drive our sales through new product introductions, including our private label offerings. Although growth in same store sales drives our overall revenue, we have and will continue to experience volatility in same store sales from period to period, mainly due to changes in our product sales mix. Our product mix in any period is principally impacted by the number and mix of new or used RVs that we sell due to the high price points of these products compared to our other retail products and the range of price points among the types of RVs sold. See "Business" included in Part I, Item 1 of this Form 10-K for additional information regarding our retail locations and our products.

As discussed below, a decrease in same store sales resulting from product mix will not necessarily have a significant impact on our profitability because our product sales outside of new and used RVs typically carry higher margins and because margins vary among the different types of RVs sold. Through the sale of RVs, we are able to add members to our Active Customer base and increase our opportunities to cross-sell our higher margin products and recurring consumer services and plans.

As of December 31, 2016, 2015 and 2014, we had, respectively, a base of 107, 98, and 91 same stores, of which same stores, respectively, 17, 17, and 15 did not include dealerships. For the years ended December 31, 2016, 2015 and 2014 our aggregate same store sales were \$2.9 billion, \$2.5 billion, and \$2.2 billion, respectively. As of December 31, 2016, 2015, and 2014, we had, respectively, a total of 122, 115, and 110 retail locations.

## Other Key Performance Indicators

**Gross Profit and Gross Margins.** Gross profit is our total revenue less our total costs applicable to revenue. Our total costs applicable to revenue primarily consists of the cost of goods and cost of sales. Gross margin is gross profit as a percentage of revenue.

Our gross profit is variable in nature and generally follows changes in our revenue. While gross margins for our Retail segment are lower than our gross margins for our Consumer Services and Plans segment, our Retail segment generates significant gross profit and is a primary means of acquiring new customers, to which we then cross-sell our higher margin products and services with recurring revenue. We believe the overall growth of our Retail segment will allow us to continue to drive growth in gross profits due to our ability to cross-sell our consumer services and plans to our increasing Active Customer base. For the years ended December 31, 2016, 2015, and 2014, gross profit was \$105.5 million, \$92.9 million, and \$88.5 million, respectively, and gross margin was 57.1%, 53.2%, and 54.4% respectively, for our Consumer Services and Plans segment, and gross profit was \$893.1 million, \$810.4 million, and \$657.7 million, respectively, and gross margin was 26.7%, 26.0%, and 26.6%, respectively, for our Retail segment.

**SG&A as a percentage of Gross Profit.** Selling, general and administrative (“SG&A”) expenses as a percentage of gross profit allows us to monitor our expense control over a period of time. SG&A consists primarily of wage-related expenses, selling expenses related to commissions and advertising, lease expenses and corporate overhead expenses. We calculate SG&A expenses as a percentage of gross profit by dividing SG&A expenses for the period by total gross profit. For the years ended December 31, 2016, 2015 and 2014, SG&A as a percentage of gross profit was 69.3%, 70.3%, and 71.9%, respectively. We expect SG&A expenses to increase as we open new retail locations through organic growth and acquisitions, which we also expect will drive increases in revenue and gross profit. Additionally, we expect that our SG&A expenses will increase in future periods in part due to additional legal, accounting, insurance and other expenses that we expect to incur as a result of being a public company, including compliance with the Sarbanes-Oxley Act and the related rules and regulations.

**Adjusted EBITDA Margin.** Adjusted EBITDA is one of the primary metrics management uses to evaluate the financial performance of our business. Adjusted EBITDA is also frequently used by analysts, investors, and other interested parties to evaluate companies in our industry. We use Adjusted EBITDA and Adjusted EBITDA Margin to supplement GAAP measures of performance as follows:

- as a measurement of operating performance to assist us in comparing the operating performance of our business on a consistent basis, and remove the impact of items not directly resulting from our core operations;
- for planning purposes, including the preparation of our internal annual operating budget and financial projections;
- to evaluate the performance and effectiveness of our operational strategies; and
- to evaluate our capacity to fund capital expenditures and expand our business.

We define Adjusted EBITDA as net income before other interest expense (excluding floor plan interest expense), provision for income taxes, depreciation and amortization, loss (gain) on debt restructure, loss (gain) on sale of assets and disposition of stores, monitoring fees, equity-based compensation, an adjustment to rent on right to use assets and other unusual or one-time items. We calculate Adjusted EBITDA Margin by dividing Adjusted EBITDA by total revenue for the period. Adjusted EBITDA is not a GAAP measure of our financial performance and should not be considered as an alternative to net income as a measure of financial performance, or any other performance measure derived in accordance with GAAP. Adjusted EBITDA should not be construed as an inference that our future results will be unaffected by unusual or non-recurring items. Additionally, Adjusted EBITDA is not intended to be a measure of discretionary cash to invest in the growth of our business, as it does not reflect tax payments, debt service requirements, capital expenditures and certain other cash costs that may recur in the future, including, among other things, cash requirements for working capital needs and cash costs to replace assets being depreciated

and amortized. Management compensates for these limitations by relying on our GAAP results in addition to using Adjusted EBITDA supplementally. Our measure of Adjusted EBITDA is not necessarily comparable to similarly titled captions of other companies due to different methods of calculation. For a reconciliation of Adjusted EBITDA to net income, a reconciliation of Adjusted EBITDA Margin to net income margin, and a further discussion of how we utilize this non-GAAP financial measure, see “Non-GAAP Financial Measures” below.

## Results of Operations

Certain amounts for the years ended December 31, 2015 and 2014 have been revised to correct for immaterial errors in prior periods as described in Note 1 — Summary of Significant Accounting Policies — Revisions to Prior Periods in Part II, Item 8 of this Form 10-K.

### Year Ended December 31, 2016 Compared to the Year Ended December 31, 2015

The following table sets forth information comparing the components of net income for the years ended December 31, 2016 and 2015.

(\$ in thousands)	Fiscal year ended				Favorable/ (Unfavorable)	
	December 31, 2016		December 31, 2015			
	Amount	Percent of Revenue	Amount	Percent of Revenue	\$	%
<b>Revenue:</b>						
Consumer Services and Plans	\$ 184,773	5.2%	\$ 174,600	5.3%	\$ 10,173	5.8%
Retail						
New vehicles	1,866,182	52.9%	1,606,465	48.9%	259,717	16.2%
Used vehicles	705,893	20.0%	806,399	24.5%	(100,506)	-12.5%
Parts, services and other	540,019	15.3%	507,810	15.5%	32,209	6.3%
Finance and insurance, net	229,839	6.5%	190,820	5.8%	39,019	20.4%
Subtotal	3,341,933	94.8%	3,111,494	94.7%	230,439	7.4%
Total revenue	3,526,706	100.0%	3,286,094	100.0%	240,612	7.3%
<b>Gross profit (exclusive of depreciation and amortization shown separately below):</b>						
Consumer Services and Plans	105,501	3.0%	92,851	2.8%	12,650	13.6%
Retail						
New vehicles	261,648	7.4%	227,309	6.9%	34,339	15.1%
Used vehicles	150,780	4.3%	159,463	4.9%	(8,683)	-5.4%
Parts, services and other	250,833	7.1%	232,821	7.1%	18,012	7.7%
Finance and insurance, net	229,839	6.5%	190,820	5.8%	39,019	20.4%
Subtotal	893,100	25.3%	810,413	24.7%	82,687	10.2%
Total gross profit	998,601	28.3%	903,264	27.5%	95,337	10.6%
<b>Operating expenses:</b>						
Selling, general and administrative expenses	691,884	19.6%	634,890	19.3%	(56,994)	-9.0%
Debt restructure expense	1,218	0.0%	—	0.0%	(1,218)	-100.0%
Depreciation and amortization	24,695	0.7%	24,101	0.7%	(594)	-2.5%
Gain on asset sales	(564)	0.0%	(237)	0.0%	327	138.0%
Income from operations	281,368	8.0%	244,510	7.4%	36,858	15.1%
<b>Other income (expense):</b>						
Floor plan interest expense	(18,854)	-0.5%	(11,248)	-0.3%	(7,606)	-67.6%
Other interest expense, net	(48,318)	-1.4%	(53,377)	-1.6%	5,059	9.5%
Loss on debt restructure	(5,052)	-0.1%	—	0.0%	(5,052)	-100.0%
Other income, net	—	0.0%	1	0.0%	(1)	-100.0%
	(72,224)	-2.0%	(64,624)	-2.0%	(7,600)	-11.8%
Income before income taxes	209,144	5.9%	179,886	5.5%	29,258	16.3%
Income tax expense	(5,907)	-0.2%	(1,356)	0.0%	(4,551)	-335.6%
Net income	203,237	5.8%	178,530	5.4%	24,707	13.8%
Less: net income attributable to non-controlling interests	(11,576)	-0.3%	—	0.0%	(11,576)	-100.0%
Net income attributable to Camping World Holdings, Inc.	\$ 191,661	5.4%	\$ 178,530	5.4%	\$ 13,131	7.4%

*Total Revenue*

Total revenue was \$3.5 billion for the year ended December 31, 2016, an increase of \$240.6 million, or 7.3%, as compared to \$3.3 billion for the year ended December 31, 2015. The increase was primarily driven by the 21.1% increase in new vehicle unit sales in our Retail segment, partially offset by an 11.9% decrease in used vehicle unit sales, primarily due to reduced inventory availability, resulting from fewer trades on new unit sales.

*Consumer Services and Plans*

Consumer Services and Plans revenue was \$184.8 million for the year ended December 31, 2016, an increase of \$10.2 million, or 5.8%, as compared to \$174.6 million for the year ended December 31, 2015. The increased revenue was attributable to increased contracts in force in the roadside assistance, Good Sam TravelAssist, and extended vehicle warranty programs resulting in an increase of \$5.0 million; increased marketing fee revenue from our vehicle insurance and credit card programs of \$3.5 million; increased average file size for the Good Sam Club and Coast to Coast Club resulting in an increase of \$2.2 million; increased revenue from our annual campground directory of \$0.4 million; and increases from other ancillary products of \$0.8 million, partially offset by a \$1.7 million reduction in member event revenue due to an RV rally event that occurred in 2015, but did not recur in 2016.

Consumer Services and Plans gross profit was \$105.5 million for the year ended December 31, 2016, an increase of \$12.7 million, or 13.6%, as compared to \$92.9 million for the year ended December 31, 2015. This increase was primarily due to increased roadside assistance contracts in force and reduced claims, together resulting in a gross profit increase of \$5.8 million; increased customer participation in our vehicle insurance and credit card programs resulting in an increase of \$3.3 million; increased Good Sam Club and Coast to Coast Club average membership resulting in an increase of \$2.1 million; increased annual campground directory gross profit of \$0.5 million; and a \$1.0 million increase from other ancillary products. Gross margin increased 392 basis points to 57.1% primarily due to increased file size and reduced program costs for roadside assistance and increases within the vehicle insurance programs.

*Retail:*

*New Vehicles*

(\$ in thousands, except per vehicle data)	Fiscal year ended				Favorable/ (Unfavorable)	
	December 31, 2016		December 31, 2015		\$	%
	Amount	Percent of Revenue	Amount	Percent of Revenue		
Revenue	\$ 1,866,182	100.0%	\$ 1,606,465	100.0%	\$ 259,717	16.2%
Gross profit	261,648	14.0%	227,309	14.1%	34,339	15.1%
New vehicle unit sales	48,704		40,229		8,475	21.1%

New vehicle revenue was \$1.9 billion for the year ended December 31, 2016, an increase of \$259.7 million, or 16.2%, as compared to \$1.6 billion for 2015. The increase was primarily due to a 21.1% increase in vehicle unit sales primarily attributable to a same store sales increase of 12.2% driven by increased consumer confidence and improved credit availability. The balance of the increase was from seven greenfield and acquired locations opened in 2016.

New vehicle gross profit was \$261.6 million for the year ended December 31, 2016, an increase of \$34.3 million, or 15.1%, as compared to \$227.3 million for the year ended December 31, 2015. The increase was primarily due to the 21.1% increase in new vehicle unit sales partially offset by a decrease in average gross profit per unit of 4.9%. Gross margin decreased of 13 basis points to 14.0%.



Used Vehicles

(\$ in thousands, except per vehicle data)	Fiscal year ended				Favorable/ (Unfavorable)	
	December 31, 2016		December 31, 2015		\$	%
	Amount	Percent of Revenue	Amount	Percent of Revenue		
Revenue	\$ 705,893	100.0%	\$ 806,399	100.0%	\$(100,506)	-12.5%
Gross profit	150,780	21.4%	159,463	19.8%	(8,683)	-5.4%
Used vehicle unit sales	31,248		35,485		(4,237)	-11.9%

Used vehicle revenue was \$705.9 million for the year ended December 31, 2016, a decrease of \$100.5 million, or 12.5%, as compared to \$806.4 million for the year ended December 31, 2015. The decrease was primarily due to reduced levels of inventory, resulting from fewer trades on new unit sales, driving an 11.9% decrease in used vehicle unit sales, with a 6.3% decrease in same store sales.

Used vehicle gross profit was \$150.8 million for the year ended December 31, 2016, a decrease of \$8.7 million, or 5.4%, as compared to \$159.5 million for the year ended December 31, 2015. The decrease was primarily due to an 11.9% decrease in vehicle unit sales partially offset by a 7.4% increase in average gross profit per unit. Gross margin increased 159 basis points to 21.4%.

Parts, Services and Other

(\$ in thousands, except per vehicle data)	Fiscal year ended				Favorable/ (Unfavorable)	
	December 31, 2016		December 31, 2015		\$	%
	Amount	Percent of Revenue	Amount	Percent of Revenue		
Revenue	\$ 540,019	100.0%	\$ 507,810	100.0%	\$ 32,209	6.3%
Gross profit	250,833	46.4%	232,821	45.8%	18,012	7.7%

Parts, services and other revenue was \$540.0 million for the year ended December 31, 2016, an increase of \$32.2 million, or 6.3%, as compared to \$507.8 million for the year ended December 31, 2015. The increase was primarily attributable to a same store sales increase of 4.3% resulting from increases in revenues across all parts, services, and other product categories as a result of increases in new vehicle sales. The balance of the increase was attributable to seven greenfield and acquired locations that opened in 2016.

Parts, services and other gross profit was \$250.8 million for the year ended December 31, 2016, an increase of \$18.0 million, or 7.7%, as compared to \$232.8 million for the year ended December 31, 2015. The increase was primarily attributable to increases from warranty and customer pay service; a same store sales increase of 4.3%, primarily resulting from an increase in new vehicle sales; and the addition of seven greenfield and acquired locations opened in 2016. Gross margin increased 60 basis points to 46.4%, primarily due to a reduction in promotional discounts.

Finance and Insurance, net

(\$ in thousands, except per vehicle data)	Fiscal year ended				Favorable/ (Unfavorable)	
	December 31, 2016		December 31, 2015		\$	%
	Amount	Percent of Revenue	Amount	Percent of Revenue		
Revenue	\$ 229,839	100.0%	\$ 190,820	100.0%	\$ 39,019	20.4%
Gross profit	229,839	100.0%	190,820	100.0%	39,019	20.4%

Finance and insurance, net revenue and gross profit were each \$229.8 million for the year ended December 31, 2016, an increase of \$39.0 million, or 20.4%, as compared to \$190.8 million for the year ended

December 31, 2015. The increase was primarily due to incremental vehicle finance contracts assigned due to higher vehicle unit sales and higher finance and insurance sales penetration rates of travel trailer buyers, resulting from a 17.0% increase in same store sales, and the remainder from seven greenfield and acquired locations. Finance and insurance, net revenue as a percentage of total new and used vehicle revenue increased to 8.9% for 2016 from 7.9% for 2015.

#### Selling, general and administrative

SG&A expenses were \$691.9 million for the year ended December 31, 2016, an increase of \$57.0 million, or 9.0%, as compared to \$634.9 million for the year ended December 31, 2015. The increase was due to increases of \$36.5 million of wage-related expenses, primarily attributable to increased vehicle unit sales and the addition of seven greenfield and acquired locations in 2016; \$11.9 million of additional lease expense primarily attributable to the derecognition of certain right to use leases in the fourth quarter of 2015; \$5.3 million of variable selling expenses attributable to commissions and selling expense; and \$3.3 million of store and corporate overhead expenses, primarily related to the seven greenfield and acquired locations opened in 2016. SG&A expenses as a percentage of total gross profit was 69.3% for 2016, compared to 70.3% for 2015, a decrease of 100 basis points.

#### Debt restructure expense

Debt restructure expense was \$1.2 million for the year ended December 31, 2016, primarily relating to the New Senior Secured Credit Facilities entered into in November 2016. There was no corresponding debt restructure expense for the year ended December 31, 2015.

#### Depreciation and amortization

Depreciation and amortization was \$24.7 million for the year ended December 31, 2016, an increase of \$0.6 million, or 2.5%, as compared to \$24.1 million for the year ended December 31, 2015. The increase reflects additional depreciation due to capital expenditures for new and existing dealership improvements.

#### Floor plan interest expense

Floor plan interest expense was \$18.9 million for the year ended December 31, 2016, an increase of \$7.6 million, or 67.6%, as compared to \$11.2 million for the year ended December 31, 2015. The increase was primarily due to increased average outstanding amount payable under our Floor Plan Facility, primarily resulting from an increased inventory level due to new dealership locations, existing locations expecting higher unit sales, and a 45 basis point increase in the average floor plan borrowing rate.

#### Other interest expense, net

Other interest expense, net was \$48.3 million for the year ended December 31, 2016, a decrease of \$5.1 million, or 9.5%, as compared to \$53.4 million for the year ended December 31, 2015. The decrease was primarily due to a \$7.0 million decrease in interest expense resulting from a decrease in right to use liabilities, and a \$1.5 million decrease from other interest, partially offset by a \$3.4 million increase in interest expense due to incremental borrowings under the Previous Term Loan Facility of \$135.0 million in September, 2016 to pay distributions to the members of CWGS, LLC, a direct subsidiary of the Company, \$55.0 million in December 2015 to acquire retail locations, and \$95.0 million in June 2015 to pay distributions to the members of CWGS, LLC, and a 50 basis point increase in the borrowing margin under the aggregate Previous Term Loan Facility upon the December 17, 2015 incremental borrowing.

Segment results

The following table sets forth a reconciliation of total segment income to consolidated income from operations before income taxes for the period presented:

(\$ in thousands)	Fiscal Year Ended December 31, 2016		Fiscal Year Ended December 31, 2015		Favorable/ (Unfavorable)	
	Amount	Percent of Revenue	Amount	Percent of Revenue	\$	%
Revenue:						
Consumer Services and Plans	\$ 184,773	5.2%	\$ 174,600	5.3%	\$ 10,173	5.8%
Retail	3,341,933	94.8%	3,111,494	94.7%	230,439	7.4%
Total consolidated revenue	3,526,706	100.0%	3,286,094	100.0%	240,612	7.3%
Segment income: <sup>(1)</sup>						
Consumer Services and Plans	89,046	2.5%	80,522	2.5%	8,524	10.6%
Retail	203,763	5.8%	179,530	5.5%	24,233	13.5%
Total segment income	292,809	8.3%	260,052	7.9%	32,757	12.6%
Corporate & other	(4,382)	-0.1%	(2,689)	-0.1%	(1,693)	-63.0%
Depreciation and amortization	(24,695)	-0.7%	(24,101)	-0.7%	(594)	-2.5%
Other interest expense, net	(48,318)	-1.4%	(53,377)	-1.6%	5,059	9.5%
Loss and expense on debt restructure	(6,270)	-0.2%	—	0.0%	(6,270)	100.0%
Other non-operating expense, net	—	0.0%	1	0.0%	(1)	100.0%
Income from operations before income taxes	\$ 209,144	5.9%	\$ 179,886	5.5%	\$ 29,258	16.3%

(1) Segment income represents income for each of our reportable segments and is defined as income from operations before depreciation and amortization, plus floor plan interest expense.

Consumer Services and Plans segment revenue

Consumer Services and Plans revenue was \$184.8 million for the year ended December 31, 2016, an increase of \$10.2 million, or 5.8%, as compared to \$174.6 million for the year ended December 31, 2015. The increased revenue was attributable to increased contracts in force under our roadside assistance program, Good Sam TravelAssist, and extended vehicle warranty programs resulting in an increase of \$5.0 million; increased marketing fee revenue from our vehicle insurance and credit card programs of \$3.5 million; increased average file size for the Good Sam Club and Coast to Coast Club resulting in an increase of \$2.2 million; increased revenue from our annual campground directory of \$0.4 million; and increases from other ancillary products of \$0.8 million, partially offset by a \$1.7 million reduction in member event revenue due to an RV rally event that occurred in 2015, but did not recur in 2016.

Retail segment revenue

Retail segment revenue was \$3.3 billion for the year ended December 31, 2016, an increase of \$230.4 million, or 7.4%, as compared to \$3.1 billion for the year ended December 31, 2015. The increase was primarily due to a 6.9% increase in same store sales and the balance primarily from seven greenfield and acquired locations opened in 2016, as described above.

Same store sales

Same store sales were \$2.9 billion for the year ended December 31, 2016, an increase of \$184.6 million, or 6.9%, as compared to \$2.7 billion for the year ended December 31, 2015. The increase was primarily due to increased volume of new towable units sold, and, to a lesser extent, revenue increases in finance and insurance, net, and parts, services and other, partially offset by a decrease in same store sales from used units sold.

Total segment income

Total segment income was \$292.8 million for the year ended December 31, 2016, an increase of \$32.8 million, or 12.6%, as compared to \$260.1 million for the year ended December 31, 2015. The increase

was primarily due to the increase in vehicle unit sales volume, as described below. Total segment income margin increased 39 basis points to 8.3%.

#### Consumer Services and Plans segment income

Consumer Services and Plans segment income was \$89.0 million for the year ended December 31, 2016, an increase of \$8.5 million, or 10.6%, as compared to \$80.5 million for the year ended December 31, 2015. The increase was primarily attributable to \$5.8 million from the roadside assistance programs resulting from increased average contracts in force and reduced claims costs, \$3.3 million from our vehicle insurance and co-branded credit card programs, \$2.1 million from increased average file size for the Good Sam Club and Coast to Coast Club, \$0.5 million from increased annual campground directory gross profit, and \$0.9 million from various other products, partially offset by increases in SG&A expenses of \$4.1 million primarily due to increased wages and professional fees. Consumer Services and Plans segment income margin increased 207 basis points to 48.2%, primarily due to a 392 basis point increase in Consumer Services and Plans gross margin, partially offset by a \$4.1 million increase in SG&A expenses.

#### Retail segment income

Retail segment income was \$203.8 million for the year ended December 31, 2016, an increase of \$24.2 million, or 13.5%, as compared to \$179.5 million for the year ended December 31, 2015. The increase was primarily due to increased gross profit of \$82.7 million comprised primarily of higher revenue and higher sales penetration of finance and insurance products of \$39.0 million, an increase of \$34.3 million primarily from increased new unit volume of 21.1%, and \$18.0 million from increased margin from parts, services and other, partially offset by a \$8.6 million gross profit reduction from used units relating to the reduced volume sold. In addition, SG&A expenses increased \$51.2 million primarily relating to increased variable wages relating to increased revenue, and increased rent relating to the seven greenfield and acquired locations opened in 2016 and prior year capitalization of leases, floor plan interest increased expense of \$7.6 million primarily relating to increased average floor plan balance, and an increase in gain on asset sales of \$0.3 million. Retail segment income margin increased 33 basis points primarily due to increased sales and penetration of the finance and insurance products, and increased volume of new units sold, partially offset by SG&A expense increases in variable wages related to increased revenues, and rent expense, related to new locations.

#### Corporate and other expenses

Corporate and other expenses were \$4.4 million for the year ended December 31, 2016, an increase of 63.0%, as compared to \$2.7 million for the year ended December 31, 2015. The increase was due to an increase in professional fees.

**For the Year Ended December 31, 2015 Compared to the Year Ended December 31, 2014**

The following table sets forth information comparing the components of net income for the years ended December 31, 2015 and 2014.

(\$ in thousands)	Fiscal year ended		Fiscal year ended		Favorable/ (Unfavorable)	
	December 31, 2015	Percent of Revenue	December 31, 2014	Percent of Revenue	\$	%
Revenue:						
Consumer Services and Plans	\$ 174,600	5.3%	\$ 162,598	6.2%	\$ 12,002	7.4%
Retail						
New vehicles	1,606,465	48.9%	1,174,816	44.6%	431,649	36.7%
Used vehicles	806,399	24.5%	680,190	25.8%	126,209	18.6%
Parts, services and other	507,810	15.5%	482,254	18.3%	25,556	5.3%
Finance and insurance, net	190,820	5.8%	135,140	5.1%	55,680	41.2%
Subtotal	3,111,494	94.7%	2,472,400	93.8%	639,094	25.8%
Total revenue	3,286,094	100.0%	2,634,998	100.0%	651,096	24.7%
Gross profit (exclusive of depreciation and amortization shown separately below):						
Consumer Services and Plans	92,851	2.8%	88,533	3.4%	4,318	4.9%
Retail						
New vehicles	227,309	6.9%	168,427	6.4%	58,882	35.0%
Used vehicles	159,463	4.9%	133,568	5.1%	25,895	19.4%
Parts, services and other	232,821	7.1%	220,527	8.4%	12,294	5.6%
Finance and insurance, net	190,820	5.8%	135,140	5.1%	55,680	41.2%
Subtotal	810,413	24.7%	657,662	25.0%	152,751	23.2%
Total gross profit	903,264	27.5%	746,195	28.3%	157,069	21.0%
Operating expenses:						
Selling, general and administrative expenses	634,890	19.3%	536,485	20.4%	(98,405)	-18.3%
Depreciation and amortization	24,101	0.7%	24,601	0.9%	500	2.0%
(Gain) loss on asset sales	(237)	0.0%	33	0.0%	270	818.2%
Income from operations	244,510	7.4%	185,076	7.0%	59,434	32.1%
Other income (expense):						
Floor plan interest expense	(11,248)	-0.3%	(10,675)	-0.4%	(573)	-5.4%
Other interest expense, net	(53,377)	-1.6%	(46,769)	-1.8%	(6,608)	-14.1%
Loss on debt restructure	-	0.0%	(1,831)	-0.1%	1,831	100.0%
Other income (expense), net	1	0.0%	(35)	0.0%	36	102.9%
	(64,624)	-2.0%	(59,310)	-2.3%	(5,314)	9.0%
Income before income taxes	179,886	5.5%	125,766	4.8%	54,120	43.0%
Income tax expense	(1,356)	0.0%	(2,140)	-0.1%	784	36.6%
Net income	178,530	5.4%	123,626	4.7%	54,904	44.4%
Less: net income attributable to non-controlling interests	-	0.0%	-	0.0%	-	0.0%
Net income attributable to Camping World Holdings, Inc.	\$ 178,530	5.4%	\$ 123,626	4.7%	\$ 54,904	44.4%

**Total revenue**

Total revenue was \$3.3 billion for the year ended December 31, 2015, an increase of \$651.1 million, or 24.7%, as compared to \$2.6 billion in the year ended December 31, 2014. The increase was primarily driven by the increase of 37.3% in total vehicle unit sales in our Retail segment, as described below.

**Consumer Services and Plans**

Consumer Services and Plans revenue was \$174.6 million for the year ended December 31, 2015, an increase of \$12.0 million, or 7.4%, as compared to \$162.6 million in the year ended December 31, 2014. The increased revenue was attributable to \$8.6 million from increased participation in the credit card, extended vehicle service, roadside assistance, and vehicle insurance programs; additional club operations revenue of \$1.7 million, primarily due to increased membership in the Good Sam Club; and an additional \$1.7 million from an RV rally event in 2015 that did not occur in 2014.

Consumer Services and Plans gross profit was \$92.9 million for the year ended December 31, 2015, an increase of \$4.3 million, or 4.9%, as compared to \$88.5 million in the year ended December 31, 2014,

primarily due to increased membership in the Good Sam Club and increased participation in our co-branded credit card programs. Gross margin decreased 127 basis points to 53.2%, primarily due to increased program costs for roadside assistance due to higher claim frequency in 2015 and increased marketing costs for extended vehicle warranty programs and other consumer services and plans.

*Retail:*

New Vehicles

(\$ in thousands, except per vehicle data)	Fiscal year ended				Favorable/ (Unfavorable)	
	December 31, 2015		December 31, 2014		\$	%
	Amount	Percent of Revenue	Amount	Percent of Revenue		
Revenue	\$ 1,606,465	100.0%	\$ 1,174,816	100.0%	\$ 431,649	36.7%
Gross profit	227,309	14.1%	168,427	14.3%	58,882	35.0%
New vehicle unit sales	40,229		27,092		13,137	48.5%

New vehicle revenue was \$1.6 billion for the year ended December 31, 2015, an increase of \$431.6 million, or 36.7%, as compared to \$1.2 billion for the year ended December 31, 2014. The increase was primarily due to a 48.5% increase in vehicle unit sales attributable to a same store sales increase of 22.5% primarily from increased consumer confidence and improved credit availability. The balance of the increase was from new greenfield and acquired locations. These increases were partially offset by a 7.9% reduction in average revenue per unit resulting primarily from a shift towards lower priced travel trailers and a slight increase in new unit sales promotional discounts.

New vehicle gross profit was \$227.3 million for the year ended December 31, 2015, an increase of \$59.8 million, or 35.0%, as compared to \$168.4 million for the year ended December 31, 2014. The increase was primarily due to the 48.5% increase in vehicle unit sales, partially offset by a 9.1% decrease in average gross profit per unit. Gross margin decreased 19 basis points to 14.1%, primarily due to an increase in new unit sales discounts to produce higher vehicle unit sales

Used Vehicles

(\$ in thousands, except per vehicle data)	Fiscal year ended				Favorable/ (Unfavorable)	
	December 31, 2015		December 31, 2014		\$	%
	Amount	Percent of Revenue	Amount	Percent of Revenue		
Revenue	\$ 806,399	100.0%	\$ 680,190	100.0%	\$ 126,209	18.6%
Gross profit	159,463	19.8%	133,568	19.6%	25,895	19.4%
Used vehicle unit sales	35,485		28,062		7,423	26.5%

Used vehicle revenue was \$806.4 million for the year ended December 31, 2015, an increase of \$126.2 million, or 18.6%, as compared to \$680.2 million for the year ended December 31, 2014. The increase was due to a 26.5% increase in vehicle unit sales primarily attributable to new greenfield and acquired locations, partially offset by a same store sales decrease of 1.8%, and a 6.2% reduction in average revenue per unit resulting primarily from a shift towards lower priced travel trailers.

Used vehicle gross profit was \$159.5 million for the year ended December 31, 2015, an increase of \$25.9 million, or 19.4%, as compared to \$133.6 million for the year ended December 31, 2014. The increase was primarily due to the 26.5% increase in vehicle unit sales, partially offset by a 5.6% decrease in average gross profit per unit. Gross margin increased 14 basis points to 19.8%.



Parts, Services and Other

(\$ in thousands, except per vehicle data)	Fiscal year Ended				Favorable/ (Unfavorable)	
	December 31, 2015		December 31, 2014		\$	%
	Amount	Percent of Revenue	Amount	Percent of Revenue		
Revenue	\$ 507,810	100.0%	\$ 482,254	100.0%	\$ 25,556	5.3%
Gross profit	232,821	45.8%	220,527	45.7%	12,294	5.6%

Parts, services and other revenue was \$507.8 million for the year ended December 31, 2015, an increase of \$25.6 million, or 5.3%, as compared to \$482.3 million in the year ended December 31, 2014. The increase was primarily attributable to a same store sales increase of 3.0% resulting from increases across all product lines. The balance was primarily from new greenfield and acquired locations.

Parts, services and other gross profit was \$232.8 million for the year ended December 31, 2015, an increase of \$12.3 million, or 5.6%, as compared to \$220.5 million in the year ended December 31, 2014. The increase was primarily due to an increase of 37.3% in total unit sales and the net additional retail locations. Gross margin increased 12 basis points to 45.8%, primarily due to a reduction in promotional discounts in 2015.

Finance and Insurance, net

(\$ in thousands, except per vehicle data)	Fiscal year Ended				Favorable/ (Unfavorable)	
	December 31, 2015		December 31, 2014		\$	%
	Amount	Percent of Revenue	Amount	Percent of Revenue		
Revenue	\$ 190,820	100.0%	\$ 135,140	100.0%	\$ 55,680	41.2%
Gross profit	190,820	100.0%	135,140	100.0%	55,680	41.2%

Finance and insurance, net revenue and gross profit were each \$190.8 million for the year ended December 31, 2015, an increase of \$55.7 million, or 41.2%, as compared to \$135.1 million in the year ended December 31, 2014. The increase was primarily due to incremental vehicle finance contracts sold due to higher vehicle unit sales and higher penetration rates of buyers of such vehicles resulting from the mix shifting slightly towards towable units. Finance and insurance, net revenue as a percentage of total new and used vehicle revenue increased to 7.9% in 2015 from 7.3% in 2014.

Selling, general and administrative

SG&A expenses were \$634.9 million for the year ended December 31, 2015, an increase of \$98.4 million, or 18.3%, as compared to \$536.5 million in the year ended December 31, 2014. The increase was due to increases of \$59.1 million of wage-related expenses, primarily attributable to increased vehicle unit sales and the net addition of five retail locations in 2015; \$21.6 million of variable selling expenses attributable to commissions and advertising; \$5.2 million of additional occupancy expenses; and \$15.3 million of store and corporate overhead expenses, primarily related to new retail locations. SG&A expenses as a percentage of total gross profit was 70.3% for the year ended December 31, 2015, compared to 71.9% in the year ended December 31, 2014.

Depreciation and amortization

Depreciation and amortization was \$24.1 million for the year ended December 31, 2015, a decrease of \$0.5 million, or 2.0%, as compared to \$24.6 million in the year ended December 31, 2014. The slight decrease reflects a relatively consistent level of capital expenditures over the year ended December 31, 2014.

Floor plan interest expense

Floor plan interest expense was \$11.2 million for the year ended December 31, 2015, an increase of \$0.6 million, or 5.4%, as compared to \$10.7 million in the year ended December 31, 2014. The increase was primarily due to an increase in RV inventory to meet higher demand and to stock inventory at our new retail locations.

Other interest expense, net

Other interest expense, net was \$53.4 million for the year ended December 31, 2015, an increase of \$6.6 million, or 14.1%, as compared to \$46.8 million in the year ended December 31, 2014. The increase was primarily due to incremental borrowings under the Previous Term Loan Facility of \$55.0 million in December 2015 and \$117.0 million in December 2014, to acquire retail locations, and \$95.0 million in June 2015 to pay distributions to the CWGS, LLC members.

Segment results

The following table sets forth a reconciliation of total segment income to consolidated income from operations before income taxes for the period presented:

(\$ in thousands)	Fiscal Year Ended December 31, 2015		Fiscal Year Ended December 31, 2014		Favorable/ (Unfavorable)	
	Amount	Percent of Revenue	Amount	Percent of Revenue	\$	%
Revenue:						
Consumer Services and Plans	\$ 174,600	5.3%	\$ 162,598	6.2%	\$ 12,002	7.4%
Retail	3,111,494	94.7%	2,472,400	93.8%	639,094	25.8%
Total consolidated revenue	3,286,094	100.0%	2,634,998	100.0%	651,096	24.7%
Segment income: <sup>(1)</sup>						
Consumer Services and Plans	80,522	2.5%	73,515	2.8%	7,007	9.5%
Retail	179,530	5.5%	128,084	4.9%	51,446	40.2%
Total segment income	260,052	7.9%	201,599	7.7%	58,453	29.0%
Corporate & other	(2,689)	-0.1%	(2,597)	-0.1%	(92)	-3.5%
Depreciation and amortization	(24,101)	-0.7%	(24,601)	-0.9%	500	2.0%
Other interest expense, net	(53,377)	-1.6%	(46,769)	-1.8%	(6,608)	-14.1%
Loss on debt restructure	—	0.0%	(1,831)	-0.1%	1,831	100.0%
Other non-operating expense, net	1	0.0%	(35)	0.0%	36	102.9%
Income from operations before income taxes	\$ 179,886	5.5%	\$ 125,766	4.8%	\$ 54,120	43.0%

(1) Segment income represents income for each of our reportable segments and is defined as income from operations before depreciation and amortization, plus floor plan interest expense.

Consumer Services and Plans segment revenue

Consumer Services and Plans segment revenue was \$174.6 million for the year ended December 31, 2015, an increase of \$12.0 million, or 7.4%, as compared to \$162.6 million in the year ended December 31, 2014. The increased revenue was attributable to \$8.6 million from increased participation in the credit card, extended vehicle service, roadside assistance, and vehicle insurance programs; additional club operations revenue of \$1.7 million, primarily due to increased membership in the Good Sam Club; and an additional \$1.7 million from an RV rally event in 2015 that did not occur in 2014.

Retail segment revenue

Retail segment revenue was \$3.1 billion for the year ended December 31, 2015, an increase of \$639.1 million, or 25.8%, as compared to \$2.5 billion in the year ended December 31, 2014. The increase was primarily due to the increases in same store sales and the balance primarily from new greenfield and acquired locations, as described above.

#### Same store sales

Same store sales were \$2.5 billion for the year ended December 31, 2015, an increase of \$286.9 million, or 12.8%, as compared to \$2.2 billion in the year ended December 31, 2014. The increase was primarily due to increased volume of new units, primarily from travel trailers, fifth wheels and Class C motorhome units, and to a lesser extent, finance and insurance, net and parts, services and other.

#### Total segment income

Total segment income was \$260.1 million for the year ended December 31, 2015, an increase of \$58.5 million, or 29.0%, as compared to \$201.6 million in the year ended December 31, 2014. The increase was primarily due to the increase of 37.3% in total vehicle unit sales, as described below. Total segment income margin increased 26 basis points to 7.9%.

#### Consumer Services and Plans segment income

Consumer Services and Plans segment income was \$80.5 million for the year ended December 31, 2015, an increase of \$7.0 million, or 9.5%, as compared to \$73.5 million in the year ended December 31, 2014. The increase was attributable to increased membership in the Good Sam Club and increased participation in our co-branded credit card programs. Consumer Services and Plans segment income margin increased 91 basis points to 46.1%, primarily due to a \$2.7 million reduction in SG&A expenses partially offset by a 127 basis point reduction in gross margin.

#### Retail segment income

Retail segment income was \$179.5 million for the year ended December 31, 2015, an increase of \$51.4 million, or 40.2%, as compared to \$128.1 million in the year ended December 31, 2014. The increase was primarily due to the 37.3% increase in vehicle unit sales and a higher sales penetration of finance and insurance products. Retail segment income margin increased 59 basis points to 5.8%, primarily due to increased penetration of the finance and insurance products partially offset by increased Retail SG&A expenses as a percentage of Retail gross profit.

#### Corporate and other expenses

Corporate and other expenses were \$2.7 million for the year ended December 31, 2015, an increase of \$0.1 million, or 3.5%, as compared to \$2.6 million in the year ended December 31, 2014.

#### **Non-GAAP Financial Measures**

To supplement our consolidated financial statements, which are prepared and presented in accordance with accounting principles generally accepted in the U.S. ("GAAP"), we use the following non-GAAP financial measures: EBITDA, Adjusted EBITDA, Adjusted Pro Forma Net Income, and Adjusted Pro Forma Earnings Per Fully Exchanged and Diluted Share (collectively the "Non-GAAP Financial Measures"). We believe that these Non-GAAP Financial Measures, when used in conjunction with GAAP financial measures, provide useful information about operating results, enhance the overall understanding of past financial performance and future prospects, and allow for greater transparency with respect to the key metrics we use in our financial and operational decision making. These non-GAAP measures are also frequently used by analysts, investors and other interested parties to evaluate companies in the Company's industry. The presentation of this financial information is not intended to be considered in isolation or as a substitute for, or superior to, the financial information prepared and presented in accordance with GAAP, and they should not be construed as an inference that the Company's future results will be unaffected by any items adjusted for in these non-GAAP measures. In evaluating these non-GAAP measures, you should be aware that in the future the Company may incur expenses that are the same as or similar to some of those adjusted in this

presentation. The Non-GAAP Financial Measures that we use are not necessarily comparable to similarly titled measures used by other companies due to different methods of calculation.

#### *EBITDA, Adjusted EBITDA, and Adjusted EBITDA Margin*

We define “EBITDA” as net income before other interest expense (excluding floor plan interest expense), provision for income taxes and depreciation and amortization. We define “Adjusted EBITDA” as EBITDA further adjusted for the impact of certain non-cash and other items that we do not consider in our evaluation of ongoing operating performance. We define “Adjusted EBITDA Margin” as Adjusted EBITDA as a percentage of total revenue. These items include, among other things, loss (gain) on debt restructure, loss (gain) on sale of assets and disposition of stores, gain on derivative instruments, monitoring fees, equity-based compensation, an adjustment to rent on right to use assets, and other unusual or one-time items. We caution investors that amounts presented in accordance with our definitions of EBITDA, Adjusted EBITDA, and Adjusted EBITDA Margin may not be comparable to similar measures disclosed by our competitors, because not all companies and analysts calculate EBITDA, Adjusted EBITDA, and Adjusted EBITDA Margin in the same manner. We present EBITDA, Adjusted EBITDA, and Adjusted EBITDA Margin because we consider them to be important supplemental measures of our performance and believe they are frequently used by securities analysts, investors and other interested parties in the evaluation of companies in our industry. Management believes that investors’ understanding of our performance is enhanced by including these non-GAAP Financial Measures as a reasonable basis for comparing our ongoing results of operations.

The following table reconciles EBITDA, Adjusted EBITDA, and Adjusted EBITDA Margin to the most directly comparable GAAP financial performance measures, which are net income, net income, and net income margin, respectively:

(\$ in thousands)	Fiscal Year Ended				
	December 31, 2016	December 31, 2015	December 31, 2014	December 31, 2013	December 31, 2012
<b>EBITDA:</b>					
Net income	\$ 203,237	\$ 178,530	\$ 123,626	\$ 19,810	\$ 42,334
Other interest expense, net	48,318	53,377	46,769	74,728	78,097
Depreciation and amortization	24,695	24,101	24,601	21,183	21,315
Income tax expense	5,907	1,356	2,140	1,988	(7,470)
Subtotal EBITDA	282,157	257,364	197,136	117,709	134,276
Loss and expense on debt restructure (a)	6,270	—	1,831	49,450	440
Loss (gain) on sale of assets and disposition of stores (b)	(564)	1,452	2,689	2,147	(1,220)
Gain on derivative instruments (c)	—	—	—	—	(3,871)
Monitoring fee (d)	1,875	2,500	2,500	2,500	2,500
Equity-based compensation (e)	1,597	—	—	—	—
Adjustment to normalize rent on right to use assets (f)	—	(7,598)	(7,131)	(4,332)	(2,578)
Adjusted EBITDA	\$ 291,335	\$ 253,718	\$ 197,025	\$ 167,474	\$ 129,547

(as percentage of total revenue)	Fiscal Year Ended				
	December 31, 2016	December 31, 2015	December 31, 2014	December 31, 2013	December 31, 2012
<b>EBITDA margin:</b>					
Net income margin	5.8%	5.4%	4.7%	0.9%	2.3%
Other interest expense, net	1.4%	1.6%	1.8%	3.2%	4.2%
Depreciation and amortization	0.7%	0.7%	0.9%	0.9%	1.1%
Income tax expense	0.2%	0.0%	0.1%	0.1%	(0.4%)
Subtotal EBITDA margin	8.0%	7.8%	7.5%	5.1%	7.2%
Loss and expense on debt restructure (a)	0.2%	—	0.1%	2.1%	0.0%
Loss (gain) on sale of assets and disposition of stores (b)	(0.0%)	0.0%	0.1%	0.1%	(0.1%)
Gain on derivative instruments (c)	—	—	—	—	(0.2%)
Monitoring fee (d)	0.1%	0.1%	0.1%	0.1%	0.1%
Equity-based compensation (e)	0.0%	—	—	—	—
Adjustment to normalize rent on right to use assets (f)	—	(0.2%)	(0.3%)	(0.2%)	(0.1%)
Adjusted EBITDA margin	8.3%	7.7%	7.5%	7.2%	7.0%

- (a) Represents the loss incurred on debt restructure resulting from the write-off of a portion of the original issue discount, capitalized finance costs from the Previous Term Loan Facilities, and rating agency fees and legal expenses related to the New Term Loan Facilities in 2016, the repayment of the 12.00% Series A Notes due 2018 in 2014, and the 11.50% Senior Secured Notes due 2016 in 2013.
- (b) Represents (i) an adjustment to eliminate the gains and losses on sales of various assets, including (a) a \$1.8 million gain on the asset sale of seven outdoor power sports magazine titles, two power sports shows and two conferences in March 2013 and (b) the sale of the former FreedomRoads, LLC corporate office building at a loss of \$3.5 million in November 2013; (ii) aggregate non-recurring losses from two non-performing locations that were sold in 2015; and (iii) a loss equal to the present value of the remaining net obligation under the non-cancellable operating leases in locations with no operating business, which represented \$0.8 million, \$1.3 million and \$0.3 million for the years ended December 31, 2015, 2014 and 2013, respectively.
- (c) Represents a gain on derivative instruments related to interest rate swap agreements.
- (d) Represents monitoring fees paid pursuant to a monitoring agreement to Crestview and Stephen Adams. The monitoring agreement was terminated on October 6, 2016 in connection with our IPO.
- (e) Represents non-cash equity-based compensation expense relating to employees and directors of the Company.
- (f) Represents an adjustment to rent expense for the periods presented for certain right to use assets that were derecognized in the fourth quarter of 2015 due to lease modifications that resulted in the leases meeting the requirements to be reported as operating leases. The adjustments represent additional rent expense that would have been incurred for the periods presented had the leases previously been classified as operating leases. See Note 9 — Right to Use Liability of the audited consolidated financial statements in Part II, Item 8 of this Form 10-K for additional information.

***Adjusted Pro Forma Net Income and Adjusted Pro Forma Earnings Per Fully Exchanged and Diluted Share***

We define “Adjusted Pro Forma Net Income” as net income attributable to Camping World Holdings, Inc. adjusted for the reallocation of income attributable to non-controlling interests from the assumed exchange of all outstanding common units in CWGS, LLC (or the common unit equivalent of membership interests in CWGS, LLC for periods prior to the IPO) for shares of Class A common stock of Camping World Holdings, Inc. and further adjusted for the impact of certain non-cash and other items that we do not consider in our evaluation of ongoing operating performance. These items include, among other things, loss (gain) on debt restructure, loss (gain) on sale of assets and disposition of stores, gain on derivative instruments, monitoring fees, equity-based compensation, an adjustment to rent on right to use assets, interest expense on our Series B notes, other unusual or one-time items, and the income tax expense effect of (i) these adjustments and (ii) the pass-through entity taxable income as if the parent company was a subchapter C corporation in periods prior to the IPO. We define “Adjusted Pro Forma Earnings Per Fully Exchanged and Diluted Share” as Adjusted Pro Forma Net Income divided by the weighted-average shares of Class A common stock outstanding, assuming (i) the full exchange of all outstanding common units in CWGS, LLC (or the common unit equivalent of membership interests in CWGS, LLC for periods prior to the IPO) for shares of Class A common stock of Camping World Holdings, Inc., (ii) the Class A common stock issued in connection with the IPO was outstanding as of January 1 of each year presented, and (iii) the dilutive effect of stock options and restricted stock units, if any. We present Adjusted Pro Forma Net Income and Adjusted Pro Forma Earnings Per Fully Exchanged and Diluted Share because we consider them to be important supplemental measures of our performance and we believe that investors’ understanding of our performance

is enhanced by including these non-GAAP financial measures as a reasonable basis for comparing our ongoing results of operations.

The following table reconciles Adjusted Pro Forma Net Income and Adjusted Pro Forma Earnings Per Fully Exchanged and Diluted Share to the most directly comparable GAAP financial performance measure, which is net income attributable to Camping World Holdings, Inc. and weighted-average shares of Class A common stock outstanding — diluted:

(\$ in thousands except per share amounts)	Fiscal Year Ended				
	December 31, 2016	December 31, 2015	December 31, 2014	December 31, 2013	December 31, 2012
<b>Numerator:</b>					
Net income attributable to Camping World Holdings, Inc.	\$ 191,661	\$ 178,530	\$ 123,626	\$ 19,810	\$ 42,334
Adjustments:					
Reallocation of net income attributable to non-controlling interests from the assumed exchange of common units of CWGS, LLC (a)	11,576	—	—	—	—
Loss /expense on debt restructure (b)	6,270	—	1,831	49,450	440
Loss (gain) on sale of assets and disposition of stores (c)	(564)	1,452	2,689	2,147	(1,220)
Gain on derivative instruments (d)	—	—	—	—	(3,871)
Monitoring fee (e)	1,875	2,500	2,500	2,500	2,500
Equity-based compensation expense (f)	1,597	—	—	—	—
Adjustment to rent on right to use assets (g)	—	(7,598)	(7,131)	(4,332)	(2,578)
Interest expense on Series B notes (h)	—	—	1,784	2,379	2,379
Income tax expense (i)	(79,360)	(67,400)	(47,121)	(29,630)	(16,161)
Adjusted pro forma net income	\$ 133,055	\$ 107,484	\$ 78,178	\$ 42,324	\$ 23,823
<b>Denominator:</b>					
Weighted-average Class A common shares outstanding - diluted	83,602	—	—	—	—
Adjustments:					
Assumed exchange of pre-IPO common unit equivalent of membership interests in CWGS, LLC (j)	193	72,651	47,563	38,999	37,951
Assumed issuance of Class A common stock in connection with IPO (k)	170	11,872	11,872	11,872	11,872
Assumed conversion of Series B notes for Class A common stock (h)	—	—	24,599	33,010	33,010
Dilutive restricted stock units	6	—	—	—	—
Adjusted pro forma fully exchanged weighted average Class A common shares outstanding - diluted	83,971	84,523	84,034	83,881	82,833
Adjusted pro forma earnings per fully exchanged and diluted share	\$ 1.58	\$ 1.27	\$ 0.93	\$ 0.50	\$ 0.29

- (a) Represents the reallocation of net income attributable to non-controlling interests from the assumed exchange of common units of CWGS, LLC in periods where income was attributable to non-controlling interests.
- (b) Represents the loss incurred on debt restructure resulting from write-off of a portion of the original issue discount and capitalized finance costs from the Previous Term Loan Facilities, rating agency fees and legal expenses related to the New Term Loan Facilities in 2016, and the repayment of the 12.00% Series A Notes due 2018 in 2014, and the 11.50% Senior Secured Notes due 2016 in 2013.
- (c) Represents (i) an adjustment to eliminate the gains and losses on sales of various assets, including (a) a \$1.8 million gain on the asset sale of seven outdoor power sports magazine titles, two power sports shows and two conferences in March 2013 and (b) the sale of the former FreedomRoads, LLC corporate office building at a loss of \$3.5 million in November 2013; (ii) aggregate non-recurring losses from two non-performing locations that were sold in 2015; and (iii) a loss equal to the present value of the remaining net obligation under the non-cancellable operating leases in locations with no operating business, which represented \$0.8 million, \$1.3 million and \$0.3 million for the years ended December 31, 2015, 2014 and 2013, respectively.
- (d) Represents a gain on derivative instruments related to interest rate swap agreements.
- (e) Represents monitoring fees paid pursuant to a monitoring agreement to Crestview and Stephen Adams. The monitoring agreement was terminated on October 6, 2016 in connection with our IPO.
- (f) Represents non-cash equity-based compensation expense relating to employees and directors of the Company.
- (g) Represents an adjustment to rent expense for the periods presented for certain right to use assets that were derecognized in the fourth quarter of 2015 due to lease modifications that resulted in the leases meeting the requirements to be reported as operating leases. The adjustments represent additional rent expense that would have been incurred for the periods presented had the leases



previously been classified as operating leases. See Note 9 — Right to Use Liability in the audited consolidated financial statements in Part II, Item 8 of this Form 10-K for additional information.

- (h) Represents the assumed exchange of the common unit equivalent of the Series B notes if the notes were converted into membership interests in CWGS, LLC as of January 1 of each period for which the Series B notes were outstanding. The related interest expense is added back using the if-converted method.
- (i) Represents the income tax expense effect of (i) the above adjustments and (ii) the pass-through entity taxable income as if the parent company was a subchapter C corporation in periods prior to the IPO. This assumption uses an effective tax rate of 38.5% for the adjustments and the pass-through entity taxable income.
- (j) Represents the assumed exchange of pre-IPO membership interests in CWGS, LLC at their common unit equivalent amount.
- (k) Represents the assumption that the shares of Class A common stock issued in connection with the IPO were outstanding as of January 1 of each period.

#### *Uses and Limitations of Non-GAAP Financial Measures*

Management and our board of directors use the Non-GAAP Financial Measures:

- as a measurement of operating performance because they assist us in comparing the operating performance of our business on a consistent basis, as they remove the impact of items not directly resulting from our core operations;
- for planning purposes, including the preparation of our internal annual operating budget and financial projections;
- to evaluate the performance and effectiveness of our operational strategies; and
- to evaluate our capacity to fund capital expenditures and expand our business.

By providing these Non-GAAP Financial Measures, together with reconciliations, we believe we are enhancing investors' understanding of our business and our results of operations, as well as assisting investors in evaluating how well we are executing our strategic initiatives. In addition, our New Senior Secured Credit Facilities use EBITDA to measure our compliance with covenants such as consolidated leverage ratio. The Non-GAAP Financial Measures have limitations as analytical tools, and should not be considered in isolation, or as an alternative to, or a substitute for net income or other financial statement data presented in our consolidated financial statements included elsewhere in this Annual Report on Form 10-K as indicators of financial performance. Some of the limitations are:

- such measures do not reflect our cash expenditures, or future requirements for capital expenditures or contractual commitments;
- such measures do not reflect changes in, or cash requirements for, our working capital needs;
- some of such measures do not reflect the interest expense, or the cash requirements necessary to service interest or principal payments on our debt;
- some of such measures do not reflect our tax expense or the cash requirements to pay our taxes;
- although depreciation and amortization are non-cash charges, the assets being depreciated and amortized will often have to be replaced in the future and such measures do not reflect any cash requirements for such replacements; and
- other companies in our industry may calculate such measures differently than we do, limiting their usefulness as comparative measures.

Due to these limitations, the Non-GAAP Financial Measures should not be considered as measures of discretionary cash available to us to invest in the growth of our business. We compensate for these limitations by relying primarily on our GAAP results and using these Non-GAAP Financial Measures only

supplementally. As noted in the tables above, certain of the Non-GAAP Financial Measures include adjustments for loss (gain) on debt repayment, loss (gain) on sale of assets and disposition of stores, gain on derivative instruments, equity-based compensation, an adjustment to rent on right to use assets, and other unusual or one-time items. It is reasonable to expect that these items will occur in future periods. However, we believe these adjustments are appropriate because the amounts recognized can vary significantly from period to period, do not directly relate to the ongoing operations of our business and complicate comparisons of our internal operating results and operating results of other companies over time. In addition, these certain Non-GAAP Financial Measures adjust for other items that we do not expect to regularly record in periods after the IPO, including monitoring fees. Each of the normal recurring adjustments and other adjustments described in this paragraph and in the reconciliation tables above help management with a measure of our core operating performance over time by removing items that are not related to day-to-day operations.

## **Liquidity and Capital Resources**

### **General**

Historically, our primary requirements for liquidity and capital have been working capital, inventory management, acquiring and building new retail locations, including pre-opening expenses, the improvement and expansion of existing retail locations, debt service and general corporate needs. We also have made distributions to holders of equity interests of CWGS, LLC. Historically, these cash requirements have been met through cash provided by operating activities, cash and cash equivalents and borrowings under our Previous Senior Secured Credit Facilities and our Floor Plan Facility.

On October 11, 2016, we completed our IPO and sold 11,363,636 shares of Class A common stock at a public offering price of \$22.00 per share, receiving \$233.4 million in proceeds, net of underwriting discounts and commissions. We used the net proceeds to purchase 11,363,636 newly-issued common units from CWGS, LLC at a price per unit equal to the IPO price per share of Class A common stock in the IPO less underwriting discounts and commissions. In addition, on November 4, 2016, the underwriters exercised their option, in part, to purchase an additional 508,564 shares of Class A common stock. On November 9, 2016, we closed on the purchase of the additional 508,564 shares of Class A common stock and received \$10.4 million in additional proceeds, net of underwriting discounts and commissions, which we used to purchase 508,564 newly-issued common units from CWGS, LLC at a price per unit equal to the IPO price per share of Class A common stock in the IPO less underwriting discounts and commissions. CWGS, LLC, at our direction, used the proceeds to pay \$9.7 million of expenses, including legal, accounting, printing and other professional fees incurred in connection with the completion of the IPO, of which \$0.1 million remains unpaid as of December 31, 2016; to make a payment of \$200.4 million to repay a portion of the outstanding borrowings under the Previous Term Loan Facility; and the remaining \$33.7 million will be used by CWGS, LLC for general corporate purposes, including the potential acquisition of dealerships. Total expenses, including legal, accounting, printing and other professional fees incurred in connection with the IPO were \$9.8 million.

As a public company, additional future liquidity needs will include public company costs, the payment of regular and special cash dividends, the redemption right held by the Continuing Equity Owners that they may exercise from time to time (should we elect to exchange such common units for a cash payment), payments under the Tax Receivable Agreement, and state and federal taxes to the extent not sheltered as a result of the Tax Receivable Agreement. The Continuing Equity Owners may exercise such redemption right for as long as their common units remain outstanding. Although the actual timing and amount of any payments that may be made under the Tax Receivable Agreement will vary, we expect that the payments that we will be required to make to the Continuing Equity Owners and Crestview Partners II GP, L.P. will be significant. Any payments made by us to Continuing Equity Owners and Crestview Partners II GP, L.P. under the Tax Receivable Agreement will generally reduce the amount of overall cash flow that might have otherwise been available to us or to CWGS, LLC and, to the extent that we are unable to make payments under the Tax Receivable Agreement for any reason, the unpaid amounts generally will be deferred and will accrue interest until paid by us; provided, however, that nonpayment for a specified period may constitute a material breach of a material obligation under the Tax Receivable Agreement and therefore may accelerate payments due under the Tax Receivable Agreement. For a discussion of the Tax Receivable Agreement, see

Note 10 — Income Taxes to our audited consolidated financial statements included in Part II, Item 8 of this Form 10-K.

CWGS, LLC intends to make a regular quarterly cash distribution to its common unit holders, including us, of approximately \$0.08 per common unit and we intend to use all of the proceeds from such distribution on our common units to pay a regular quarterly cash dividend of approximately \$0.08 per share on our Class A common stock, subject to our discretion as the sole managing member of CWGS, LLC and the discretion of our board of directors. CWGS, LLC shall make cash distributions in accordance with the CWGS LLC Agreement in an amount sufficient for us to pay any expenses incurred by us in connection with the regular quarterly cash dividend, along with any of our other operating expenses and other obligations. In addition, we currently intend to pay a special cash dividend of all or a portion of the Excess Tax Distribution (as defined under “Dividend Policy” included in Part II, Item 5 of this Form 10-K) to the holders of our Class A common stock from time to time subject to the discretion of our board of directors as described under “Dividend Policy.” Our dividend policy has certain risks and limitations, particularly with respect to liquidity, and we may not pay dividends according to our policy, or at all. See “Dividend Policy” included in Part II, Item 5 of this Form 10-K and “Risk Factors—Risks Relating to Ownership of Our Class A Common Stock—Our ability to pay regular and special dividends on our Class A common stock is subject to the discretion of our board of directors and may be limited by our structure and statutory restrictions and restrictions imposed by our New Senior Secured Credit Facilities and our Floor Plan Facility as well as any future agreements” included in Part I, Item 1A of this Form 10-K.

Notwithstanding our obligations under the Tax Receivable Agreement, we believe that our sources of liquidity and capital will be sufficient to finance our continued operations, growth strategy, regular quarterly cash dividends (as described above) and additional expenses we expect to incur as a public company for at least the next twelve months. However, we cannot assure you that our cash provided by operating activities, cash and cash equivalents or cash available under our New Revolving Credit Facility or our Floor Plan Facility will be sufficient to meet our future needs. If we are unable to generate sufficient cash flows from operations in the future, and if availability under our New Revolving Credit Facility or our Floor Plan Facility is not sufficient, we may have to obtain additional financing. If we obtain additional capital by issuing equity, the interests of our existing stockholders will be diluted. If we incur additional indebtedness, that indebtedness may contain significant financial and other covenants that may significantly restrict our operations. We cannot assure you that we could obtain refinancing or additional financing on favorable terms or at all. See “Risk Factors — Risks Related to our Business — Our ability to operate and expand our business and to respond to changing business and economic conditions will depend on the availability of adequate capital” included in Part I, Item 1A of this Form 10-K.

As of December 31, 2016 and 2015, we had working capital of \$266.8 million and \$187.9 million, respectively, including \$114.2 million and \$92.0 million, respectively, of cash and cash equivalents. Our working capital reflects the cash provided by deferred revenue and gains reported under current liabilities of \$68.6 million and \$63.6 million as of December 31, 2016 and 2015, respectively, which reduces working capital. Deferred revenue primarily consists of cash collected for club memberships in advance of services to be provided, which is deferred and recognized as revenue over the life of the membership. We use net proceeds from this deferred membership revenue to lower our long-term borrowings and finance our working capital needs.

### *Seasonality*

We have experienced, and expect to continue to experience, variability in revenue, net income, and cash flows as a result of annual seasonality in our business. Because RVs are used primarily by vacationers and campers, demand for services, protection plans, products, and resources generally declines during the winter season, while sales and profits are generally highest during the spring and summer months. In addition, unusually severe weather conditions in some geographic areas may impact demand.

On average, over the three years ended December 31, 2016, we have generated approximately 29.9% and 28.7% of our annual revenue in our second and third fiscal quarters, respectively, which include the spring and summer months. We incur additional expenses in the second and third fiscal quarters due to higher purchase volumes, increased staffing in our retail locations and program costs. If, for any reason, we miscalculate the demand for our products or our product mix during the second and third fiscal quarters, our

sales in these quarters could decline, resulting in higher labor costs as a percentage of sales, lower margins and excess inventory, which could cause our annual results of operations to suffer and our stock price to decline.

Additionally, SG&A expenses as a percentage of gross profit tend to be higher in the first and fourth quarters due to the timing of acquisitions and the seasonality of our business. We prefer to acquire new retail locations in the first and fourth quarters of a year in order to provide time for the location to be re-modeled and to ramp up operations ahead of the spring and summer months. The timing of our acquisitions in the first and fourth quarters, coupled with generally lower revenue in these quarters has resulted in SG&A expenses as a percentage of gross profit being higher in these quarters.

Due to our seasonality, the possible adverse impact from other risks associated with our business, including atypical weather, consumer spending levels and general business conditions, is potentially greater if any such risks occur during our peak sales seasons. See “Risk Factors — Risks Related to our Business — Our business is seasonal and this leads to fluctuations in sales and revenues” included in Part I, Item 1A of this Form 10-K.

#### Quarterly Results of Operations

The following tables set forth selected unaudited quarterly statements of income data for each of the eight quarters in the period ended December 31, 2016, as well as the percentage each line item represents of total revenue for each quarter. Certain quarterly amounts have been revised to correct for immaterial errors in prior periods as described in Note 1 — Summary of Significant Accounting Policies — Revisions to Prior Periods and Note 23 — Quarterly Financial Information (unaudited) in Part II, Item 8 of this Form 10-K. The information for each of these quarters has been prepared on the same basis as our audited consolidated financial statements included in Part II, Item 8 of this Form 10-K and, in the opinion of management, includes all adjustments, which include only normal recurring adjustments, necessary for the fair presentation of the results of operations for these periods in accordance with GAAP. This data should be read in conjunction with our audited consolidated financial statements and related notes included in Part II, Item 8 of this Form 10-K. These quarterly operating results are not necessarily indicative of our operating results for a full year or any future period.

(\$ in thousands)	Three Months Ended							
	December 31, 2016	September 30, 2016	June 30, 2016	March 31, 2016	December 31, 2015	September 30, 2015	June 30, 2015	March 31, 2015
Revenue	\$ 670,032	\$ 991,071	\$ 1,067,855	\$ 797,748	\$ 647,311	\$ 948,005	\$ 993,446	\$ 697,332
Gross profit	196,585	280,236	299,484	222,296	179,954	256,990	273,387	192,933
Selling, general and administrative	154,918	186,255	190,323	160,388	148,994	174,141	173,565	138,190
Net income	13,635	68,416	83,406	37,780	11,999	57,650	75,212	33,669
Net income attributable to Camping World Holdings, Inc.	2,059	68,416	83,406	37,780	11,999	57,650	75,212	33,669
Adjusted EBITDA (1)	39,201	90,284	104,459	57,391	30,845	77,291	94,344	51,238
Adjusted pro forma net income (1)	11,821	44,762	54,869	21,603	5,790	35,270	47,654	18,770
Adjusted pro forma earnings per fully exchanged and diluted share (1)	\$ 0.14	\$ 0.53	\$ 0.65	\$ 0.26	\$ 0.07	\$ 0.42	\$ 0.56	\$ 0.22

(as percentage of total revenue)	Three Months Ended							
	December 31, 2016	September 30, 2016	June 30, 2016	March 31, 2016	December 31, 2015	September 30, 2015	June 30, 2015	March 31, 2015
Revenue	100.0%	100.0%	100.0%	100.0%	100.0%	100.0%	100.0%	100.0%
Gross profit	29.3%	28.3%	28.0%	27.9%	27.8%	27.1%	27.5%	27.7%
Selling, general and administrative	23.1%	18.8%	17.8%	20.1%	23.0%	18.4%	17.5%	19.8%
Net income	2.0%	6.9%	7.8%	4.7%	1.9%	6.1%	7.6%	4.8%
Net income attributable to Camping World Holdings, Inc.	0.3%	6.9%	7.8%	4.7%	1.9%	6.1%	7.6%	4.8%
Adjusted EBITDA (1)	5.9%	9.1%	9.8%	7.2%	4.8%	8.2%	9.5%	7.3%
Adjusted pro forma net income (1)	1.8%	4.5%	5.1%	2.7%	0.9%	3.7%	4.8%	2.7%

(1) The following tables reconcile Adjusted EBITDA, Adjusted Pro Forma Net Income, and Adjusted Pro Forma Earnings Per Fully Exchanged and Diluted Share to the most directly comparable U.S. GAAP financial performance measure, which is net income, net income attributable to Camping World Holdings, Inc., and weighted-average shares of Class A common stock outstanding — diluted,

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respectively. Please see “Non-GAAP Financial Measures” in Part II, Item 7 of this Form 10-K for our definition of Adjusted EBITDA, Adjusted Pro Forma Net Income, and Adjusted Pro Forma Earnings Per Fully Exchanged and Diluted Share and why we consider it useful.

(\$ in thousands)	Three Months Ended							
	December 31, 2016	September 30, 2016	June 30, 2016	March 31, 2016	December 31, 2015	September 30, 2015	June 30, 2016	March 31, 2015
Net Income	\$ 13,635	\$ 68,416	\$ 83,406	\$ 37,780	\$ 11,999	\$ 57,650	\$ 75,212	\$ 33,669
Other interest expense, net	10,278	12,715	12,577	12,748	12,601	14,414	13,453	12,909
Depreciation and amortization	6,551	6,219	6,034	5,891	6,316	6,387	6,037	5,361
Income tax expense	1,269	2,288	1,979	371	(1,997)	1,145	1,790	418
<b>EBITDA</b>	<b>31,733</b>	<b>89,638</b>	<b>103,996</b>	<b>56,790</b>	<b>28,919</b>	<b>79,596</b>	<b>96,492</b>	<b>52,357</b>
Adjustments:								
Loss and expense on debt restructure (a)	6,270	—	—	—	—	—	—	—
Loss (gain) on sale of assets and disposition of stores (a)	(339)	21	(222)	(24)	1,301	5	(252)	398
Monitoring fee (a)	—	625	625	625	625	625	625	625
Equity-based compensation (a)	1,537	—	60	—	—	—	—	—
Adjustment to rent on right to use assets (a)	—	—	—	—	—	(2,935)	(2,521)	(2,142)
<b>Adjusted EBITDA</b>	<b>\$ 39,201</b>	<b>\$ 90,284</b>	<b>\$ 104,459</b>	<b>\$ 57,391</b>	<b>\$ 30,845</b>	<b>\$ 77,291</b>	<b>\$ 94,344</b>	<b>\$ 51,238</b>

(a) See “Non-GAAP Financial Measures” in Part II, Item 7 of this Form 10-K for a more detailed description of the adjustments set forth above.

(as percentage of total revenue)	Three Months Ended							
	December 31, 2016	September 30, 2016	June 30, 2016	March 31, 2016	December 31, 2015	September 30, 2015	June 30, 2016	March 31, 2015
Net income margin	2.03%	6.90%	7.81%	4.74%	1.85%	6.08%	7.57%	4.83%
Other interest expense, net	1.53%	1.28%	1.18%	1.60%	1.95%	1.52%	1.35%	1.85%
Depreciation and amortization	0.98%	0.63%	0.57%	0.74%	0.98%	0.67%	0.61%	0.77%
Income tax expense	0.19%	0.23%	0.19%	0.05%	(0.31%)	0.12%	0.18%	0.06%
<b>EBITDA margin</b>	<b>4.74%</b>	<b>9.04%</b>	<b>9.74%</b>	<b>7.12%</b>	<b>4.47%</b>	<b>8.40%</b>	<b>9.71%</b>	<b>7.51%</b>
Adjustments:								
Loss and expense on debt restructure (a)	0.94%	—	—	—	—	—	—	—
Loss (gain) on sale of assets and disposition of stores (a)	(0.05%)	0.00%	(0.02%)	(0.00%)	0.20%	0.00%	(0.03%)	0.06%
Monitoring fee (a)	—	0.06%	0.06%	0.08%	0.10%	0.07%	0.06%	0.09%
Equity-based compensation (a)	0.23%	—	0.01%	—	—	—	—	—
Adjustment to rent on right to use assets (a)	—	—	—	—	—	(0.31%)	(0.25%)	(0.31%)
<b>Adjusted EBITDA margin</b>	<b>5.85%</b>	<b>9.11%</b>	<b>9.78%</b>	<b>7.19%</b>	<b>4.77%</b>	<b>8.15%</b>	<b>9.50%</b>	<b>7.35%</b>

(a) See “Non-GAAP Financial Measures” in Part II, Item 7 of this Form 10-K for a more detailed description of the adjustments set forth above.

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(\$ in thousands except per share amounts)	Three Months Ended							
	December 31, 2016	September 30, 2016	June 30, 2016	March 31, 2016	December 31, 2015	September 30, 2015	June 30, 2016	March 31, 2015
<b>Numerator:</b>								
Net income attributable to Camping World Holdings, Inc.	\$ 2,059	\$ 68,416	\$ 83,406	\$ 37,780	\$ 11,999	\$ 57,650	\$ 75,212	\$ 33,669
Adjustments:								
Reallocation of net income attributable to non-controlling interests from the assumed exchange of common units of CWGS, LLC (a)	11,576	—	—	—	—	—	—	—
Loss and expense on debt restructure (a)	6,270	—	—	—	—	—	—	—
Loss (gain) on sale of assets and disposition of stores (a)	(339)	21	(222)	(24)	1,301	5	(252)	398
Monitoring fee (a)	—	625	625	625	625	625	625	625
Equity-based compensation expense (a)	1,537	—	60	—	—	—	—	—
Adjustment to rent on right to use assets (a)	—	—	—	—	—	(2,935)	(2,521)	(2,142)
Income tax expense (a)	(9,282)	(24,300)	(29,000)	(16,778)	(8,135)	(20,075)	(25,410)	(13,780)
Adjusted pro forma net income	\$ 11,821	\$ 44,762	\$ 54,869	\$ 21,603	\$ 5,790	\$ 35,270	\$ 47,654	\$ 18,770
<b>Denominator:</b>								
Weighted-average Class A common shares outstanding - diluted	83,602	—	—	—	—	—	—	—
Adjustments:								
Assumed exchange of pre-IPO common unit equivalent of membership interests in CWGS, LLC (a)	—	71,900	71,924	72,651	72,651	72,651	72,651	72,651
Assumed issuance of Class A common stock in connection with IPO (a)	170	11,872	11,872	11,872	11,872	11,872	11,872	11,872
Dilutive restricted stock units	24	—	—	—	—	—	—	—
Adjusted pro forma fully exchanged weighted average Class A common shares outstanding - diluted	83,796	83,772	83,796	84,523	84,523	84,523	84,523	84,523
Adjusted pro forma earnings per fully exchanged and diluted share	\$ 0.14	\$ 0.53	\$ 0.65	\$ 0.26	\$ 0.07	\$ 0.42	\$ 0.56	\$ 0.22

(a) See "Non-GAAP Financial Measures" in Part II, Item 7 of this Form 10-K for a more detailed description of the adjustments set forth above.



**Cash Flow**

The following table shows summary cash flows information for the years ended December 31, 2016, 2015 and 2014, respectively:

(In thousands)	Fiscal Year Ended		
	December 31, 2016	December 31, 2015	December 31, 2014
Net cash provided by operating activities	\$ 223,710	\$ 112,143	\$ 44,064
Net cash used in investing activities	(115,703)	(176,200)	(50,225)
Net cash (used in) provided by financing activities	(85,836)	45,372	80,366
Net (decrease) increase in cash and cash equivalents	\$ 22,171	\$ (18,685)	\$ 74,205

*Operating activities.* Our cash flows from operating activities are primarily collections from contracts in transit and customers following the sale of new and used vehicles, as well as from the sale of retail parts, services and other. Contracts in transit represent amounts due from third-party lenders from whom pre-arranged agreements have been determined, and to whom the retail installment sales contract have been assigned. Our primary uses of cash from operating activities are repayments of vehicle floor plan payables, payments to retail product suppliers, personnel-related expenditures, payments related to leased property, advertising, and various consumer services program costs.

Net cash provided by operating activities was \$223.7 million for the year ended December 31, 2016, an increase of \$111.6 million from \$112.1 million in the year ended December 31, 2015. The increase for the year ended December 31, 2016 was primarily due to \$79.6 million from slower inventory growth in 2016, a \$24.7 million increase in net income, and \$7.8 million from other increases.

Net cash provided by operating activities was \$112.1 million for the year ended December 31, 2015, an increase of \$68.1 million from \$44.1 million in the year ended December 31, 2014. The increase for the year ended December 31, 2015 was primarily due to a \$54.9 million increase in net income, a \$7.1 million increase due to growth in accounts payable and accrued liabilities, a \$7.1 million increase in checks held in excess of bank balance, a \$3.7 million increase from a slightly lower growth in inventory in 2015 and \$0.9 million of other increases, partially offset by a \$5.6 million decrease in the growth of deferred revenues.

Net cash provided by operating activities was \$44.1 million for the year ended December 31, 2014, primarily attributable to net income before depreciation, amortization and loss on debt restructure of \$150.1 million, and growth in deferred revenue of \$9.4 million, partially offset by increased inventory of \$115.3 million.

*Investing activities.* Our investment in business activities primarily consists of expanding our operations through organic growth and the acquisition of retail locations. Substantially all of our new retail locations and capital expenditures have been financed using cash provided by operating activities and borrowings under our Senior Secured Credit Facilities.

Our capital expenditures consist primarily of investing in greenfield retail locations, existing retail locations, and information technology hardware and software. There are no material commitments for capital expenditures as of December 31, 2016. The table below summarizes our capital expenditures for the years ended December 31, 2016, 2015, and 2014, respectively:

(In thousands)	Fiscal Year Ended		
	December 31, 2016	December 31, 2015	December 31, 2014
IT hardware and software	\$ 6,969	\$ 9,709	\$ 10,297
Greenfield retail locations	6,625	16,577	8,296
Existing retail locations	19,430	11,592	13,297
Corporate and other	6,758	3,559	3,094
Total capital expenditures	\$ 39,782	\$ 41,437	\$ 34,984

Net cash used in investing activities was \$115.7 million for year ended December 31, 2016. The \$115.7 million of cash used in investing activities included \$78.6 million for the acquisition of six retail locations, five consumer shows, and a wholesale parts dealer, comprised of \$0.9 million of accounts receivable, \$36.3 million of inventory, \$2.8 million of intangible assets, \$40.2 million of goodwill, \$0.8 million of property and equipment and \$0.2 million of other assets, less \$2.6 million of accrued liabilities and customer deposits, in addition to \$39.8 million of capital expenditures and \$17.1 million for the purchase of real property, partially offset by proceeds from the sale and leaseback of real property and property and equipment of \$15.9 million and \$3.9 million, respectively.

Net cash used in investing activities was \$176.2 million for the year ended December 31, 2015. The \$176.2 million of cash used in investing activities included \$125.2 million for the acquisition of six retail locations, comprised of \$75.7 million of inventory, \$51.9 million of goodwill, \$0.8 million of property and equipment, less \$1.7 million of accrued liabilities and customer deposits and a \$1.5 million purchase price holdback, in addition to \$41.4 million of capital expenditures and \$30.3 million for the purchase of real property, partially offset by proceeds from the sale and leaseback of real property and property and equipment of \$19.4 million and \$1.3 million, respectively.

Net cash used in investing activities was \$50.2 million for the year ended December 31, 2014. The \$50.2 million of net cash used in investing activities included \$10.6 million for the acquisition of three retail locations, including \$6.2 million of inventory and \$4.4 million of goodwill, in addition to \$35.0 million of capital expenditures and \$6.4 million for the purchase of real property, partially offset by proceeds from the sale of real property and property and equipment of \$1.2 million and \$0.6 million, respectively.

*Financing activities.* Our financing activities primarily consist of proceeds from the issuance of debt and the repayment of principal and debt issuance costs.

Our net cash used in financing activities was \$85.8 million for the year ended December 31, 2016. The \$85.8 million of cash used in financing activities was primarily due to payment of debt of \$288.5 million, member distributions of \$236.1 million, debt issuance costs of \$7.1 million, and other financing uses of \$3.1 million, partially offset by proceeds from long-term debt of \$188.1 million, proceeds from issuance of Class A common stock sold in the IPO net of underwriter's discounts and commissions of \$234.2 million, and \$26.7 million of net borrowings under the Floor Plan Facility. During 2016, we also borrowed and repaid \$12.0 million under the Previous Revolving Credit Facility.

Our net cash provided by financing activities was \$45.4 million for the year ended December 31, 2015. The \$45.4 million of cash provided by financing activities was primarily due to borrowings of \$148.9 million under the Previous Term Loan Facility and \$167.4 million of net borrowings under the Floor Plan Facility, partially offset by member distributions of \$228.9 million, principal payments under the Previous Term Loan Facility of \$36.6 million, debt issuance costs totaling \$3.3 million and other financing uses of \$2.1 million.

Our net cash provided by financing activities was \$80.4 million for the year ended December 31, 2014. The \$80.4 million of cash provided by financing activities was primarily due to borrowings of \$116.4 million under the Previous Term Loan Facility and \$47.9 million of net borrowings under the Floor Plan Facility, partially offset by member distributions of \$60.1 million, principal payments under the Senior Secured Credit Facilities of \$18.9 million, debt issuance costs totaling \$2.9 million and other financing uses of \$2.0 million.

#### **Description of Senior Secured Credit Facilities and Floor Plan Facility**

As of December 31, 2016, we had a new credit agreement that included a \$645.0 million term loan (the "New Term Loan Facility") and \$35.0 million of commitments for revolving loans (the "New Revolving Credit Facility" and, together with the New Term Loan Facility, the "New Senior Secured Credit Facilities"). The borrowings on the New Term Loan Facility were used to pay off and terminate our previous senior secured credit facilities ("Previous Senior Secured Credit Facilities" and, together with the New Senior Secured Credit Facilities, the "Senior Secured Credit Facilities"). Additionally, we also have up to \$1.165 billion in maximum borrowing availability under a floor plan financing facility (the "Floor Plan Facility"). The

Floor Plan Facility also provides a letter of credit commitment of \$15.0 million. As of December 31, 2016, we had \$626.8 million of term loans outstanding under the New Senior Secured Credit Facilities, net of \$6.3 million of unamortized original issue discount and \$11.9 million of finance costs, no revolving borrowings outstanding under the New Senior Secured Credit Facilities aside from letters of credit in the aggregate amount of \$3.2 million outstanding under the New Revolving Credit Facility, and \$625.2 million of floor plan notes payable outstanding under the Floor Plan Facility, with \$31.8 million of additional borrowing capacity under our New Revolving Credit Facility and \$539.8 million of additional borrowing capacity under our Floor Plan Facility. Our New Term Loan Facility requires us to make quarterly principal payments of 0.25% of the outstanding principal amount thereof. Additionally, we paid total cash interest on our Senior Secured Credit Facilities of \$41.6 million and \$36.8 million for the years ended December 31, 2016 and 2015, respectively, and we paid total floor plan interest expense on our Floor Plan Facility of \$18.9 million and \$12.4 million for the years ended December 31, 2016 and 2015, respectively. In addition to interest paid on our Senior Secured Credit Facilities and our Floor Plan Facility, we paid cash interest of \$1.4 million and \$8.5 million for the years ended December 31, 2016 and 2015, respectively. We may from time to time seek to refinance, retire or exchange our outstanding debt. Such refinancings, repayments or exchanges, if any, will depend on prevailing market conditions, our liquidity requirements, contractual restrictions and other factors. The amounts involved may be material. In the past, we have used interest rate swap derivatives to diversify our debt portfolio between fixed and variable rate instruments. For additional information regarding our interest rate risk and interest rate hedging instruments, see “Quantitative and Qualitative Disclosures About Market Risk” in Part II, Item 7A of this Form 10-K.

#### *New Senior Secured Credit Facilities*

On November 8, 2016, CWGS Group, LLC, a wholly-owned subsidiary of CWGS, LLC (the “Borrower”) and CWGS, LLC (as parent guarantor) entered into a credit agreement (the “New Credit Agreement”) for the \$680.0 million New Senior Secured Credit Facilities with Goldman Sachs Bank USA, as administrative agent, and the other lenders party thereto, and used the proceeds to repay the Previous Senior Secured Credit Facilities (see below). The New Senior Secured Credit Facilities consist of a seven-year \$645.0 million New Term Loan Facility and a five-year \$35.0 million New Revolving Credit Facility.

Borrowings under the New Term Loan Facility bear interest at a rate per annum equal to, at our option, either: (a) the London Interbank Offered Rate (“LIBOR”) multiplied by the statutory reserve rate (such product, the “Adjusted LIBOR Rate”), subject to a 0.75% floor, plus an applicable margin of 3.75%, in the case of Eurocurrency loans or (b) an alternate base rate (determined by reference to the greatest of : (i) the prime rate published by The Wall Street Journal (the “WSJ Prime Rate”), (ii) the federal funds effective rate plus 0.50% and (iii) the one-month Adjusted LIBOR Rate plus 1.00%), subject to a 1.75% floor, plus an applicable margin of 2.75%, in the case of alternate base rate loans. The New Term Loan Facility includes mandatory amortization at 1% per annum in equal quarterly installments.

Borrowings under the New Revolving Credit Facility bear interest at a rate per annum equal to, at our option, either: (a) the Adjusted LIBOR Rate plus an applicable margin based on the total leverage ratio, as set forth in the table below, in the case of Eurocurrency borrowings or (b) an alternate base rate (determined by reference to the greatest of : (i) the WSJ Prime Rate, (ii) the federal funds effective rate plus 0.50% and (iii) the one-month Adjusted LIBOR Rate plus 1.00%), plus an applicable margin based on the total leverage ratio, as set forth in the table below, in the case of alternate base rate borrowings.

<u>Pricing Level</u>	<u>Total Leverage Ratio</u>	<u>Eurocurrency</u>	<u>Alternate Base Rate</u>
1	≤ 1.75 : 1.00	3.25%	2.25%
2	> 1.75 : 1.00	3.50%	2.50%

In addition to paying interest on outstanding principal under the New Senior Secured Credit Facilities, we are required to pay a commitment fee to the lenders under the New Revolving Credit Facility in respect of the unutilized commitments thereunder at a rate of 0.50% per annum. We also pay customary letter of credit and agency fees.

Quarterly payments of \$1.6 million will be due under the New Term Loan Facility on the last day of each fiscal quarter going forward beginning March 31, 2017. The remaining unpaid principal balance of the

New Term Loan Facility along with all accrued and unpaid interest is due and payable on November 8, 2023. As of December 31, 2016, we had \$626.8 million of term loans outstanding, net of \$6.3 million of unamortized original issue discount and \$11.9 million of finance costs. The New Term Loan Facility also provides for an excess cash flow payment following the end of each fiscal year, commencing with the fiscal year ending December 31, 2017, such that the Borrower is required to prepay the term loan borrowings in an aggregate amount equal to 50% of excess cash flow for such fiscal year if the total leverage ratio is greater than 2.00 to 1.00. The required percentage of excess cash flow prepayment is reduced to 25% if the total leverage ratio is 1.50 to 1.00 or greater, but less than 2.00 to 1.00, and 0% if the total leverage ratio is less than 1.50 to 1.00.

The principal amount outstanding of loans under the New Revolving Credit Facility becomes due and payable on November 8, 2021. As of December 31, 2016, we had \$31.8 million available for borrowing under our New Revolving Credit Facility, net of outstanding letters of credit in the aggregate amount of \$3.2 million, and no outstanding borrowings thereunder.

The New Senior Secured Credit Facilities are collateralized by substantially all of the assets and equity of the Borrower and the subsidiary guarantors, which excludes FreedomRoads Intermediate Holdco, LLC and its subsidiaries, and contain financial covenants and certain business covenants, including restrictions on dividend payments. The New Senior Secured Credit Facilities restrict the ability of the Borrower and its subsidiaries to pay distributions or make other restricted payments. The Borrower is generally permitted to pay distributions (1) in an amount not to exceed a specified available amount (as defined in the New Credit Agreement), and calculated as the sum of, among other things, \$40.0 million, plus net proceeds received by the Borrower in connection with the issuance of, or contribution of cash in respect of, certain existing equity interests, plus, if the total leverage ratio is not greater than 2.50 to 1, cumulative excess cash flow not otherwise applied, minus distributions, prepayments of debt and investments made in reliance of the available amount) as long as (A) after giving pro forma effect to the contemplated distribution, the Borrower would be in compliance with the maximum total leverage ratio covenant (as described below) and (B) no default or event of default has occurred or would result from the contemplated distribution; and (2) in an amount up to \$30.0 million during any calendar year, with unused amounts in any calendar year carried over to the succeeding calendar year, to provide funds that are used by CWGS, LLC to pay regular quarterly distributions to its common unit holders, including us. In addition, the New Credit Agreement requires the Borrower and its subsidiaries to comply on a quarterly basis with a maximum total leverage ratio, which covenant is only for the benefit of the New Revolving Credit Facility, during certain periods in which the aggregate amount of borrowings under the New Revolving Credit Facility (including swingline loans), letters of credit and unreimbursed letter of credit disbursements outstanding at such time (minus the lesser of (a) \$5.0 million and (b) letters of credit outstanding) is greater than \$10.0 million. The maximum total leverage ratio is 3.00 to 1 stepping down to 2.75 to 1 on March 31, 2020. As of December 31, 2016, the Borrower, CWGS, LLC and the subsidiary guarantors were in compliance with our New Senior Secured Credit Facilities. To the extent that we are unable to comply with the maximum total leverage ratio in the future, we would be unable to borrow under the New Revolving Credit Facility and may need to seek alternative sources of financing in order to operate and finance our business as we deem appropriate. There is no guarantee that we would be able to incur additional indebtedness on acceptable terms or at all.

#### *Previous Senior Secured Credit Facilities*

On November 20, 2013, the Borrower and CWGS, LLC (as parent guarantor) entered into a credit agreement (the "Previous Credit Agreement") for the \$545.0 million Previous Senior Secured Credit Facilities with Goldman Sachs Bank USA, as administrative agent and the other lenders party thereto. The Previous Senior Secured Credit Facilities originally consisted of a \$525.0 million term loan facility (the "Previous Term Loan Facility") at an original issue discount of \$5.25 million or 1.00%, and a \$20.0 million revolving credit facility (including a \$10.0 million letter of credit sublimit) (the "Previous Revolving Credit Facility"). The Previous Senior Secured Credit Facilities also included a \$5.0 million swingline commitment.

On December 1, 2014, we amended the Previous Credit Agreement governing our Previous Senior Secured Credit Facilities (the "First Amendment") to, among other things, provide for an increase in term loan borrowings to \$628.1 million, allow the contribution of the net cash proceeds of the First Amendment to FreedomRoads, LLC ("FR"), a subsidiary of Borrower, finance its acquisition of RV dealerships, increase the

size of the incremental cap and make certain other changes to the pricing terms, incremental borrowings provision and certain covenants.

On June 2, 2015, we further amended the Previous Credit Agreement (the “Second Amendment”) to, among other things, provide for an increase in term loan borrowings to \$705.8 million, allow a special distribution of the net cash proceeds of the Second Amendment from the Borrower to CWGS, LLC for a distribution to its members in the amount of \$95.0 million, reduce the applicable rate with respect to term loans, increase the initial restricted payment amount, increase the size of the incremental cap and make certain other changes to the pricing terms, incremental borrowings provision and certain covenants.

On December 17, 2015, we further amended the Previous Credit Agreement (the “Third Amendment”) to, among other things, provide for an increase in term loan borrowings to \$736.5 million, allow the contribution of the net cash proceeds of the Third Amendment to FR, to finance its acquisition of RV dealerships, increase the applicable rate with respect to term loans, increase the size of the incremental cap and make certain other changes to the pricing terms, incremental borrowings provision and certain covenants.

On September 21, 2016, we further amended the Previous Credit Agreement (the “Fourth Amendment”) to, among other things, permit the IPO, provide for an increase in term loan borrowings to \$816.3 million, increase the capacity for payments by the Borrower to CWGS, LLC for payment of regular quarterly distributions to its common unit holders, including us, permit a \$100.0 million special distribution of a portion of borrowings under the Fourth Amendment from the Borrower (as defined herein) to CWGS, LLC for a distribution to its members (which was also made on September 21, 2016 and allow a contribution to FR to finance the acquisition of RV dealerships.

In November, 2016, the Previous Senior Secured Credit Facilities were fully repaid and terminated with the borrowings on the New Senior Secured Credit Facilities.

#### *Floor Plan Facility*

On August 12, 2015, FreedomRoads, LLC (the “Floor Plan Borrower”), a wholly-owned subsidiary of CWGS, LLC, and Bank of America, N.A., as administrative agent and letter of credit issuer, and the other lenders party thereto, entered into a sixth amended and restated credit agreement, which governs our floor plan facility (the “Floor Plan Facility”), modifying a floor plan facility originally entered into with Bank of America, N.A. as administrative agent, and other lenders party thereto, as amended from time to time, since 2005 to finance substantially all of our new and certain of our used RV inventory. We are required to make monthly interest payments on the amount financed. We can use this facility to finance (i) up to 100% of our new RV inventory, and (ii) various percentages of our used RV inventory, as determined by reference to the most recently published National Automobile Dealers Association RV Industry Appraisal Guide. On July 1, 2016, we entered into an amendment to the Floor Plan Facility to, among other things, increase the available amount under a floor plan facility from \$865.0 million to \$1.165 billion, amend the applicable margin, and extend the maturity date. Our Floor Plan Facility allows the Floor Plan Borrower to borrow up to \$1.165 billion under a floor plan facility and up to \$15.0 million under a letter of credit facility. The Floor Plan Facility matures on June 30, 2019. As of December 31, 2016, \$625.2 million in floor plan notes payable and \$8.0 million of letters of credit were outstanding under the Floor Plan Facility.

Floor plan notes payable under our Floor Plan Facility bear interest at a rate per annum equal to, at our option, either: (a) a floating rate tied to the London Interbank Offered Rate (“LIBOR” and, together with the floating rate, the “Floating LIBOR Rate”), plus an applicable margin as set forth in the table below, in the case of Floating LIBOR Rate loans or (b) a base rate determined by reference to the greatest of: (i) the federal funds rate plus 0.50%, (ii) the prime rate published by Bank of America, N.A. (the “BofA Prime Rate”),

in the case of Floating LIBOR Rate borrowings and (iii) the Floating LIBOR Rate plus 1.75%, plus an applicable margin as set forth in the table below, in the case of base rate loans.

Pricing Level	Consolidated Current Ratio	Floating LIBOR Rate Loans	Base Rate Loans
I	> 1.250 : 1.000	2.05%	0.55%
II	> 1.220 : 1.000 but ≤ 1.250 : 1.000	2.15%	0.65%
III	> 1.200 : 1.000 but ≤ 1.220 : 1.000	2.35%	0.85%
IV	≤ 1.200 : 1.000	2.50%	1.00%

Borrowings under our Floor Plan Facility for letters of credit bear interest at a rate per annum equal to, at our option, either: (a) the Floating LIBOR Rate, plus 1.50%, in the case of Floating LIBOR Rate loans or (b) a base rate determined by reference to the greatest of: (i) the federal funds rate plus 0.50%, (ii) the BofA Prime Rate and (iii) the Floating LIBOR Rate plus 1.75%, plus 1.50%, in the case of base rate loans.

The Floor Plan Borrower and its subsidiary guarantors are required to pay commitment fees equal to: (i) 0.200% per annum times the actual daily amount by which the letter of credit facility exceeds the sum of the letter of credit obligations, and (ii) 0.200% per annum times the actual daily amount by which the Floor Plan Facility exceeds the sum of the outstanding amount of all floor plan loans. Letter of credit fees for each of letter of credit are equal to the higher of: (a) 2.25% times the daily amount available to be drawn under such letter of credit; and (b) \$2,000 per annum.

In addition to other customary covenants, the credit agreement governing our Floor Plan Facility requires the Floor Plan Borrower and the subsidiary guarantors to comply on a monthly basis with a minimum consolidated current ratio of 1.180 to 1.000 and a minimum fixed charge coverage ratio of 1.250 to 1.000. As of December 31, 2016, the Floor Plan Borrower and the subsidiary guarantors were in compliance with each of these covenants.

Borrowings under the Floor Plan Facility are guaranteed by FreedomRoads Intermediate Holdco, LLC (the direct parent of the Floor Plan Borrower) and certain subsidiary guarantors (collectively, the “Guarantors”). These floor plan arrangements grant the administrative agent a first priority security interest in all property of the floor plan Borrower and the Guarantors, the financed RVs and the related sales proceeds.”

#### **Sale/Leaseback Arrangements**

We have in the past and may in the future enter into sale-leaseback transactions to finance certain property acquisitions and capital expenditures, pursuant to which we sell property and/or leasehold improvements to third parties and agree to lease those assets back for a certain period of time. Such sales generate proceeds which vary from period to period.

#### **Deferred Revenue and Gains**

Deferred revenue and gains consist of our sales for products not yet recognized as revenue at the end of a given period and deferred gains on sale-leaseback and derecognition of right to use asset transactions. Our deferred revenue and deferred gains as of December 31, 2016 were \$102.4 million and \$13.4 million, respectively. Deferred revenue is expected to be recognized as revenue and deferred gains are expected to be recognized ratably over the lease terms as an offset to rent expense as set forth in the following table (in thousands):

	2017	2018	2019	2020	2021	Thereafter	Total
Deferred Revenue	\$67,496	\$20,913	\$ 9,139	\$ 4,008	\$ 2,075	\$ 4,855	\$108,486
Deferred gains	1,147	1,147	1,147	1,147	1,147	6,632	12,367
Total	\$68,643	\$22,060	\$10,286	\$ 5,155	\$ 3,222	\$ 11,487	\$120,853



## Contractual Obligations

The following table sets forth our contractual obligations and commercial commitments as of December 31, 2016 (in thousands):

	2017	2018	2019	2020	2021	Thereafter	Total
Long-term debt, including current maturities	\$ 6,450	\$ 6,450	\$ 6,450	\$ 6,450	\$ 6,450	\$ 612,750	\$ 645,000
Interest on long-term debt (1)	29,317	29,023	28,729	28,512	28,140	51,412	195,133
Floor plan notes payable, net (2)	625,185	—	—	—	—	—	625,185
Operating leases	72,410	71,675	70,145	66,223	64,044	493,477	837,974
Capital lease obligations	1,285	837	23	—	—	—	2,145
Right to use liabilities (3)	872	583	486	486	486	13,813	16,726
Purchase obligations (4)	38,765	—	—	—	—	—	38,765
Tax receivable agreement liability (5)	991	833	855	880	908	14,714	19,181
Service agreements (6)	2,319	2,423	2,423	2,423	2,603	—	12,191
Marketing sponsorships (7)	5,675	7,075	6,279	5,086	5,247	8,361	37,723
<b>Total</b>	<b>\$ 783,269</b>	<b>\$ 118,899</b>	<b>\$ 115,390</b>	<b>\$ 110,060</b>	<b>\$ 107,878</b>	<b>\$ 1,194,527</b>	<b>\$ 2,430,023</b>

- (1) We estimated interest payments through the maturity of our New Senior Secured Credit Facilities by applying the interest rate in effect as of December 31, 2016. See Note 7 — Long-Term Debt of the audited consolidated financial statements included in Part II, Item 8 of this Form 10-K for additional information.
- (2) Floor plan notes payable, net are revolving financing arrangements and the Floor Plan Facility matures on June 30, 2019. Payments are generally made as required pursuant to the Floor Plan Facility discussed above under “— Description of Senior Secured Credit Facilities and Floor Plan Facility — Floor Plan Facility.”
- (3) Amounts represent the future minimum lease payments under the right to use leases. See Note 9 — Right to Use Liability in the audited consolidated financial statements included in Part II, Item 8 of this Form 10-K for additional information.
- (4) Amounts represent purchase commitments relating to the procurement of RV inventories that have been approved by the Floor Plan Facility. See Note 3 — Inventories, net and Notes Payable — Floorplan in the audited consolidated financial statements included in Part II, Item 8 of this Form 10-K for additional information.
- (5) Amounts represent the estimated payments under the Tax Receivable Agreement. See Note 10 — Income Taxes in the audited consolidated financial statements included in Part II, Item 8 of this Form 10-K for additional information.
- (6) Service agreements are multi-year agreements for services at agreed upon amounts for each year. See Note 12 — Commitments and Contingencies in the audited consolidated financial statements included in Part II, Item 8 of this Form 10-K for additional information.
- (7) Marketing sponsorship agreements are multi-year sponsorship agreements at agreed upon amounts each year per the agreements. See Note 12 — Commitments and Contingencies in the audited consolidated financial statements included in Part II, Item 8 of this Form 10-K for additional information.

## Off-Balance Sheet Arrangements

As of December 31, 2016, we did not have any off-balance sheet arrangements, except for operating leases entered into in the normal course of business.

## Recent Accounting Pronouncements

See discussion of recently adopted and recently issued accounting pronouncements in Note 1 — Summary of Significant Accounting Policies to our consolidated financial statements in Part II, Item 8 of this Form 10-K.

## Critical Accounting Policies and Estimates

We prepare our consolidated financial statements in conformity with GAAP. The preparation of these financial statements requires us to make estimates and assumptions that affect the reported amounts of assets and liabilities and disclosure of contingent assets and liabilities at the date of the financial statements, and the reported amounts of revenue and expenses during the reporting period. Actual results could differ from those estimates. Critical accounting policies are those that management believes are both most important to the portrayal of our financial condition and operating results, and require management’s most difficult, subjective or complex judgments, often as a result of the need to make estimates about the effect of matters that are inherently uncertain. We base our estimates on historical experience, outside advice from parties believed to be experts in such matters, and on various other assumptions that are believed to be



reasonable under the circumstances, the results of which form the basis for making judgments about the carrying value of assets and liabilities that are not readily apparent from other sources. Judgments and uncertainties affecting the application of those policies may result in materially different amounts being reported under different conditions or using different assumptions. Our significant accounting policies can be found in Note 1 — Summary of Significant Accounting Policies to our consolidated financial statements included in Part II, Item 8 of this Form 10-K. We consider the following policies to be the most critical in understanding the judgments that are involved in preparing our consolidated financial statements.

### **Revenue Recognition**

Revenue is recognized when persuasive evidence of an arrangement exists, services or products have been provided to the customers, fees are fixed or determinable, and collectability is reasonably assured.

Consumer Services and Plans revenue consists of membership clubs, publications, consumer shows, and marketing and royalty fees from various Consumer Services and Plans. Certain Consumer Services and Plans revenue is generated from annual, multiyear and lifetime memberships. The revenue and expenses associated with these memberships are deferred and amortized over the membership period. Unearned revenue and profit are subject to revisions as the membership progresses to completion. Revisions to membership period estimates would change the amount of income and expense amortized in future accounting periods. For lifetime memberships, an 18-year period is used, which is the actuarially determined estimated fulfillment period. Roadside Assistance (“RA”) revenues are deferred and recognized over the life of the membership. RA claim expenses are recognized when incurred.

Royalty revenue is earned under the terms of an arrangement with a third-party credit card provider based on a percentage of our co-branded credit card portfolio retail spend with such third-party credit card provider.

Marketing fees for finance, insurance, extended service and other similar products are recognized, net of a reserve for estimated cancellations, if applicable, when a product contract payment has been received or financing has been arranged.

Promotional expenses, consisting primarily of direct-mail advertising, are deferred and expensed over the period of expected future benefit, typically three months based on historical actual response rates. Renewal expenses are expensed at the time related materials are mailed.

Newsstand sales of publications and related expenses are recorded at the time of delivery, net of an estimated provision for returns. Subscription sales of publications are reflected in income over the lives of the subscriptions. The related selling expenses are expensed as incurred. Advertising revenues and related expenses are recorded at the time of delivery. Subscription and newsstand revenues and expenses related to annual publications are deferred until the publications are distributed.

Revenue and related expenses for consumer shows are recognized when the show occurs.

Retail revenue consists of sales of new and used vehicles, commissions on related finance and insurance contracts, and sales of parts, services and other products. Revenue from the sale of vehicles is recognized upon completion of the sale to the customer. Conditions to completing a sale include having an agreement with the customer, including pricing and the sales price must be reasonably expected to be collected and delivery has occurred.

Revenue from parts, services and other products sales is recognized when products are sold in the retail stores, shipped for mail and internet orders, or upon completion of the service.

Finance and insurance revenue is recognized when a finance and insurance product contract payment has been received or financing has been arranged. The proceeds we receive for arranging financing contracts, and selling insurance and service contracts, are subject to chargebacks if the customer terminates the respective contract earlier than a stated period. A reserve for chargebacks is recorded as a reduction of revenues in the period in which the related revenue is recognized.

We recognize rental vehicle revenue over the period that the vehicle is rented.

### ***Contracts in Transit***

Contracts in transit consist of amounts due from non-affiliated financing institutions on retail finance contracts from vehicle sales for the portion of the vehicle sales price financed by our customers. Contracts in transit are included in current assets in our consolidated financial statements and totaled \$29.0 million as of December 31, 2016, and \$21.9 million as of December 31, 2015.

### ***Inventories, net***

Retail inventories consist primarily of new and used vehicles held for sale valued using the specific-identification method and valued at the lower of cost or net realizable value. Cost includes purchase costs, reconditioning costs, dealer-installed accessories, and freight. For vehicles accepted in trades, the cost is the fair value of such used vehicles at the time of the trade-in. Parts and accessories are valued at the lower of cost or net realizable value. Retail parts, services and other inventories primarily consist of retail travel and leisure specialty merchandise and are stated at lower of first-in, first-out cost or net realizable value.

In assessing lower of cost or net realizable value for inventory, we consider (i) the aging of the inventory item, (ii) historical sales experience of the inventory item, and (iii) current market conditions and trends for the inventory item. We also review and consider the following metrics related to sales of inventory items (both on a recent and longer-term historical basis): (i) days of supply in our inventory, and (ii) average vehicle selling price if sold at less than original cost. We then determine the appropriate level of reserve required to reduce our inventory to the lower of cost or market, and record the resulting adjustment in the period in which we determine a loss has occurred. If future demand or market conditions for our products are less favorable than forecasted or if unforeseen circumstances negatively impact the utility of inventory, we may be required to record additional write-downs, which would negatively affect its results of operations in the period when the write-downs are recorded.

### ***Goodwill and Other Intangible Assets***

Goodwill is reviewed at least annually for impairment, and more often when impairment indicators are present. We have the option to first assess qualitative factors to determine whether it is more likely than not that the fair value of a reporting unit is less than its net book value. The qualitative analysis used contains inherent uncertainties, including significant estimates and assumptions related to growth rates, projected earnings and cost of capital. We are subject to financial risk to the extent that our assets and goodwill become impaired due to deterioration of the underlying businesses. The risk of an asset impairment loss may increase to the extent the underlying businesses' earnings or projected earnings decline. During the fourth quarter of 2016, we performed our annual impairment assessment of the carrying value of our goodwill. The fair value of our reporting units significantly exceeded the carrying value of its net assets. As a result, we were not required to conduct the second step of the impairment test for goodwill relating to our reporting units. See Note 5 — Goodwill and Intangible Assets to our audited consolidated financial statements included in Part II, Item 8 of this Form 10-K. Finite-lived intangibles are recorded at cost, net of accumulated amortization and, if applicable, impairment charges. The finite-lived intangible assets consist of membership customer lists with weighted-average useful lives of approximately five years.

### ***Long-Lived Assets***

Long-lived assets included in property and equipment, including capitalized software costs to be held and used, are reviewed for impairment whenever events or changes in circumstances indicate that the carrying amount of an asset may not be recoverable. Impairment is recognized to the extent the sum of the discounted estimated future cash flows from the use of the asset is less than the carrying value. For our major software systems, such as our accounting and membership systems, our capitalized costs may include some internal or external costs to configure, install and test the software during the application development stage. We do not capitalize preliminary project costs, nor do we capitalize training, data conversion costs, maintenance or post-development stage costs.

### **Self-Insurance Program**

Self-insurance reserves represent amounts established as a result of insurance programs under which we self-insure portions of the business risks. We carry substantial premium-paid, traditional risk transfer insurance for various business risks. We self-insure and establish reserves for the retention on workers' compensation insurance, general liability, automobile liability, professional errors and omission liability, and employee health claims. The self-insured claims liability was approximately \$11.3 million and \$7.8 million as of December 31, 2016 and 2015, respectively. The determination of such claims and expenses and the appropriateness of the related liability is reviewed on a periodic basis. The self-insurance accruals are calculated by third party actuaries and are based on claims filed and include estimates for claims incurred but not yet reported. Projections of losses, including incurred, but not reported losses, are inherently uncertain because of the random nature of insurance claims and could be substantially affected if occurrences and claims differ significantly from these assumptions and historical trends. In addition, we have obtained letters of credit as required by insurance carriers. As of December 31, 2016, 2015, and 2014, these letters of credit were approximately \$10.8 million, \$10.4 million and \$9.4 million, respectively. This includes \$7.6 million, \$6.8 million and \$5.9 million for the years ended December 31, 2016, 2015 and 2014, respectively, issued under the Floor Plan Facility (see Note 3 — Inventories, net and Notes Payable — Floor Plan, net to our audited consolidated financial statements included in Part II, Item 8 of this Form 10-K), and the balance issued under our Senior Secured Credit Facilities (see Note 7 — Long-Term Debt to our audited consolidated financial statements included in Part II, Item 8 of this Form 10-K).

### **Income Taxes**

We apply the provisions of ASC Topic No. 740, "Income Taxes" ("ASC 740"). Under ASC 740, deferred tax assets and liabilities are determined based on differences between the financial reporting and tax bases of assets and liabilities and are measured using the enacted tax rates and laws that will be in effect when the differences are expected to reverse. We record a valuation allowance to reduce our deferred tax assets to the amount that is more likely than not to be realized. In evaluating our ability to recover our deferred tax assets, we consider all available positive and negative evidence, including our operating results, ongoing tax planning and forecasts of future taxable income on a jurisdiction-by-jurisdiction basis. In accordance with ASC 740, we recognize, in our consolidated financial statements, the impact of our tax positions that are more likely than not to be sustained upon examination based on the technical merits of the positions. The Company recognizes interest and penalties for uncertain tax positions in income tax expense.

We are subject to U.S. federal, state and local income taxes with respect to our allocable share of any taxable income of CWGS, LLC and are taxed at the prevailing corporate tax rates. CWGS, LLC is currently treated as a partnership for U.S. federal and most applicable state and local income tax purposes and, as such is generally not subject to any U.S. federal entity-level income taxes with the exception of certain subsidiaries, which are Subchapter C corporations. Taxable income or loss of a partnership is passed through to and included in the taxable income of its owners for U.S. federal income tax purposes. However, CWGS, LLC may be liable for various other state and local taxes. Pursuant to the CWGS LLC Agreement, CWGS, LLC will generally make pro rata tax distributions to holders of common units in an amount sufficient to fund all or part of their tax obligations with respect to the taxable income of CWGS, LLC that is allocated to them.

### **Tax Receivable Agreement Liability**

As described in Note 10 — Income Taxes to the consolidated financial statements included in Part II, Item 8 of this Form 10-K, we are a party to the Tax Receivable Agreement under which we are contractually committed to pay the Continuing Equity Owners 85% of the amount of any tax benefits that we actually realize, or in some cases are deemed to realize, as a result of certain transactions (the "TRA Payments"). Amounts payable under the Tax Receivable Agreement are contingent upon, among other things, (i) generation of future taxable income over the term of the Tax Receivable Agreement and (ii) future changes in tax laws. If we do not generate sufficient taxable income in the aggregate over the term of the Tax Receivable Agreement to utilize the tax benefits, then we would not be required to make the related TRA Payments. Therefore, we would only recognize a liability for TRA Payments if we determine if it is probable that we will generate sufficient future taxable income over the term of the Tax Receivable Agreement to utilize the related

tax benefits. Estimating future taxable income is inherently uncertain and requires judgment. In projecting future taxable income, we consider our historical results and incorporate certain assumptions, including projected retail location openings, revenue growth, and operating margins, among others. During the year ended December 31, 2016, as a result of the redemption of common units in CWGS, LLC at the time of the IPO, we recognized liabilities totaling \$19.2 million relating to our obligations under the Tax Receivable Agreement, after concluding that it was probable that we would have sufficient future taxable income to utilize the related tax benefits. If we determine in the future that we will not be able to fully utilize all or part of the related tax benefits, we would derecognize the portion of the liability related to the benefits not expected to be utilized.

Additionally, we estimate the amount of TRA Payments expected to be paid within the next 12 months and classify this amount as current on our Consolidated Balance Sheets. This determination is based on our estimate of taxable income for the next fiscal year. To the extent our estimate differs from actual results, we may be required to reclassify portions of our liabilities under the Tax Receivable Agreement between current and non-current.

### **Vendor Allowances**

As a component of our consolidated procurement program, we frequently enter into contracts with vendors that provide for payments of rebates or other allowances. These vendor payments are reflected in the carrying value of the inventory when earned or as progress is made toward earning the rebate or allowance and as a component of cost of sales as the inventory is sold. Certain of these vendor contracts provide for rebates and other allowances that are contingent upon our meeting specified performance measures such as a cumulative level of purchases over a specified period of time. Such contingent rebates and other allowances are given accounting recognition at the point at which achievement of the specified performance measures are deemed to be probable and reasonably estimable.

### **ITEM 7a. QUANTITATIVE AND QUALITATIVE DISCLOSURES OF MARKET RISK**

We are exposed to market risk from changes in inflation and interest rates. All of these market risks arise in the normal course of business, as we do not engage in speculative trading activities. The following analysis provides quantitative information regarding these risks.

#### *Impact of Inflation*

We believe that inflation over the last three fiscal years has not had a significant impact on our operations; however, we cannot assure you there will be no such effect in the future. Our leases require us to pay taxes, maintenance, repairs, insurance and utilities, all of which are generally subject to inflationary increases. Additionally, the cost of remodeling acquired retail locations and constructing new retail locations is subject to inflationary increase in the costs of labor and material, which results in higher rent expense on new retail locations. Finally, we finance substantially all of our inventory through various revolving floor plan arrangements with interest rates that vary based on various benchmarks. Such rates have historically increased during periods of increasing inflation.

#### *Interest Rate Risk*

Our operating results are subject to risk from interest rate fluctuations on our New Senior Secured Credit Facilities and our Floor Plan Facility, which carries variable interest rates. Interest rate risk is the exposure to loss resulting from changes in the level of interest rates and the spread between different interest rates. Our New Senior Secured Credit Facilities includes the New Term Loan Facility and the New Revolving Credit Facility with advances tied to a borrowing base and which bear interest at variable rates. Additionally, under our Floor Plan Facilities we have the ability to draw on revolving floor plan arrangements, which bear interest at variable rates. Because our New Senior Secured Credit Facilities and Floor Plan Facility bear interest at variable rates, we are exposed to market risks relating to changes in interest rates. Interest rate risk is highly sensitive due to many factors, including U.S. monetary and tax policies, U.S. and international economic factors and other factors beyond our control. As of December 31, 2016, we had no outstanding borrowings under our New Revolving Credit Facility aside from letters of credit in the aggregate amount of

\$3.2 million outstanding under the New Revolving Credit Facility, \$626.8 million of variable rate debt outstanding under our New Term Loan Facility, net of \$6.3 million of unamortized original issue discount and \$11.9 million of finance costs, and \$625.2 million in outstanding borrowings under our Floor Plan Facility. Based on December 31, 2016 debt levels, an increase or decrease of 1% in the effective interest rate would cause an increase or decrease in interest expense under our New Term Loan Facility of \$5.9 million and \$0.0 million (due to our interest rate floor), respectively, over the next 12 months and an increase or decrease of 1% in the effective rate would cause an increase or decrease in interest under our Floor Plan Facility of approximately \$6.3 million over the next 12 months. We do not use derivative financial instruments for speculative or trading purposes, but this does not preclude our adoption of specific hedging strategies in the future.

**ITEM 8. FINANCIAL STATEMENTS AND SUPPLEMENTARY DATA**

**Camping World Holdings, Inc. and Subsidiaries  
Consolidated Financial Statements**

**Years Ended December 31, 2016, 2015, and 2014**

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**Report of Independent Registered Public Accounting Firm**

**The Board of Directors of  
Camping World Holdings, Inc. and subsidiaries**

We have audited the accompanying consolidated balance sheets of Camping World Holdings, Inc. and subsidiaries (the "Company") as of December 31, 2016 and 2015, and the related consolidated statements of income, stockholders' and members' equity (deficit), and cash flows for each of the three years in the period ended December 31, 2016. Our audits also included the financial statement schedules listed in the index at Item 15(a)(2). These financial statements and schedules are the responsibility of the Company's management. Our responsibility is to express an opinion on these financial statements and schedules based on our audits.

We conducted our audits in accordance with the standards of the Public Company Accounting Oversight Board (United States). Those standards require that we plan and perform the audit to obtain reasonable assurance about whether the financial statements are free of material misstatement. We were not engaged to perform an audit of the Company's internal control over financial reporting. Our audits included consideration of internal control over financial reporting as a basis for designing audit procedures that are appropriate in the circumstances, but not for the purpose of expressing an opinion on the effectiveness of the Company's internal control over financial reporting. Accordingly, we express no such opinion. An audit also includes examining, on a test basis, evidence supporting the amounts and disclosures in the financial statements, assessing the accounting principles used and significant estimates made by management, and evaluating the overall financial statement presentation. We believe that our audits provide a reasonable basis for our opinion.

In our opinion, the financial statements referred to above present fairly, in all material respects, the consolidated financial position of Camping World Holdings, Inc. and subsidiaries at December 31, 2016 and 2015, and the consolidated results of their operations and their cash flows for each of the three years in the period ended December 31, 2016, in conformity with U.S. generally accepted accounting principles. Also, in our opinion, the related financial statement schedules, when considered in relation to the basic financial statements taken as a whole, presents fairly in all material respects the information set forth therein.

/s/ Ernst & Young LLP

Los Angeles, California  
March 13, 2017



Camping World Holdings, Inc. and Subsidiaries  
Consolidated Balance Sheets  
(In Thousands Except Share and Per Share Amounts)

	December 31,	
	2016	2015
<b>Assets</b>		
Current assets:		
Cash and cash equivalents	\$ 114,196	\$ 92,025
Contracts in transit	29,012	21,892
Accounts receivable, less allowance for doubtful accounts of \$2,920 and \$2,929 in 2016 and 2015, respectively	58,488	56,356
Inventories, net	909,254	861,847
Prepaid expenses and other assets	21,755	18,861
Total current assets	1,132,705	1,050,981
Property and equipment, net	130,760	149,725
Deferred tax assets, net	125,878	6,234
Intangibles assets, net	3,386	1,652
Goodwill	153,105	112,940
Other assets	17,931	16,573
Total assets	<u>\$ 1,563,765</u>	<u>\$ 1,338,105</u>
<b>Liabilities and stockholders' / members' equity (deficit)</b>		
Current liabilities:		
Accounts payable	\$ 68,655	\$ 56,789
Accrued liabilities	78,044	77,552
Deferred revenues and gains	68,643	63,616
Current portion of capital lease obligations	1,224	771
Current portion of tax receivable agreement liability	991	—
Current portion of long-term debt	6,450	52,089
Notes payable – floor plan, net	625,185	598,420
Other current liabilities	16,745	13,861
Total current liabilities	865,937	863,098
Capital lease obligations, net of current portion	841	751
Right to use liability	10,343	30,599
Tax receivable agreement liability, net of current portion	18,190	—
Long-term debt, net of current portion	620,303	673,304
Deferred revenues and gains	52,210	52,151
Other long-term liabilities	24,156	13,062
Total liabilities	1,591,980	1,632,965
Commitments and contingencies		
Stockholders' / members' equity (deficit):		
Members' deficit	—	(294,860)
Preferred stock, par value \$0.01 per share – 20,000,000 shares authorized; none issued and outstanding as of December 31, 2016	—	—
Class A common stock, par value \$0.01 per share – 250,000,000 shares authorized; 18,935,916 issued and outstanding as of December 31, 2016	189	—
Class B common stock, par value \$0.0001 per share – 75,000,000 shares authorized; 69,066,445 issued; and 62,002,729 outstanding as of December 31, 2016	6	—
Class C common stock, par value \$0.0001 per share – one shares authorized; one issued and outstanding as of December 31, 2016	—	—
Additional paid-in capital	74,239	—
Retained earnings	544	—
Total stockholders' equity attributable to Camping World Holdings, Inc. / members' deficit	74,978	(294,860)
Non-controlling interests	(103,193)	—
Total stockholders' / members' equity (deficit)	(28,215)	(294,860)
Total liabilities and stockholders' / members' equity (deficit)	<u>\$ 1,563,765</u>	<u>\$ 1,338,105</u>

See accompanying Notes to Consolidated Financial Statements

Camping World Holdings, Inc. and Subsidiaries  
Consolidated Statements of Income  
(In Thousands Except Per Share Amounts)

	<b>Year Ended December 31,</b>		
	<b>2016</b>	<b>2015</b>	<b>2014</b>
Revenue:			
Consumer services and plans	\$ 184,773	\$ 174,600	\$ 162,598
Retail			
New vehicles	1,866,182	1,606,465	1,174,816
Used vehicles	705,893	806,399	680,190
Parts, services and other	540,019	507,810	482,254
Finance and insurance, net	229,839	190,820	135,140
Subtotal	<u>3,341,933</u>	<u>3,111,494</u>	<u>2,472,400</u>
Total revenue	3,526,706	3,286,094	2,634,998
Costs applicable to revenue (exclusive of depreciation and amortization shown separately below):			
Consumer services and plans	79,272	81,749	74,065
Retail			
New vehicles	1,604,534	1,379,156	1,006,389
Used vehicles	555,113	646,936	546,622
Parts, services and other	289,186	274,989	261,727
Subtotal	<u>2,448,833</u>	<u>2,301,081</u>	<u>1,814,738</u>
Total costs applicable to revenue	2,528,105	2,382,830	1,888,803
Operating expenses:			
Selling, general, and administrative	691,884	634,890	536,485
Debt restructure expense	1,218	—	—
Depreciation and amortization	24,695	24,101	24,601
(Gain) loss on sale of assets	(564)	(237)	33
Total operating expenses	<u>717,233</u>	<u>658,754</u>	<u>561,119</u>
Income from operations	281,368	244,510	185,076
Other income (expense):			
Floor plan interest expense	(18,854)	(11,248)	(10,675)
Other interest expense, net	(48,318)	(53,377)	(46,769)
Loss on debt restructure	(5,052)	—	(1,831)
Other income (expense), net	—	1	(35)
	<u>(72,224)</u>	<u>(64,624)</u>	<u>(59,310)</u>
Income before income taxes	209,144	179,886	125,766
Income tax expense	(5,907)	(1,356)	(2,140)
Net income	<u>203,237</u>	<u>178,530</u>	<u>123,626</u>
Less: net income attributable to non-controlling interests	(11,576)	—	—
Net income attributable to Camping World Holdings, Inc.	<u>\$ 191,661</u>	<u>\$ 178,530</u>	<u>\$ 123,626</u>
Earnings per share of Class A common stock (1):			
Basic	\$ 0.11		
Diluted	\$ 0.09		
Weighted average shares of Class A common stock outstanding (1):			
Basic	18,766		
Diluted	83,602		
Pro forma earnings per share of Class A common stock (2):			
Basic	\$ 1.54		
Diluted	\$ 1.52		

- (1) Basic and diluted earnings per Class A common stock is applicable only for periods after the Company's IPO. See Note 21 — Earnings Per Share.
- (2) The pro forma financial information presented has been computed to reflect income attributable to non-controlling interests and income tax expense assuming the Company's initial public offering and related reorganization transactions occurred on January 1, 2016. See Note 21 — Earnings Per Share.

See accompanying Notes to Consolidated Financial Statements

Camping World Holdings, Inc. and Subsidiaries  
 Consolidated Statements of Stockholders' and Members' Equity (Deficit)  
 (In Thousands Except Unit Amounts)

	Member Units		Members' Deficit	Class A Common Stock		Class B Common Stock		Class C Common Stock		Additional		Non-Controlling Interest	Total
	Units	Amounts		Shares	Amounts	Shares	Amounts	Shares	Amounts	Paid-In Capital	Retained Earnings		
Balance at January 1, 2014	154,414	\$ —	\$(379,521)	—	\$ —	—	\$ —	—	\$ —	—	—	—	\$(379,521)
Net income	—	—	123,626	—	—	—	—	—	—	—	—	—	123,626
Membership units forfeited	(13)	—	—	—	—	—	—	—	—	—	—	—	—
Members' distributions	—	—	(60,101)	—	—	—	—	—	—	—	—	—	(60,101)
Conversion of Series B Note to equity	—	—	73,383	—	—	—	—	—	—	—	—	—	73,383
Balance at December 31, 2014	154,401	—	(242,613)	—	—	—	—	—	—	—	—	—	(242,613)
Net income	—	—	178,530	—	—	—	—	—	—	—	—	—	178,530
Membership units issued	1,158	—	—	—	—	—	—	—	—	—	—	—	—
Members' distributions	—	—	(230,777)	—	—	—	—	—	—	—	—	—	(230,777)
Balance at December 31, 2015	155,559	—	(294,860)	—	—	—	—	—	—	—	—	—	(294,860)
Net income prior to the Reorganization Transactions	—	—	189,602	—	—	—	—	—	—	—	—	—	189,602
Membership units redeemed prior to the Reorganization Transactions	(1,763)	—	(17,000)	—	—	—	—	—	—	—	—	—	(17,000)
Members' distributions prior to the Reorganization Transactions	—	—	(197,922)	—	—	—	—	—	—	—	—	—	(197,922)
Non-cash distributions prior to the Reorganization Transactions	—	—	(38,838)	—	—	—	—	—	—	—	—	—	(38,838)
Equity-based compensation recognized prior to the Reorganization Transactions	—	—	949	—	—	—	—	—	—	—	—	—	949
Effect of the Reorganization Transactions	(153,796)	—	358,069	7,064	71	62,003	6	—	—	(7,306)	—	(322,892)	27,948
Issuance of Class A common stock sold in initial public offering, net of underwriting discounts, commissions and offering costs	—	—	—	11,872	118	—	—	—	—	233,958	—	—	234,076
Non-controlling interest adjustment for purchase of common units from CWGS, LLC with proceeds from initial public offering	—	—	—	—	—	—	—	—	—	(144,178)	—	234,486	90,308
Equity-based compensation recognized subsequent to Reorganization Transactions	—	—	—	—	—	—	—	—	—	648	—	—	648
Distributions to holders of LLC Units	—	—	—	—	—	—	—	—	—	—	—	(21,223)	(21,223)
Dividends subsequent to the Reorganization Transactions	—	—	—	—	—	—	—	—	—	—	(1,515)	—	(1,515)
Deferred tax adjustments related to Tax Receivable Agreement	—	—	—	—	—	—	—	—	—	(11,794)	—	—	(11,794)
Non-controlling interest adjustment	—	—	—	—	—	—	—	—	—	2,911	—	(5,140)	(2,229)
Net income subsequent to the Reorganization Transactions	—	—	—	—	—	—	—	—	—	—	2,059	11,576	13,635
Balance at December 31, 2016	—	\$ —	\$ —	18,936	\$ 189	62,003	\$ 6	—	\$ —	\$ 74,239	\$ 544	\$(103,193)	\$(28,215)

See accompanying Notes to Consolidated Financial Statements

Camping World Holdings, Inc. and Subsidiaries  
Consolidated Statements of Cash Flows  
(In Thousands)

	Year Ended December 31,		
	2016	2015	2014
<b>Operating activities</b>			
Net income	\$ 203,237	\$ 178,530	\$ 123,626
Adjustments to reconcile net income to net cash provided by operating activities:			
Depreciation and amortization	24,695	24,101	24,601
Equity-based compensation	1,597	—	—
Loss on debt restructure	5,052	—	1,831
(Gain) loss on sale of assets	(564)	(237)	33
Provision for losses on accounts receivable	1,332	2,180	1,192
Accretion of original issue discount	1,127	1,010	848
Non-cash interest	4,543	5,897	1,345
Deferred tax expense (benefit)	3,765	(181)	1,175
Change in assets and liabilities, net of acquisitions:			
Cash – restricted	—	25	—
Receivables and contracts in transit	(10,932)	(8,840)	(7,716)
Inventories	(31,987)	(111,586)	(115,304)
Prepaid expenses and other assets	(4,625)	(6,969)	(7,358)
Checks in excess of bank balance	(7,478)	6,192	(954)
Accounts payable and other accrued expenses	20,329	17,686	10,715
Accrued rent for cease-use locations	945	420	(117)
Deferred revenue and gains	4,988	3,847	9,410
Other, net	7,686	68	737
Net cash provided by operating activities	223,710	112,143	44,064
<b>Investing activities</b>			
Purchases of property and equipment	(39,782)	(41,437)	(34,984)
Purchase of real property	(17,077)	(30,272)	(6,395)
Proceeds from the sale of real property	15,892	19,425	1,197
Purchases of businesses, net of cash acquired	(78,606)	(125,189)	(10,615)
Proceeds from sale of property and equipment	3,870	1,273	606
Purchase of intangible assets	—	—	(34)
Net cash used in investing activities	\$ (115,703)	\$ (176,200)	\$ (50,225)

Camping World Holdings, Inc. and Subsidiaries  
Consolidated Statements of Cash Flows (continued)  
(In Thousands)

	Year Ended December 31,		
	2016	2015	2014
<b>Financing activities</b>			
Proceeds from long-term debt	\$ 188,137	\$ 148,938	\$ 116,415
Payments on long-term debt	(288,520)	(36,647)	(13,870)
Net borrowings on notes payable – floor plan, net	26,765	167,387	47,926
Borrowings on revolver	12,000	—	—
Payments on revolver	(12,000)	—	—
Payments of principal on capital lease obligations	(1,465)	(737)	(688)
Payments of principal on right to use liability	(200)	(1,351)	(1,395)
Payments on credit facilities	—	—	(5,000)
Payment of debt issuance costs	(7,084)	(3,324)	(2,921)
Proceeds from issuance of Class A common stock sold in an initial public offering net of underwriter discounts and commissions	234,185	—	—
Proceeds from issuance of Class B common stock	7	—	—
Dividends on Class A common stock	(1,515)	—	—
Members' distributions	(236,146)	(228,894)	(60,101)
Net cash (used in) provided by financing activities	(85,836)	45,372	80,366
Increase (decrease) in cash	22,171	(18,685)	74,205
Cash at beginning of year	92,025	110,710	36,505
Cash at end of the year	<u>\$ 114,196</u>	<u>\$ 92,025</u>	<u>\$ 110,710</u>

See accompanying Notes to Consolidated Financial Statements

## Camping World Holdings, Inc. and Subsidiaries

### Notes to Consolidated Financial Statements

December 31, 2016

#### 1. Summary of Significant Accounting Policies

##### Principles of Consolidation and Basis of Presentation

The consolidated financial statements include the accounts of Camping World Holdings, Inc. (“CWH”) and its subsidiaries (collectively, the “Company”), and are presented in accordance with accounting principles generally accepted in the United States (“GAAP”). CWH was formed on March 8, 2016 as a Delaware corporation for the purpose of facilitating an initial public offering (the “IPO”) and other related transactions in order to carry on the business of CWGS Enterprises, LLC (“CWGS, LLC”). CWGS, LLC was formed in March 2011 when it received, through contribution from its then parent company, all of the membership interests of Affinity Group Holding, LLC and FreedomRoads Holding Company, LLC (“FreedomRoads”). The IPO and related reorganization transactions (the “Reorganization Transactions”) that occurred on October 6, 2016 (see Note 18 — Stockholders’ Equity for a discussion of these transactions) resulted in CWH as the sole managing member of CWGS, LLC, with CWH having sole voting power in and control of the management of CWGS, LLC. Despite its position as sole managing member of CWGS, LLC, CWH has a minority economic interest in CWGS, LLC. As of December 31, 2016, CWH owned 22.6% of CWGS, LLC. According, the Company consolidates the financial results of CWGS, LLC and reports a non-controlling interest in its consolidated financial statements. As the Reorganization Transactions, discussed in Note 18 — Stockholders’ Equity, are considered transactions between entities under common control, the financial statements for the periods prior to the IPO and related Reorganization Transactions have been adjusted to combine the previously separate entities for presentation purposes.

All significant intercompany accounts and transactions of the Company and its subsidiaries have been eliminated in consolidation. Certain prior-period amounts have been reclassified to conform to the current period presentation.

The Company does not have any components of other comprehensive income recorded within its consolidated financial statements, and, therefore, does not separately present a statement of comprehensive income in its consolidated financial statements.

##### Description of the Business

CWH is a holding company and operates through its subsidiaries. The operations of the Company consist of two primary businesses: (i) Consumer Services and Plans, and (ii) Retail. The Company provides consumer services and plans offerings through its Good Sam brand and the Company provides its retail offerings through its Camping World brand. Within the Consumer Services and Plans segment, the Company primarily derives revenue from the sale of the following offerings: emergency roadside assistance; property and casualty insurance programs; travel assist programs; extended vehicle service contracts; co-branded credit cards; vehicle financing and refinancing; club memberships; and publications and directories. Within the Retail segment, the Company primarily derives revenues from the sale of the following products: new vehicles; used vehicles; parts and service, including recreational vehicle (“RV”) accessories and supplies; and finance and insurance. The Company primarily operates in various regions throughout the United States and markets its products and services to RV owners and camping enthusiasts. At December 31, 2016, the Company operated 122 Camping World retail locations, of which 105 locations sell new and used RV’s, and offer financing, and other ancillary services, protection plans, and products for the RV purchaser.

##### Use of Estimates

The preparation of financial statements in conformity with GAAP requires management to make estimates and assumptions that affect the reported amounts of assets and liabilities and disclosure of contingent assets and liabilities at the date of the financial statements and reported amounts of revenue and

expenses during the reporting period. Actual results could differ from these estimates. In preparing these financial statements, management has made its best estimates and judgments of certain amounts included in the financial statements, giving due consideration to materiality. The Company bases its estimates and judgments on historical experience and other assumptions that management believes are reasonable. However, application of these accounting policies involves the exercise of judgment and use of assumptions as to future uncertainties and, as a result, actual results could differ materially from these estimates. The Company periodically evaluate estimates and assumptions used in the preparation of the financial statements and make changes on a prospective basis when adjustments are necessary. Significant estimates made in the accompanying Consolidated Financial Statements include certain assumptions related to accounts receivable, inventory, goodwill, intangible assets, long-lived assets, assets held for sale, program cancellation reserves, and accruals related to self-insurance programs, estimated tax liabilities and other liabilities.

### **Cash and Cash Equivalents**

The Company considers all short-term, highly liquid investments purchased with a maturity date of three months or less to be cash equivalents. The carrying amount approximates fair value because of the short-term maturity of these instruments. Outstanding checks that are in excess of the cash balances at certain banks are included in accrued liabilities in the Consolidated Balance Sheets, and changes in the amounts are reflected in operating cash flows in the accompanying Consolidated Statement of Cash Flows.

### **Restricted Cash**

Restricted cash balances are pledged primarily in lieu of letters of credit. Restricted cash is expected to become available to the Company when the letters of credit are issued.

### **Contracts in Transit**

Contracts in transit consist of amounts due from non-affiliated financing institutions on retail finance contracts from vehicle sales for the portion of the vehicle sales price financed by the Company's customers.

### **Concentration of Credit Risk**

The Company's most significant industry concentration of credit risk is with financial institutions from which the Company has recorded receivables and contracts in transit. These financial institutions provide financing to Camping World's customers for the purchase of a vehicle in the normal course of business. These receivables are short-term in nature and are from various financial institutions located throughout the United States.

The Company has cash deposited in various financial institutions that is in excess of the insurance limits provided by the Federal Deposit Insurance Corporation. The amount in excess of FDIC limits at December 31, 2016 and 2015 was approximately \$119.0 million and \$90.8 million, respectively.

The Company is potentially subject to concentrations of credit risk in accounts receivable. Concentrations of credit risk with respect to accounts receivable are limited due to the large number of customers and their geographic dispersion.

### **Inventories, net**

Retail inventories consist primarily of new and used recreational vehicles and pre-owned cars held for sale valued using the specific-identification method and valued at the lower of cost or net realizable value. Cost includes purchase costs, reconditioning costs, dealer-installed accessories, and freight. For vehicles accepted in trades, the cost is the fair value of such used vehicles at the time of the trade-in. Parts and accessories are valued at the lower of cost or net realizable value. Retail parts, accessories, and other inventories primarily consist of retail travel and leisure specialty merchandise and are stated at lower of first-in, first-out cost or net realizable value.



## Property and Equipment, net

Property and equipment is recorded at historical cost, net of accumulated depreciation and amortization, and, if applicable, impairment charges. Depreciation of property and equipment is provided using the straight-line method over the following estimated useful lives of the assets:

	Years
Building and improvements	40
Leasehold improvements	3 - 40
Furniture, fixtures and equipment	3-12
Rental vehicles	8
Software	3-5

Leasehold improvements are amortized over the useful lives of the assets or the remaining term of the respective lease, whichever is shorter.

## Goodwill and Other Intangible Assets

Goodwill is reviewed at least annually for impairment, and more often when impairment indicators are present (see Note 5 — Goodwill and Intangible Assets). Finite-lived intangibles are recorded at cost, net of accumulated amortization and, if applicable, impairment charges. Finite-lived intangible assets consist of membership customer lists with weighted-average useful lives of approximately five years.

## Long-Lived Assets

Long-lived assets included in property and equipment, net, including capitalized software costs to be held and used, are reviewed for impairment whenever events or changes in circumstances indicate that the carrying amount of an asset may not be recoverable. Impairment is recognized to the extent the sum of the discounted estimated future cash flows from the use of the asset is less than the carrying value. For the Company's major software systems, such as its accounting and membership systems, the Company's capitalized costs may include some internal or external costs to configure, install and test the software during the application development stage. The Company does not capitalize preliminary project costs, nor does it capitalize training, data conversion costs, maintenance or post-development stage costs.

## Self-Insurance Program

Self-insurance reserves represent amounts established as a result of insurance programs under which the Company self-insures portions of the business risks. The Company carries substantial premium-paid, traditional risk transfer insurance for various business risks. The Company self-insures and establishes reserves for the retention on workers' compensation insurance, general liability, automobile liability, professional errors and omission liability, and employee health claims. The self-insured claims liability was approximately \$11.3 million and \$7.8 million at December 31, 2016 and 2015, respectively. The determination of such claims and expenses and the appropriateness of the related liability are continually reviewed and updated. The self-insurance accruals are calculated by actuaries and are based on claims filed and include estimates for claims incurred but not yet reported. Projections of future losses, including incurred but not reported losses, are inherently uncertain because of the random nature of insurance claims and could be substantially affected if occurrences and claims differ significantly from these assumptions and historical trends. In addition, the Company has obtained letters of credit as required by insurance carriers. As of December 31, 2016 and 2015, these letters of credit were approximately \$10.8 million and \$10.4 million, respectively. This includes \$7.6 million and \$6.8 million as of December 31, 2016 and 2015, respectively, issued under the FreedomRoads, LLC Floor Plan Facility (see Note 3 — Inventories and Notes Payable — Floor Plan, net), and the balance issued under the Company's Senior Secured Credit Facilities (see Note 7 — Long - Term Debt).

## **Long-Term Debt**

The fair value of the Company's long-term debt is estimated based on the quoted market prices for the same or similar issues or on the current rates offered for debt of the same or similar remaining maturities.

## **Revenue Recognition**

Revenue is recognized when persuasive evidence of an arrangement exists, services or products have been provided to the customers, fees are fixed or determinable, and collectability is reasonably assured.

Consumer Services and Plans revenue consists of revenue from membership clubs, publications, consumer shows, and marketing and royalty fees from various consumer services and plans. Certain Consumer Services and Plans revenue is generated from annual, multiyear and lifetime memberships. The revenue and expenses associated with these memberships are deferred and amortized over the membership period. Unearned revenue and profit are subject to revisions as the membership progresses to completion. Revisions to membership period estimates would change the amount of income and expense amortized in future accounting periods. For lifetime memberships, an 18-year period is used, which is the actuarially determined estimated fulfillment period. Roadside Assistance ("RA") revenues are deferred and recognized over the life of the membership. RA claim expenses are recognized when incurred.

Royalty revenue is earned under the terms of an arrangement with a third-party credit card provider based on a percentage of the Company's co-branded credit card portfolio retail spend with such third-party credit card provider.

Marketing fees for finance, insurance, extended service and other similar products are recognized, net of a reserve for estimated cancellations, if applicable, when a product contract payment has been received or financing has been arranged.

Promotional expenses, consisting primarily of direct-mail advertising, are deferred and expensed over the period of expected future benefit, typically three months based on historical actual response rates. Renewal expenses are expensed at the time related materials are mailed.

Newsstand sales of publications and related expenses are recorded at the time of delivery, net of an estimated provision for returns. Subscription sales of publications are reflected in income over the lives of the subscriptions. The related selling expenses are expensed as incurred. Advertising revenues and related expenses are recorded at the time of delivery. Subscription and newsstand revenues and expenses related to annual publications are deferred until the publications are distributed.

Revenue and related expenses for consumer shows are recognized when the show occurs.

Retail revenue consists of sales of new and used recreational vehicles and pre-owned cars, commissions on related finance and insurance contracts, and sales of parts, services and other products. Revenue from the sale of recreational vehicles and pre-owned cars is recognized upon completion of the sale to the customer. Conditions to completing a sale include having an agreement with the customer, including pricing, and the sales price must be reasonably expected to be collected and delivery has occurred. Revenue from parts, services and other products sales is recognized on the delivery of the part or completion of the service.

Finance and insurance revenue is recognized when a finance and insurance product contract payment has been received or financing has been arranged. The proceeds the Company receives for arranging financing contracts, and selling insurance and service contracts, are subject to chargebacks if the customer terminates the respective contract earlier than a stated period. A reserve for chargebacks is recorded as a reduction of revenues in the period in which the related revenue is recognized.

## **Parts and Service Internal Profit**

The Company's parts and service departments recondition the majority of used vehicles acquired by the Company's used vehicle departments and perform minor preparatory work on new vehicles acquired by the Company's new vehicle departments. The parts and service departments charge the new and used vehicle departments as if they were third parties in order to account for total activity performed by that department. The revenue and costs applicable to revenue associated with the internal work performed by the Company's parts and service departments are eliminated in consolidation. Also in consolidation, the Company eliminates the internal profit on vehicles and parts inventory that have not been sold.

## **Advertising Expense**

At December 31, 2016 and 2015, \$6.9 million and \$6.6 million, respectively, of advertising expenses were capitalized as direct-response advertising, of which \$5.5 million and \$5.0 million, respectively, were reported as assets and \$1.4 million and \$1.6 million, respectively, were reported net of related deferred revenue. Other advertising expenses are expensed as incurred. Advertising expenses for the years ended December 31, 2016, 2015, and 2014 were \$76.0 million, \$76.2 million, and \$65.0 million, respectively.

## **Vendor Allowances**

As a component of the Company's consolidated procurement program, the Company frequently enters into contracts with vendors that provide for payments of rebates or other allowances. These vendor payments are reflected in the carrying value of the inventory when earned or as progress is made toward earning the rebate or allowance and as a component of cost of sales as the inventory is sold. Certain of these vendor contracts provide for rebates and other allowances that are contingent upon the Company meeting specified performance measures such as a cumulative level of purchases over a specified period of time. Such contingent rebates and other allowances are given accounting recognition at the point at which achievement of the specified performance measures are deemed to be probable and reasonably estimable.

## **Shipping and Handling Fees and Costs**

The Company reports shipping and handling costs billed to customers as a component of revenues, and related costs are reported as a component of costs applicable to revenues. For the years ended December 31, 2016, 2015, and 2014, \$2.3 million, \$5.6 million, and \$10.7 million of shipping and handling fees, respectively, were included in the Retail segment as revenue.

## **Income Taxes**

The Company recognizes deferred tax assets and liabilities based on the liability method, which requires an adjustment to the deferred tax asset or liability to reflect income tax rates currently in effect. When income tax rates increase or decrease, a corresponding adjustment to income tax expense is recorded by applying the rate change to the cumulative temporary differences. The Company recognizes the tax benefit from an uncertain tax position in accordance with accounting guidance on accounting for uncertainty in income taxes. The Company classifies interest and penalties relating to income taxes as income tax expense. See Note 10 — Income Taxes.

## **Revisions to Prior Periods**

Certain revisions have been recorded in prior periods to correct for immaterial errors on previously-reported consolidated financial statements. In connection with the preparation of the financial statements for the year ended December 31, 2016, errors were identified within the elimination of intercompany revenue, costs, operating expenses, and profit in ending inventory relating to a portion of parts, supplies, freight and labor used in upgrades and repairs to new and used RVs. To quantify this error management performed an analysis of internal work orders within the parts and service departments. The Company evaluated the materiality of this error both qualitatively and quantitatively in accordance with Staff Accounting Bulletin ("SAB") No. 99, Materiality, and SAB No. 108 and concluded that the impact of this error on the Company's previously-issued consolidated financial statements was not material. However, while not material and in

order to enhance comparability and transparency, the Company has determined to revise, in this report, its previously-reported consolidated financial statements for the years ended and as of December 31, 2015 and 2014, to correct for this and other immaterial errors. As a result of these immaterial errors, revenue, costs applicable to revenue, selling, general and administrative expenses, and floor plan interest expense within the retail segment were each corrected as presented in the table below. There was no effect on any per share amounts as the periods corrected were before the Company's IPO, see Note 21 — Earnings Per Share:

(\$ in thousands)	Year Ended December 31, 2015			Year Ended December 31, 2014		
	As Reported	Adjustment	As Corrected	As Reported	Adjustment	As Corrected
<b>Revenues:</b>						
New vehicles	\$ 1,607,790	\$ (1,325)	\$ 1,606,465	\$ 1,176,838	\$ (2,022)	\$ 1,174,816
Used vehicles	806,759	(360)	806,399	680,786	(596)	680,190
Parts, service and other	553,834	(46,024)	507,810	518,905	(36,651)	482,254
Finance and insurance, net	190,278	542	190,820	134,826	314	135,140
Retail segment revenues	3,158,661	(47,167)	3,111,494	2,511,355	(38,955)	2,472,400
Total revenues	3,333,261	(47,167)	3,286,094	2,673,953	(38,955)	2,634,998
<b>Costs applicable to revenues:</b>						
New vehicles	1,387,358	(8,202)	1,379,156	1,012,494	(6,105)	1,006,389
Used vehicles	652,235	(5,299)	646,936	551,702	(5,080)	546,622
Parts, service and other	297,957	(22,968)	274,989	280,345	(18,618)	261,727
Retail segment costs applicable to revenues	2,337,550	(36,469)	2,301,081	1,844,541	(29,803)	1,814,738
Total costs applicable to revenues	2,419,299	(36,469)	2,382,830	1,918,606	(29,803)	1,888,803
Selling, general and administrative expenses	644,409	(9,519)	634,890	544,107	(7,622)	536,485
Income from operations	245,689	(1,179)	244,510	186,606	(1,530)	185,076
Floor plan interest expense	(12,427)	1,179	(11,248)	(10,675)	—	(10,675)
Net income	178,530	—	178,530	125,156	(1,530)	123,626
Net income attributable to Camping World Holdings, Inc.	178,530	—	178,530	125,156	(1,530)	123,626

Additionally, as a result of these immaterial errors, the cumulative effect of the change on members' deficit as of January 1, 2014, the earliest date presented in these consolidated financial statements, was \$4.4 million from an as reported amount of \$375.1 million to an as corrected amount of \$379.5 million. Prior year inventories, other assets, and members' deficit on the consolidated balance sheets were each corrected as follows:

(\$ in thousands)	At December 31, 2015			At December 31, 2014		
	As Reported	Adjustment	As Corrected	As Reported	Adjustment	As Corrected
Inventories, net	\$ 868,939	\$ (7,092)	\$ 861,847	\$ 676,806	\$ (5,913)	\$ 670,893
Other assets	15,394	1,179	16,573	15,124	—	15,124
Total assets	1,344,018	(5,913)	1,338,105	1,163,168	(5,913)	1,157,255
Members' deficit	(288,947)	(5,913)	(294,860)	(236,700)	(5,913)	(242,613)
Total liabilities and stockholders' / members' equity (deficit)	1,344,018	(5,913)	1,338,105	1,163,168	(5,913)	1,157,255

While the immaterial error corrections did not have an impact on cash provided by or used in operating, investing, or financing activities, the applicable line items on the above tables within cash provided by operating activities on the consolidated statements of cash flows have been appropriately revised for the periods presented. The impact of these immaterial error corrections to relevant segment and quarterly financial information is presented in Notes 22 and 23 to these consolidated financial statements, respectively.

### Recently Adopted Accounting Pronouncements

In April 2015, the Financial Accounting Standards Board ("FASB") issued Accounting Standards Update ("ASU") No. 2015-05, Customers' Accounting for Fees Paid in a Cloud Computing Arrangement ("ASU 2015-05"). ASU 2015-05 provides guidance in evaluating whether a cloud computing arrangement includes a software license. If a cloud computing arrangement includes a software license, then the software license element of the arrangement should be accounted for as an acquisition of a software license. If the arrangement does not contain a software license, it should be accounted for as a service contract. ASU 2015-05 is effective for reporting periods beginning after December 15, 2015 and may be adopted either retrospectively or prospectively. The Company adopted ASU 2015-16 under the prospective transition method as of January 1, 2016. The adoption of this amendment did not materially impact the Company's financial statements.

In September 2015, the FASB issued ASU No. 2015-16, Business Combinations (Topic 805) Simplifying the Accounting for Measurement-Period Adjustments ("ASU 2015-16"). The amendments in the

accounting standard eliminate the requirement for an acquirer in a business combination to account for measurement-period adjustments retrospectively. The amendments also require that the acquirer must recognize adjustments to provisional amounts that are identified during the measurement period in the reporting period in which the adjustment amount is determined, including the effect on earnings of any amounts they would have recorded in previous periods if the accounting had been completed at the acquisition date. The amendments in this ASU were to be applied prospectively to adjustments to provisional amounts that occur after the effective date and are effective for interim and annual periods beginning after December 15, 2015. The Company adopted ASU 2015-16 as of January 1, 2016. The adoption of this amendment did not materially impact the Company's financial statements.

In November 2015, the FASB issued ASU No. 2015-17, Income Taxes (Topic 740) Balance Sheet Classification of Deferred Taxes ("ASU 2015-17"). This update requires an entity to classify deferred tax liabilities and assets as non-current within a classified statement of financial position. The Company elected to early adopt ASU 2015-17 as of October 1, 2016, with retrospective application. Accordingly, deferred tax assets in the amount of \$123,000, which were previously classified as current assets at December 31, 2015, were reclassified to non-current deferred income tax assets on the Company's Consolidated Balance Sheets to conform to current year presentation.

In March 2016, the FASB issued ASU No. 2016-09, Compensation - Stock Compensation (Topic 718): Improvements to Employee Share-Based Payment Accounting ("ASU 2016-09"). The amendment addresses several aspects of the accounting for share-based payment award transactions, including: allowing the accounting policy election to record forfeitures as they occur for employee share-based payments; income tax consequences; classification of awards as either equity or liabilities; and classification on the statement of cash flows. This standard will be effective for fiscal years beginning after December 15, 2016, including interim periods within those fiscal years, with early adoption permitted. The Company early adopted ASU 2015-16 as of October 1, 2016 and made the accounting policy election to record forfeitures on employee share-based payment awards as they occur. The adoption of this amendment did not materially impact the Company's financial statements.

### **Recently Issued Accounting Pronouncements**

In May 2014, the FASB issued ASU 2014-09, Revenue from Contracts with Customers (Topic 606) ("ASU 2014-09"). The FASB has subsequently issued several related ASUs that clarified the implementation guidance for certain aspects of ASU 2014-09, which are effective upon the adoption of ASU 2014-09. This ASU sets forth a five-step model for determining when and how revenue is recognized. Under the model, an entity will be required to recognize revenue to depict the transfer of goods or services to a customer at an amount reflecting the consideration it expects to receive in exchange for those goods or services. The amendments in this accounting standard update are effective for interim and annual reporting periods beginning after December 15, 2017. The standard can be adopted either retrospectively to each reporting period presented or as a cumulative effect adjustment as of the date of adoption. To assess the impact of the ASU, the Company established an internal implementation team to review its current accounting policies and practices, identify all material revenue streams, assess the impact of the ASU on its material revenue streams and identify potential differences with current policies and practices. The Company's internal implementation team is in the process of performing its initial review of the likely impacts that the application of the amendments in this ASU will have on its consolidated financial statements. The team has identified the Company's material revenue streams to be the sale of new and used vehicles; the sale of parts, RV accessories, and supplies; the performance of vehicle maintenance and repair services; the arrangement of associated vehicle financing; the sale of insurance and emergency roadside assistance contracts; and the sale of club memberships. Currently, the team has not completed its assessment of the changes, if any, to its current revenue recognition policies and practices. The Company's implementation team is in the preliminary stages of evaluating the additional disclosure requirements of the ASU, as well as the change, if any, to the Company's underlying accounting and financial reporting systems and processes necessary to support the recognition and disclosure requirements. The Company expects to identify and implement the necessary changes, if any, during 2017. The Company expects to be able to evaluate the impact of this update on its consolidated financial statements during the quarter ending June 30, 2017. The Company currently expects to adopt the amendments of this ASU as of January 1, 2018, as a cumulative effect adjustment as of the date of adoption, but will not make a final decision on the adoption method until later in 2017.

In July 2015, the FASB issued ASU No. 2015-11, Inventory (Topic 330) Simplifying the Measurement of Inventory (“ASU 2015-11”). The amendments in the accounting standard replace the lower of cost or market test with a lower of cost and net realizable value test. The amendments in this ASU should be applied prospectively and are effective for interim and annual periods beginning after December 15, 2016. Earlier application is permitted as of the beginning of an interim or annual reporting period. The Company expects to adopt the amendments of this ASU as of January 1, 2017 and does not expect the adoption to materially impact its consolidated financial statements or results of operations.

In February 2016, the FASB issued ASU No. 2016-02, Leases (Topic 842) (“ASU 2016-02”). The amendments in this ASU relate to the accounting for leasing transactions. This standard requires a lessee to record on the balance sheet the assets and liabilities for the rights and obligations created by leases with lease terms of more than 12 months. In addition, this standard requires both lessees and lessors to disclose certain key information about lease transactions. This standard will be effective for fiscal years beginning after December 15, 2018, including interim periods within those fiscal years. The Company is in the process of evaluating the impact that adoption will have on its consolidated balance sheet and statement of income. However, the Company expects that the adoption of the provisions of the ASU will have a significant impact on its consolidated balance sheet, as currently most of its real estate is leased via operating leases. Adoption of this ASU is required to be done using a modified retrospective approach.

In August 2016, the FASB issued ASU No. 2016-15, Statement of Cash Flows (Topic 230): Classification of Certain Cash Receipts and Cash Payments (“ASU 2016-15”). The amendment addresses several specific cash flow issues with the objective of reducing the diversity in practice in how certain cash receipts and cash payments are presented and classified in the statement of cash flows. The standard will be effective for fiscal years beginning after December 15, 2017, and interim periods within those fiscal years. The Company is currently evaluating the impact that the adoption of the provisions of the ASU will have on its consolidated financial statements.

In November 2016, the FASB issued ASU No. 2016-18, Statement of Cash Flows (Topic 230): Restricted Cash, a consensus of the FASB Emerging Issues Task Force (“ASU 2016-18”). The amendments require that a statement of cash flows explain the change during the period in the total of cash, cash equivalents, and amounts generally described as restricted cash or restricted cash equivalents. Therefore, amounts generally described as restricted cash and restricted cash equivalents should be included with cash and cash equivalents when reconciling the beginning-of-period and end-of-period total amounts shown on the statement of cash flows. The amendments in this ASU do not provide a definition of restricted cash or restricted cash equivalents. The standard will be effective for fiscal years beginning after December 15, 2017, and interim periods within those fiscal years. The Company is currently evaluating the impact that the adoption of the provisions of the ASU will have on its consolidated financial statements.

In January 2017, the FASB issued ASU No. 2017-01, Business Combinations (Topic 805) – Clarifying the Definition of a Business (“ASU 2017-01”). This ASU clarifies the definition of a business to exclude gross assets acquired (or disposed of) that have substantially all of their fair value concentrated in a single identifiable asset or group of similar identifiable assets. The ASU also updates the definition of the term “output” to be consistent with Accounting Standards Codification (“ASC”) Topic No. 606. The ASU is effective for annual reporting periods beginning after December 15, 2017 and interim periods within those annual periods. Early adoption is permitted and the Company expects to early adopt ASU 2017-01 as of January 1, 2017. The Company does not expect the adoption of this ASU to materially impact its consolidated financial statements or results of operations.

In January 2017, the FASB issued ASU No. 2017-04, Intangibles - Goodwill and Other (Topic 350) - Simplifying the Test for Goodwill Impairment (“ASU 2017-04”). This ASU eliminates Step 2 of the goodwill impairment test and requires a goodwill impairment to be measured as the amount by which a reporting unit’s carrying amount exceeds its fair value, not to exceed the carrying amount of its goodwill. The ASU is effective for annual or any interim goodwill impairment tests in fiscal years beginning after December 15, 2019 and must be applied prospectively. Early adoption is permitted and the Company expects to early adopt ASU 2017-04 as of January 1, 2017. The Company does not expect the adoption of this ASU to materially impact its consolidated financial statements or results of operations.



## 2. Receivables

Receivables consisted of the following at December 31, (in thousands):

	<u>2016</u>	<u>2015</u>
Consumer Services and Plans	\$ 26,653	\$ 26,796
New and used vehicles	1,791	2,195
Parts, service and other	12,912	13,357
Other	<u>20,052</u>	<u>16,937</u>
	61,408	59,285
Allowance for doubtful accounts	<u>(2,920)</u>	<u>(2,929)</u>
	<u>\$ 58,488</u>	<u>\$ 56,356</u>

## 3. Inventories, net and Notes Payable — Floor Plan, net

Inventories consisted of the following at December 31, (in thousands):

	<u>2016</u>	<u>2015</u>
New RV vehicles	\$ 727,634	\$ 618,236
Used RV vehicles	78,787	159,552
Parts, accessories and miscellaneous	<u>102,833</u>	<u>84,059</u>
	<u>\$ 909,254</u>	<u>\$ 861,847</u>

The RVs included in retail inventories are financed by floor plan arrangements through a syndication of banks. The floor plan notes are collateralized by substantially all of the assets of FreedomRoads, LLC ("FR"), a wholly owned subsidiary of FreedomRoads, which operates the Camping World dealerships, and bear interest at one month London Interbank Offered Rate ("LIBOR") plus 2.05%, 2.40%, and 2.10%, for the years ended December 31, 2016, 2015, and 2014, respectively. LIBOR was 0.62%, 0.36%, and 0.16% as of December 31, 2016, 2015, and 2014, respectively. Principal is due upon the sale of the related vehicle.

In February 2012, FR entered into a Fifth Amended and Restated Credit Agreement for floor plan financing ("Floor Plan Facility"). In 2013, the Fifth Amended and Restated Credit Agreement was amended to extend the maturity date to October 2016. In 2014, the Fifth Amended and Restated Credit Agreement was amended to extend the maturity date to October 2017. In August 2015, FR entered into a Sixth Amended and Restated Credit Agreement for the Floor Plan Facility to extend the maturity date to August 2018. On July 1, 2016, FR entered into Amendment No. 1 to the Sixth Amended and Restated Credit Agreement for the Floor Plan Facility to, among other things, increase the available amount under the Floor Plan Facility from \$880.0 million to \$1.18 billion, amend the applicable borrowing rate margin on LIBOR and base rate loans ranging from 2.05% to 2.50% and 0.55% and 1.00%, respectively, based on the consolidated current ratio at FR, and extend the maturity date to June 30, 2019. The letter of credit commitment within the Floor Plan Facility remained at \$15.0 million. The Floor Plan Facility includes an offset account that allows the Company to transfer cash as an offset to the payable under the Floor Plan Facility. These transfers reduce the amount of liability outstanding under the floor plan notes payable that would otherwise accrue interest, while retaining the ability to transfer amounts from the offset account into the Company's operating cash accounts. As a result of using the floor plan offset account, the Company experiences a reduction in floor plan interest expense in its consolidated statements of income. The credit agreement governing the Floor Plan Facility contains certain financial covenants. FR was in compliance with all debt covenants at December 31, 2016.

At December 31, 2016 and 2015, the principal amount outstanding under the Floor Plan Facility was \$625.2 million and \$598.4 million, respectively, which was net of the floor plan offset account of \$68.5 million and \$13.6 million, respectively.



#### 4. Property and Equipment, net

Property and equipment consisted of the following at December 31, (in thousands):

	<u>2016</u>	<u>2015</u>
Land	\$ 6,248	\$ 11,512
Buildings and improvements	7,669	11,032
Leasehold improvements - inclusive of right to use assets	92,168	102,867
Furniture and equipment	91,449	79,046
Rental vehicles	—	1,228
Software	71,509	75,248
Systems development and construction in progress	<u>\$ 4,498</u>	<u>7,341</u>
	273,541	288,274
Less: accumulated depreciation and amortization	<u>(142,781)</u>	<u>(138,549)</u>
Property and equipment, net	<u>\$ 130,760</u>	<u>\$ 149,725</u>

In 2016, unrelated landlords reimbursed the Company for tenant improvements constructed by the Company at various locations. In accordance with ASC 840 — Leases, the Company capitalized the tenant improvements as leasehold improvements and recorded a lease incentive in a like amount. The leasehold improvements are depreciated over the life of the lease and the lease incentives are amortized, as an offset to rent expense, over the life of the lease. Lease incentives for 2016 were \$10.4 million of which \$0.1 million was amortized as an offset to rent. Included in the lease incentives received was a non-cash lease incentive of \$0.7 million.

Depreciation expense for the years ended December 31, 2016, 2015, and 2014 was \$23.7 million, \$23.3 million, and \$23.8 million, respectively.

#### 5. Goodwill and Intangible Assets

The following is a summary of changes in the Company's goodwill by business line for the years ended December 31, 2016 and 2015 (in thousands):

	<u>Consumer Services and Plans</u>	<u>Retail</u>	<u>Consolidated</u>
Balance as of January 1, 2015	\$ 49,944	\$ 11,109	\$ 61,053
Acquisitions	—	51,887	51,887
Balance as of December 31, 2015	49,944	62,996	112,940
Acquisitions	—	40,165	40,165
Balance as of December 31, 2016	<u>\$ 49,944</u>	<u>\$ 103,161</u>	<u>\$ 153,105</u>

Finite-lived intangible assets and related accumulated amortization consisted of the following at December 31, (in thousands):

	<u>2016</u>	<u>2015</u>
Gross membership and customer lists	\$ 9,485	\$ 6,712
Less: accumulated amortization	(6,099)	(5,060)
Intangible assets, net	<u>\$ 3,386</u>	<u>\$ 1,652</u>

Amortization expense of finite-lived intangibles for the years ended December 31, 2016, 2015, and 2014 was \$1.0 million, \$0.8 million, and \$0.8 million, respectively. The aggregate future five-year amortization of finite-lived intangibles at December 31, 2016, was as follows (in thousands:)

2017	\$ 1,084
2018	709
2019	689
2020	486
2021	194
Thereafter	224
	<u>\$ 3,386</u>

The Company evaluates goodwill and indefinite-lived intangible assets for impairment on an annual basis as of the beginning of the fourth quarter, or more frequently if events or changes in circumstances indicate that the Company's goodwill or indefinite-lived intangible assets might be impaired. The Company assesses qualitative factors to determine whether it is more likely than not that the fair value of a reporting unit is less than its carrying amount. If the Company determines it is more likely than not that the fair value of a reporting unit is less than its carrying amount, then it is required to perform the first step of a two-step impairment test by calculating the fair value of the reporting unit and comparing the fair value with the carrying amount of the reporting unit. If the carrying amount of a reporting unit exceeds its fair value, then the Company is required to perform the second step of the two-step goodwill impairment test to measure the amount of the impairment loss based on qualitative assessments. The Company determined that the fair value of its reporting units was greater than its carrying value.

## 6. Accrued Liabilities

Accrued liabilities consisted of the following at December 31, (in thousands):

	<u>2016</u>	<u>2015</u>
Compensation and benefits	\$ 24,036	\$ 25,821
Other accruals	54,008	51,731
	<u>\$ 78,044</u>	<u>\$ 77,552</u>

## 7. Long-Term Debt

The following reflects outstanding long-term debt as of December 31 (in thousands):

	<u>2016</u>	<u>2015</u>
Term Loan Facility <sup>(a)</sup>	\$ 626,753	\$ 725,393
Less: current portion	(6,450)	(52,089)
	<u>\$ 620,303</u>	<u>\$ 673,304</u>

(a) Net of \$6.3 million and \$4.9 million original issue discount at December 31, 2016 and 2015, respectively, and \$11.9 million and \$11.1 million of finance costs at December 2016 and 2015, respectively.

The aggregate future maturities of long-term debt at December 31, 2016, were as follows (in thousands):

2017	\$ 6,450
2018	6,450
2019	6,450
2020	6,450
2021	6,450
Thereafter	612,750
Total	<u>\$ 645,000</u>

### *New Senior Secured Credit Facilities*

On November 8, 2016, CWGS Group, LLC, a wholly owned subsidiary of CWGS, LLC, entered into a new \$680.0 million senior secured credit facility with Goldman Sachs Bank USA (“New Senior Secured Credit Facilities”) and used the proceeds to repay its previous senior secured credit facilities (“Previous Senior Secured Credit Facilities”). The New Senior Secured Credit Facilities consists of a seven-year \$645.0 million Term Loan Facility (“New Term Loan Facility”) and a five-year \$35.0 million revolving credit facility (“New Revolving Credit Facility”). The New Term Loan Facility includes mandatory amortization at 1% per annum in equal quarterly installments.

Interest on the New Term Loan Facility floated at the Company’s option at a) LIBOR multiplied by the statutory reserve rate (such product, the “Adjusted LIBOR Rate”), subject to a 0.75% floor, plus an applicable margin of 3.75%, or b) an Alternate Base Rate (“ABR”) equal to 2.75% per annum plus the greater of: (i) the prime rate published by *The Wall Street Journal* (the “WSJ Prime Rate”), (ii) federal funds effective rate plus 0.50%, or (iii) on-month Adjusted LIBOR Rate plus 1.00%, subject to a 1.75% floor. Interest on borrowings under the New Revolving Credit Facility is at the Company’s option of a) 3.25% to 3.50% per annum subject to a 0.75% floor in the case of a Eurocurrency loan, or b) 2.25% to 2.50% per annum plus the greater of the WSJ Prime Rate, federal funds effective rate plus 0.50%, or one-month Adjusted LIBOR Rate plus 1.00% in the case of an ABR loan, based on the Company’s total leverage ratio as defined in the New Senior Secured Credit Facilities. The Company also pays a commitment fee of 0.5% per annum on the unused amount of the New Senior Secured Credit Facility. Reborrowings under the New Term Loan Facility are not permitted.

Following the end of each fiscal year, commencing with the fiscal year ending December 31, 2017, the Company is required to prepay the term loan borrowings in an aggregate amount equal to 50% of excess cash flow, as defined in the New Senior Secured Credit Facilities, for such fiscal year. The required percentage prepayment of excess cash flow is reduced to 25% if the total leverage ratio, as defined, is 1.50 to 1.00 or greater but less than 2.00 to 1.00. If the total leverage ratio is less than 1.50 to 1.00, no prepayment of excess cash flow is required.

The New Revolving Credit Facility matures on November 8, 2021, and the New Term Loan Facility matures on November 8, 2023. The funds available under the New Revolving Credit Facility may be utilized for borrowings or letters of credit; however, a maximum of \$15.0 million may be allocated to such letters of credit. As of December 31, 2016, the interest rate on the term debt was 4.50%. As of December 31, 2016, the Company had available borrowings of \$31.8 million and letters of credit in the aggregate amount of \$3.2 million outstanding under the New Revolving Credit Facility. As of December 31, 2016, the principal balance of \$645 million was outstanding under the New Term Loan Facility and no amounts were outstanding on the New Revolving Credit Facility.

CWGS, LLC and CWGS Group, LLC have no revenue-generating operations of their own. Their ability to meet the financial obligations associated with the New Senior Secured Credit Facilities is dependent on the earnings and cash flows of its operating subsidiaries, primarily Good Sam Enterprises, LLC and FR, and their ability to upstream dividends. The New Senior Secured Credit Facilities are fully and unconditionally guaranteed, jointly and severally, on a senior secured basis by each of the Company’s existing and future domestic restricted subsidiaries with the exception of FR and its subsidiaries. The New Senior Secured Credit Facilities contain certain restrictive covenants including, but not limited to, mergers, changes in the nature of the business, acquisitions, additional indebtedness, sales of assets, investments, and the prepayment of dividends subject to certain limitations and minimum operating covenants. The Company was in compliance with all debt covenants at December 31, 2016.

### *Previous Senior Secured Credit Facilities*

On November 20, 2013, CWGS Group, LLC entered into the \$545.0 million Previous Senior Secured Credit Facilities consisting of a \$525.0 million term loan facility (the “Previous Term Loan Facility”), at an original issue discount of \$5.3 million or 1.00%, and a \$20.0 million revolving credit facility (the “Previous Revolving Credit Facility”). In December 2014 and December 2015, CWGS Group, LLC secured an additional \$117.0 million and \$55.0 million, respectively, of term loan borrowings under the Previous Senior Secured Credit Facilities for which the proceeds were primarily used to purchase dealerships within FreedomRoads. In

June 2015, CWGS Group, LLC secured an additional \$95.0 million of term loan borrowings under the Previous Senior Secured Credit Facilities for which the proceeds were primarily used to pay distributions to the CWGS, LLC members. On September 21, 2016, the Company amended the Previous Senior Secured Credit Facilities to, among other things, amend the change of control definition and other technical changes to facilitate its transition to a public company, provide additional borrowings of \$135.0 million under the Previous Term Loan Facility, increasing the Previous Term Loan Facility to \$828.2 million, net of original issue discount and finance costs totaling \$16.5 million, and to permit a distribution of a portion of the proceeds to the members of CWGS, LLC. The net proceeds were used to fund a \$100.0 million special cash distribution to the members of CWGS, LLC on September 21, 2016, and the remainder of the proceeds were to be used for general corporate purposes, including the potential acquisition of dealerships.

Interest on the Previous Term Loan Facility floated at the Company's option at a) LIBOR, subject to a 1.00% floor, plus an applicable margin of 4.75%, or b) an ABR equal to 3.75% per annum plus the greater of the WSJ Prime Rate, federal funds effective rate plus 0.50%, LIBOR, or 2.00%. Interest on borrowings under the Previous Revolving Credit Facility was at the Company's option of a) 4.25% to 4.50% per annum subject to a 1.00% floor in the case of a Eurocurrency loan, or b) 3.25% to 3.50% per annum plus the greater of the WSJ Prime Rate, federal funds effective rate plus 0.50%, LIBOR, or 2.00% in the case of an ABR loan, based on the Company's ratio of net debt to consolidated earnings as defined in the Previous Senior Secured Credit Facilities. The Company also paid a commitment fee of 0.5% per annum on the unused amount of the Previous Revolving Credit Facility. Reborrowings under the Previous Term Loan Facility were not permitted. The quarterly scheduled principal prepayments on the term loan borrowings were \$8.9 million. CWGS Group, LLC was required to prepay the term loan borrowings in an aggregate amount equal to 50% of excess cash flow, as defined in the Previous Senior Secured Credit Facilities, for such fiscal year. The required percentage prepayment of excess cash flow was reduced to 25% if the total leverage ratio, as defined, was 2.00 to 1.00 or greater but less than 2.50 to 1.00. If the total leverage ratio was less than 2.00 to 1.00, no prepayment of excess cash flow was required. As of December 31, 2015, CWGS Group, LLC's excess cash flow offer, as defined, was \$16.1 million and was presented to the term loan holders. The holders accepted \$12.0 million of the prepayment offer and a principal payment in that amount was made on May 9, 2016.

On October 13, 2016, CWGS Group, LLC repaid \$200.4 million of the then outstanding borrowings on the Previous Term Loan Facility from the proceeds of the capital contribution made by CWH with the proceeds from the Company's IPO, see Note 18 — Stockholders' Equity. On November, 8, 2016, CWGS Group, LLC used the proceeds from the New Senior Secured Credit Facilities to repay and terminate the Previous Senior Secured Credit Facilities.

#### *Enterprise Notes*

On February 15, 2011, the Company entered into a securities purchase agreement under which CWGS, LLC issued \$80.0 million of Series A Notes and a \$70.0 million Series B Note due 2018 (the Enterprise Notes) to CVRV Acquisition, LLC, a Delaware limited liability company ("CVRV") on March 2, 2011. Interest on the Enterprise Notes was due each March 31, June 30, September 30 and December 31 commencing June 30, 2011. On March 2, 2011, CVRV, the holder of the Series B Note, received an option from CWGS Holding, LLC, the direct parent of the Company, to purchase 70,000 preferred units of CWGS, LLC, which represented 44.999% of the Company's equity interests, at an aggregate price of \$70.0 million through the delivery to the Company of the Series B Note. The option could be exercised from and after the earlier of: (i) the fourth anniversary of the date of the agreement; (ii) the date on which the Company provides written notice that CVRV can exercise the option; or (iii) the tenth anniversary of the date of the agreement. The Series A Notes and the Series B Note were the two freestanding instruments issued in the securities purchase agreement entered into with CVRV. The option was not separately exercisable from the Series B Note and therefore has been included as an embedded feature in the Series B Note. The Company calculated the fair value of the respective Enterprise Notes on the issuance date and used the determined relative fair values to allocate the \$150 million in proceeds between the Series A Notes and the Series B Note. The Enterprise Notes were subsequently measured at amortized cost using the effective interest method. The Company valued and recorded the Series A Notes at \$68.1 million, a discount of \$11.9 million, and the Series B Note at \$81.9 million, a premium of \$11.9 million.

Interest on the Series A Notes was 3.00% per quarter provided that upon the occurrence and continuance of an event of default, the outstanding principal together with any overdue and unpaid interest would bear interest at a rate equal to 3.75% per quarter until the event of default is cured or waived. Interest on the Series B Note was 3.00% per quarter provided that the Company was entitled to elect to not pay the accrued interest on the Series B Note for up to twelve quarters in the aggregate. If the Company elected or otherwise failed to pay all accrued interest on the Series B Note in cash for any quarter, then the outstanding principal amount together with all accrued and unpaid interest shall bear interest at a rate equal to 3.25%, (i) if the Company shall so elect or shall otherwise fail to pay all accrued interest on the Series B Note in cash for any quarter in excess of six quarters in the aggregate (whether or not consecutive), or (ii) provided that upon the occurrence and continuance of an event of default, the outstanding principal together with any overdue and unpaid interest shall bear interest at a rate equal to 3.75% per quarter until the event of default is cured or waived.

The Company used the net proceeds of \$150.0 million from the issuance of the Enterprise Notes to: (i) permanently repay all of the outstanding indebtedness under FreedomRoads related party debt of \$27.0 million, a term loan note payable of \$27.0 million, a swap term loan of \$4.6 million, and interest on debt of \$0.3 million; (ii) make an \$85.0 million distribution to its member, and (iii) pay related fees and expenses in connection with the foregoing transactions.

The Company elected not to pay the accrued interest on the Series B Note for the period from June 2011 to September 2013. In November 2013, the Company used the proceeds of the Previous Senior Secured Credit Facilities to pay the \$31.4 million of outstanding accrued interest on the Series B Note. The Company elected to pay the quarterly interest each quarter beginning December 31, 2013. The Company repaid the \$80.0 million Series A Notes in full on November 20, 2013 from the proceeds of the Previous Senior Secured Credit Facilities and the remaining unamortized discount of \$5.4 million on the Series A Notes was written off and recorded to Loss on Debt Repayment.

On September 30, 2014, CVRV exercised their option and delivered the Series B Note to the Company for cancellation in exchange for the equity interest. Upon surrender and cancellation of the \$70.0 million Series B Note, the remaining unamortized premium of \$3.4 million was written off to Members' Deficit.

Since the exchange of the Series B Note for the preferred equity interest in CWGS, LLC and continuing through October 6, 2016, CVRV, as the holder of the preferred equity interest, received a preferred return equal to 3.00% of CVRV's unrecovered capital contribution in CWGS, LLC, which has been paid quarterly. Preferred return payments of \$6.4 million, \$8.4 million, and \$2.1 million were paid for the years ended December 31, 2016, 2015, and 2014, respectively.

## 8. Capital Lease Obligations

The Company leases various fixed assets under capital lease arrangements requiring payments through May 2019. For the years ended December 31, 2016, 2015, and 2014, \$2.0 million \$0, and \$0.2 million were funded by capital leases, respectively. The depreciation of the capital lease assets is included in depreciation. The Company has included these leases in property and equipment, net at December 31, as follows (in thousands):

	2016	2015
Furniture and equipment	\$ 5,741	\$ 3,734
Accumulated depreciation	(3,449)	(2,301)
	<u>\$ 2,292</u>	<u>\$ 1,433</u>

The following is a schedule by year of future minimum lease payments (in thousands) under the capitalized leases, together with the present value of net minimum lease payments at December 31, 2016 (including current portion of \$1.2 million):

2017	\$ 1,285
2018	837
2019	23
	<u>2,145</u>
Interest	(80)
	<u>\$ 2,065</u>

### 9. Right to Use Liability

The Company leases operating facilities throughout the United States. The Company analyzes all leases in accordance with Accounting Standards Codification (“ASC”) 840 — Leases. In the first quarter of 2016, two leases were accounted for as operating leases after completion of construction as they qualified for asset derecognition under the sales-leaseback accounting rules. In the third quarter of 2016, one lease was derecognized and accounted for as an operating lease after a reduction in the lease deposit to less than two months’ rent, as it qualifies for asset derecognition. The derecognitions in 2016 resulted in the removal of \$20.1 million of right to use assets, and \$20.0 million of right to use liabilities, and \$0.1 million of deferred gain which will be recognized ratably as an offset to rent expense over the term of the leases. In 2015, twenty-five of the leases had construction projects for which the Company was deemed to be the owner. Eighteen leases were accounted for as finance leases after completion of the construction as they did not qualify for sale accounting under the sale-leaseback accounting rules. Seven leases were accounted for as operating leases after completion of construction as they qualified for asset derecognition under the sale-leaseback accounting rules. An additional eighteen leases were accounted for as capital leases based on capital lease accounting rules. For both the financing and capital leases, the value of the real property, other than land was capitalized as a right to use asset with a corresponding right to use liability. To the extent land was less than twenty-five percent of the value of the total real property, land was capitalized as a right to use asset with a corresponding right to use liability. In the fourth quarter of 2015, the Company modified the terms of certain leases. As a result of the modifications, thirty leases met the requirements to be reported as operating leases and therefore the right to use assets and corresponding right to use liabilities were derecognized in the fourth quarter of 2015. This derecognition resulted in the removal of \$122.4 million of right to use assets, and \$127.0 million of right to use liabilities and \$4.6 million of deferred gain, which will be recognized ratably as an offset to rent expense over the term of the leases.

The Company has included the right to use assets in property and equipment, net at December 31, as follows (in thousands):

	2016	2015
Right to use assets	\$ 10,673	\$ 31,757
Accumulated depreciation	(667)	(1,457)
	<u>\$ 10,006</u>	<u>\$ 30,300</u>

The following is a schedule by year of the future changes in the right to use liability (in thousands):

2017	\$ 872
2018	583
2019	486
2020	486
2021	486
Thereafter <sup>(1)</sup>	13,813
Total minimum lease payments	<u>16,726</u>
Amounts representing interest	(6,383)
Present value of net minimum right to use liability payments	<u>\$ 10,343</u>

- (1) Includes \$5.0 million of scheduled derecognition of right to use liability due to reductions in the lease deposit to less than two months' rent.

## 10. Income Taxes

The components of the Company's income tax expense from operations for the year ended December 31, consisted of (in thousands):

	2016	2015	2014
Current:			
Federal	\$ 468	\$ 139	\$ 105
State	1,259	1,398	860
Deferred:			
Federal	4,045	(162)	1,045
State	135	(19)	130
Income tax expense	<u>\$ 5,907</u>	<u>\$ 1,356</u>	<u>\$ 2,140</u>

A reconciliation of income tax expense from operations to the federal statutory rate for the year ended December 31, is as follows (in thousands):

	2016	2015	2014
Income taxes computed at federal statutory rate	\$ 73,200	\$ 61,161	\$ 43,280
State income taxes – net of federal benefit	7,347	7,196	5,114
Other differences:			
Income taxes computed at the effective federal and state statutory rate for pass-through entities not subject to tax	(75,689)	(67,761)	(46,661)
Increase (decrease) of valuation allowance	1,049	735	(396)
Other	—	25	803
Income tax expense	<u>\$ 5,907</u>	<u>\$ 1,356</u>	<u>\$ 2,140</u>

Deferred income taxes reflect the net tax effects of temporary differences between the carrying amounts of assets and liabilities for financial reporting purposes and the amounts used for income tax



purposes and operating loss and tax credit carryforwards. Significant items comprising the net deferred tax assets at December 31, were (in thousands):

	2016	2015
<b>Deferred tax liabilities</b>		
Accelerated depreciation	\$ (4,655)	\$ (3,389)
Prepaid expenses	(358)	(232)
Other	(57)	(93)
	<u>(5,070)</u>	<u>(3,714)</u>
<b>Deferred tax assets</b>		
Investment impairment	30,680	30,767
Gift cards	969	940
Deferred revenues	355	332
Accrual for employee benefits and severance	1,246	884
Stock option expense	55	—
Investment in partnership	115,057	—
Tax Receivable Agreement	7,387	—
AMT credit	1,049	549
Net operating loss carryforward	8,512	9,926
Claims reserves	547	444
Intangible assets	70	54
Goodwill	1,898	2,264
Deferred book gain	1,337	1,472
Other reserves	5,339	4,820
	<u>174,501</u>	<u>52,452</u>
Valuation allowance	(43,553)	(42,504)
Net deferred tax assets	<u>\$ 125,878</u>	<u>\$ 6,234</u>

CWH is organized as a Subchapter C corporation and, on October 6, 2016, as part of the Company's IPO, became a 22.6% owner of CWGS, LLC (see Note 18 — Stockholders' Equity). CWGS, LLC is organized as a limited liability company and treated as a partnership for federal tax purposes, with the exception of Americas Road and Travel Club, Inc., CW, and FreedomRoads RV, Inc. ("FRRV") and their wholly-owned subsidiaries, which are Subchapter C corporations. At December 31, 2016, the Subchapter C corporations had net operating loss carryforwards of approximately \$21.8 million, which will be able to offset future taxable income. If not used, the net operating loss carryforwards will expire between 2024 through 2036.

The increase in the amount of income tax expense in 2016 is due the increased profitability at the FRRV level and also due to the Company's IPO in which the Company is also subject to U.S. federal, state and local taxes on its allocable share of taxable income or loss generated by CWGS, LLC subsequent to the Company's IPO.

The large increase in the net deferred tax assets in 2016 is primarily due to the Company's acquisition of 18,935,916 LLC common units (see Note 18 — Stockholders' Equity) on or after the IPO date in which it recognized a \$115.1 million deferred tax asset for the outside basis difference in the company's investment in CWGS, LLC. The Company also recognized a \$7.4 million deferred tax asset related to the \$19.2 million payments due under the tax receivable agreement discussed below. The Company evaluates its deferred tax assets on a quarterly basis to determine if they can be realized and establishes valuation allowances when it is more likely than not that all or a portion of the deferred tax assets may not be realized. At December 31, 2016, the Company determined that all of its deferred tax assets (except those of CW discussed below) are more likely than not to be realized. The valuation allowance for CW and its subsidiaries increased by \$1.0 million and \$0.7 million for the years ended December 31, 2016 and 2015, respectively, as its net deferred tax assets increased during those years and it continues to maintain a full valuation allowance, since it was determined that it would have insufficient taxable income in the current or carryforward periods under the tax laws to realize the future tax benefits of its deferred tax assets.

During 2014, the 2012 federal tax return for CW was examined by the Internal Revenue Service (the “IRS”) and was closed on October 30, 2014, with no adjustments. On February 6, 2017, CW was notified by the IRS that it intends to audit the 2014 federal tax return. The Company and its subsidiaries file U.S. federal income tax returns and tax returns in various states. With few exceptions, the Company is no longer subject to U.S. federal, state, and local income tax examinations by tax authorities for years before 2012.

The provision for income tax for the entities subject to federal income tax has been included in the consolidated financial statements. The income tax is based on the amount of taxes due on their tax returns plus deferred taxes computed based on the expected future tax consequences of temporary differences between the carrying amounts and tax basis of assets and liabilities, using expected tax rates.

The Company recognizes the tax benefit from an uncertain tax position only if it is more likely than not that the tax position will be sustained on examination by the taxing authorities based on the technical merits of the position. The tax benefits recognized in the consolidated financial statements on a particular tax position are measured based on the largest benefit that has a greater than a 50% likelihood of being realized upon settlement. The amount of unrecognized tax benefits is adjusted as appropriate for changes in facts and circumstances, such as significant amendments to existing tax law, new regulations or interpretations by the taxing authorities, new information obtained during a tax examination, or resolution of an examination. As of December 31, 2016 and 2015, the Company had no uncertain tax positions. The Company did not recognize any interest or penalties relating to income taxes for the years ended December 31, 2016, 2015, and 2014.

On October 6, 2016, the Company entered into a tax receivable agreement (the “Tax Receivable Agreement”) that provides for the payment by the Company to the Continuing Equity Owners and Crestview Partners II GP, L.P. of 85% of the amount of tax benefits, if any, the Company actually realizes, or in some circumstances is deemed to realize, as a result of (i) increases in the tax basis from the purchase of common units from Crestview Partners II GP, L.P. in exchange for Class A common stock in connection with the consummation of the IPO and the related transactions and any future redemptions that are funded by the Company and any future redemptions or exchanges of common units by Continuing Equity Owners as described above and (ii) certain other tax benefits attributable to payments made under the Tax Receivable Agreement. CWGS intends to make a Section 754 of the Internal Revenue Code effective for each tax year in which a redemption or exchange (including a deemed exchange) of common units for cash or stock occur. These tax benefit payments are not conditioned upon one or more of the Continuing Equity Owners or Crestview Partners II GP, L.P. maintaining a continued ownership interest in CWGS, LLC. In general, the Continuing Equity Owners’ or Crestview Partners II GP, L.P.’s rights under the Tax Receivable Agreement are assignable, including to transferees of its common units in CWGS, LLC (other than the Company as transferee pursuant to a redemption or exchange of common units in CWGS, LLC). The Company expects to benefit from the remaining 15% of the tax benefits, if any, which may be realized. As part of the IPO 1,698,763 common units were exchanged for CWGS for Class A common stock by Crestview Partners II GP, L.P. subject to the provisions of the Tax Receivable Agreement. The Company recognized a liability for the Tax Receivable Agreement payments due to Crestview Partners II GP, L.P., representing 85% of the aggregate tax benefits the company expects to realize from the tax basis increases related to the exchange, after concluding it was probable that the Tax Receivable Agreement payments would be paid based on estimates of future taxable income. As of December 31, 2016, the amount of Tax Receivable payments due Crestview Partners II GP, L.P. under the Tax Receivable Agreement was \$19.2 million, of which \$1.0 million was included in current portion of the tax receivable agreement liability in the Consolidated Balance Sheets.

## 11. Fair Value Measurements

Accounting guidance for fair value measurements establishes a three-tier fair value hierarchy, which prioritizes the inputs used in measuring fair value. These tiers include Level 1, defined as observable inputs such as quoted prices in active markets; Level 2, defined as inputs other than quoted prices in active markets that are either directly or indirectly observable; and Level 3, defined as unobservable inputs in which little or no market data exists, therefore requiring an entity to develop its own assumptions.

For cash and cash equivalents; accounts receivable; other current assets; accounts payable; notes payable — floor plan, net; and other current liabilities the amounts reported in the accompanying

Consolidated Balance Sheets approximate fair value due to their short-term nature or the existence of variable interest rates that approximate prevailing market rates

There have been no transfers of assets or liabilities between the fair value measurement levels and there were no material re-measurements to fair value during 2016 and 2015 of assets and liabilities that are not measured at fair value on a recurring basis.

The following table presents the reported carrying value and fair value information for the Company's debt instruments. The fair values shown below for the New Term Loan Facility and Previous Term Loan Facility, as applicable, are based on quoted prices in the inactive market for identical assets (Level 2).

(\$ in thousands)	Fair Value Measurement	12/31/2016		12/31/2015	
		Carrying Value	Fair Value	Carrying Value	Fair Value
Term Loan Facility	Level 2	\$ 626,753	\$ 649,838	\$ 725,393	\$ 731,288

## 12. Commitments and Contingencies

### Leases

The Company holds certain property and equipment under rental agreements and operating leases that have varying expiration dates. A majority of its operating facilities are leased from unrelated parties throughout the United States. Future minimum annual fixed rentals under operating leases having an original term of more than one year as of December 31, 2016, were as follows (in thousands):

	Third Party	Related Party	Total
2017	\$ 71,260	\$ 1,150	\$ 72,410
2018	70,525	1,150	71,675
2019	68,995	1,150	70,145
2020	65,073	1,150	66,223
2021	62,894	1,150	64,044
Thereafter	482,284	11,193	493,477
<b>Total</b>	<b>\$821,031</b>	<b>\$ 16,943</b>	<b>\$837,974</b>

For the years ended December 31, 2016, 2015, and 2014, \$74.5 million, \$61.5 million, and \$59.5 million, of rent expense, respectively, was charged to costs and expenses.

A subsidiary of FreedomRoads has letters of credit of \$0.4 million, which were required by certain leases. The letters of credit expire in August 2017. These letters of credit are issued under the Floor Plan Facility.

On December 5, 2001, GSE sold 11 real estate properties to 11 separate wholly owned subsidiaries of AGRP Holding Corp., a wholly owned subsidiary of the Company's ultimate parent, AGI Holding Corp., for \$52.3 million in cash and a note receivable. The properties were leased back to the Company on a triple-net basis. Both the sales price and lease rates were based on market rates determined by third-party independent appraisers engaged by the mortgage lender and approved by the Senior Secured Credit Facilities agent bank. These leases had an initial term of 25 to 27 years with two 5-year renewal options at the then-current market rent. The leases were classified as operating leases in accordance with accounting guidance for accounting for leases. Land and buildings with a net book value totaling \$45.8 million were removed from the balance sheet. The transaction resulted in a net gain of \$6.1 million consisting of a \$12.1 million gain on certain properties and a \$6.0 million loss on other properties. In accordance with accounting principles generally accepted in the United States, the \$6.0 million loss was recognized upon the date of sale in 2001 and the \$12.1 million gain was deferred and will be credited to income as rent expense adjustments over the lease terms. The average net annual lease payments over the lives of the leases were \$3.4 million.

On December 29, 2011, AGRP Holding Corp. sold 6 of the 11 real estate properties to a third party. In 2012, AGRP Holding Corp. sold two real estate properties to a third party (one on January 9, 2012, and one on December 28, 2012). The leases on the real estate properties sold in 2012 were terminated. In June 2013, AGRP Holding Corp. sold an additional real estate property to a third party. In February 2014, AGRP Holding Corp. sold the remaining two real estate properties to a third party. As of December 31, 2016, a \$5.1 million deferred gain remains and will be recognized over the remaining lease terms.

In 2006, a subsidiary of FreedomRoads entered into sale - leaseback arrangements. Under these arrangements, FreedomRoads sold real property and leased it back for a period of 20 years. The leasebacks have been accounted for as operating leases. The gain of \$6.4 million is being recognized ratably over the term of the leases. The income recognition (offset to rent expense) of the deferred credits totaled \$0.3 million for each of the years ended December 31, 2016, 2015, and 2014.

In 2016, 2015 and 2014, a subsidiary of FreedomRoads entered into sale leaseback arrangements resulting in gains of \$0.1 million and \$0.4 million in 2016 and 2015, respectively, and no gain or loss in 2014. The real properties were originally purchased by FreedomRoads from third parties. In 2016, the Company sold real property of \$13.2 million that were originally purchased in 2016 for \$11.9 million, in 2015 for \$1.2 million and in 2014 for \$0.1 million. In 2015, the Company sold real property of \$19.0 million that was originally purchased in 2015 for \$18.1 million, and in 2014 for \$0.9 million. In 2014, the Company sold real properties of \$1.2 million that were originally purchased in 2014 for \$0.3 million, and in 2013 for \$0.9 million. Under the sale-leaseback arrangements, the real properties were leased back under operating leases for a period of 20 years. The properties are being used as part of the Company's ongoing operations.

### **Sponsorship and Other Agreements**

On April 25, 2016 and May 1, 2016, Camping World entered into sponsorship agreements. The sponsorship agreements expire on January 1, 2025 and October 1, 2019, respectively. The agreement consists of annual fees payable in aggregate as follows: \$1.0 million in 2016, \$1.2 million in 2017, \$2.5 million in 2018, \$2.6 million in 2019, \$1.3 million in 2020, \$1.4 million in 2021, and \$4.5 million thereafter.

The Company modified a sponsorship agreement in 2014. The sponsorship agreement consists of an annual base fee of \$3.5 million in 2014, \$3.3 million in 2015, \$3.4 million in 2016, \$3.5 million in 2017, \$3.6 million in 2018, \$3.7 million in 2019, \$3.8 million in 2020, \$3.9 million in 2021, and \$4.0 million in 2022. The expense is recognized ratably over the term of the agreement.

In 2015, CWI entered into a broad market sponsorship agreement. The sponsorship agreement expires on December 31, 2018 and consists of sponsor rights fees of \$3.6 million payable as follows: \$0.7 million in 2015, \$0.9 million in 2016, \$1.0 million in 2017, and \$1.0 million in 2018. The agreement includes an opt-out provision after 2016.

The Company entered into a subscription agreement in 2014. The subscription agreement consisted of total fees of \$9.4 million payable as follows: \$1.7 million in 2014, \$1.6 million in 2015, \$1.8 million in 2016, \$2.1 million in 2017, and \$2.2 million in 2018. The agreement was amended on October 28, 2016. The amended subscription agreement consists of annual fees payable as follows: \$2.3 million in 2017, \$2.4 million in 2018, \$2.4 million in 2019, \$2.4 million in 2020, and \$2.6 million in 2021.

### **Litigation**

From time to time, the Company is involved in litigation arising in the normal course of business operations. The Company does not believe it is involved in any litigation that will have a material adverse effect on its results of operations or financial position.

### **Employment Agreements**

The Company has employment agreements with certain officers. The agreements include, among other things, an annual bonus based on earnings before interest, taxes, depreciation and amortization, and up to one year's severance pay beyond termination date.

### 13. Related Party Transactions

#### Monitoring Agreement

Crestview Advisors, L.L.C. and Stephen Adams (together, the “Managers” and each, a “Manager”) and the Company are parties to a monitoring agreement relating to each Manager’s monitoring of its (or its affiliate’s) investment in the Company. Pursuant to the monitoring agreement, the Company agreed to pay each of the Managers an aggregate per annum monitoring fee equal to \$1.0 million, payable in quarterly installments of \$250,000. In addition, the Company agreed to reimburse each Manager and its affiliates, employees and agents for up to an aggregate per annum amount of \$250,000 for all reasonable fees and expenses incurred in connection with such Manager’s monitoring of its (or its affiliate’s) investment in the Company. The Company also agreed to indemnify each Manager and its respective affiliates from and against all losses, claims, damages and liabilities arising out of the performance by such Managers’ monitoring of its (or its affiliate’s) investment in the Company. The monitoring agreement was terminated in connection with the Company’s IPO on October 6, 2016.

Pursuant to the monitoring agreement, the Company incurred monitoring fees of \$1.7 million, \$2.0 million and \$2.0 million in the years ended December 31, 2016, 2015 and 2014, respectively. In addition, the Company recorded an expense for the Managers’ reimbursable expenses, totaling \$0.2 million, \$0.5 million and \$0.5 million for the years ended December 31, 2016, 2015 and 2014, respectively.

#### Transactions with Directors, Equity Holders and Executive Officers

Over the period from 2007 to 2011, various subsidiaries of FreedomRoads and certain entities owned by Stephen Adams conveyed real properties between each other resulting in a net receivable of \$0.9 million due to FreedomRoads. In 2015, this receivable was distributed to CWGS Holding, LLC in the form of a non-cash distribution.

FreedomRoads leases various retail locations from managers and officers. During 2016, 2015 and 2014, the related party lease expense for these locations was \$1.2 million, \$2.0 million, and \$3.8 million, respectively.

In January 2012, FreedomRoads entered into a lease (the “Original Lease”) with respect to the Company’s Lincolnshire, Illinois offices, which has since been amended as of March 2013 in connection with the Company’s leasing of additional premises within the same office building (the “Expansion Lease”). The Original Lease is payable in 132 monthly payments of base rent equal to approximately \$29,000, commencing April 2013, subject to annual increases. The Expansion Lease is payable in 132 monthly payments of base rent equal to approximately \$2,500, commencing May 2013, subject to annual increases. Marcus Lemonis, the Company’s Chairman and Chief Executive Officer, has personally guaranteed both leases.

In September 2014, Marcus Lemonis, individually and as trustee of the Marcus Lemonis Revocable Trust (“MLRT”), entered into a revolving loan with The Privatebank and Trust Company (“Privatebank”). In connection with the revolving loan, Mr. Lemonis and MLRT entered into a profits unit pledge agreement (the Pledge Agreement) with Privatebank under which Mr. Lemonis pledged 4,667 Profits Units in the Company to secure the revolving loan (See Note 20 — Equity-based Compensation). The Company also entered into a purchase, sale and put agreement (the “Put Agreement”) with Privatebank that granted Privatebank the right to put the loan to the Company upon the occurrence of an event of default pursuant to the Pledge Agreement. Prior to exercising any rights under the Put Agreement, Privatebank was required to provide notice to the Company and the Company had the right to purchase the pledged Profits Units for an amount equal to the lesser of (a) \$12.0 million or (b) the outstanding principal amount of the revolving loan. On April 4, 2016, the Pledge Agreement and the Put Agreement were terminated.

Until December 31, 2015, the Company had use of an aircraft owned by Adams Offices, LLC, an entity owned by AGI Holding Corp., an entity controlled by Stephen Adams, in which he has a 100% economic interest, for the purpose of operating flights incidental to the Company’s business. The Company

incurred expenses for the aircraft of \$1.0 million and \$1.0 million for the years ended December 31, 2015 and 2014, respectively.

On June 13, 2016, the board of directors of CWGS, LLC declared a \$42.7 million distribution comprising of (i) the assignment of its equity interest in AutoMatch USA, LLC ("AutoMatch"), an indirect wholly-owned subsidiary of CWGS, LLC, to CWGS Holding, LLC and CVRV Acquisition LLC, each a member of CWGS, LLC, in the form of a \$38.8 million non-cash distribution, and (ii) a \$3.8 million cash distribution to the Profits Units of which \$3.6 million was paid on June 17, 2016 and \$0.2 million was paid on September 7, 2016. In connection with the AutoMatch distribution, AutoMatch and FreedomRoads, LLC, an indirect wholly-owned subsidiary of CWGS, LLC, entered into a Transition Services Agreement (the "Transition Services Agreement") whereby, for a period of up to one hundred twenty days following the distribution of AutoMatch, FreedomRoads, LLC will continue to provide administrative, employee and operational support to AutoMatch in the same manner as provided prior to such distribution and AutoMatch will be operated and managed by employees of FreedomRoads, LLC, in exchange for reimbursement by AutoMatch of all expenses incurred by FreedomRoads, LLC in connection therewith. On September 7, 2016, the board of directors of CWGS, LLC declared a \$1.6 million distribution, representing the final net settlement amount under the Transition Services Agreement, which was paid on the same day.

See also Note 7 — Long-Term Debt for private placement of securities (Enterprise Notes).

#### **Other Transactions**

Cumulus Media Inc. ("Cumulus Media") has provided radio advertising for the Company through Cumulus Media's subsidiary, Westwood One, Inc. Crestview Partners II GP, L.P., an affiliate of CVRV, is the beneficial owner of Cumulus Media's Class A common stock, according to Crestview Partners II GP, L.P.'s most recently filed Schedule 13D amendment with respect to the company. For the years ended December 31, 2015 and 2014, the Company paid Cumulus Media \$0.6 million and \$1.3 million, respectively, for the aforementioned advertising services. The Company did not use the advertising services in 2016.

On July 1, 2010, Camping World and Adams Outdoor Advertising Marketing Company (Adams Outdoor), an entity controlled by Stephen Adams, entered into an agreement pursuant to which Camping World has the right to use Adams Outdoors' outdoor advertising space at cost on billboards that become available because the billboards would otherwise be vacant. Camping World made a deposit of \$1.0 million with Adams Outdoor in an account controlled by Adams Outdoor on July 1, 2010 and as vacant billboards are utilized by Camping World, the usage cost is applied against the deposit. No vacant billboard space was used by Camping World. In December 2015, the agreement was assigned to AGI Holding Corp., an entity controlled by Stephen Adams, in which he has a 100% economic interest, and the Company distributed the \$1.0 million deposit in the form of a non-cash distribution.

The Company does business with certain companies in which Mr. Lemonis has a direct or indirect material interest. From time to time the Company has arranged for temporary staffing and consulting services from eNET IT Group, LLC ("eNET IT Group"). Mr. Lemonis has a 51% economic interest in eNET IT Group. The Company paid eNET IT Group approximately \$0.1 million, \$0.6 million, and \$0.3 million for the years ended December 31, 2016, 2015, and 2014, respectively, primarily for third party temporary staffing arranged by eNET IT Group. eNET IT Group, in turn, paid the third party temporary staffing directly. Additionally, the Company purchased fixtures for interior store sets at the Company's retail locations from Precise Graphix. Mr. Lemonis has a 33% economic interest in Precise Graphix and the Company paid Precise Graphix \$3.3 million and \$1.7 million for the years ended December 31, 2016 and 2015, respectively.

#### **14. Acquisitions**

In 2016, 2015 and 2014, a subsidiary of the Company acquired the assets or stock of multiple dealership locations that constituted business under accounting rules. The Company used its working capital, a combination of cash and floor plan financing and members' capital contributions to complete the acquisitions. The acquired businesses were recorded at their estimated fair values under the purchase method of accounting. The balance of the purchase prices in excess of fair value of assets acquired was recorded as goodwill.



In 2016, concurrent with the acquisition of dealership businesses, the Company purchased real properties for \$15.3 million from related parties of the sellers. The Company sold a portion of the real properties to a third party in sale-leaseback transactions. In 2015, concurrent with the acquisition of dealership businesses, the Company purchased real properties for \$17.0 million from related parties of the sellers. The Company sold a portion of the real properties to a third party in sale-leaseback transactions. In 2014, the Company purchased real property of \$3.8 million related to the acquisition of dealership assets. The real property was not sold by the Company. In 2013, concurrent with the acquisition of dealership assets, the Company purchased real properties for \$13.6 million from related parties of the sellers. The Company immediately sold the real properties to a third party in sale-leaseback transactions, as further described in Note 12 — Commitments and Contingencies.

A summary of the purchase price allocations for the acquisitions consists of the following:

(\$ in thousands)	2016	2015	2014
<b>Assets (liabilities) acquired (assumed) at fair value:</b>			
Accounts receivable	\$ 944	\$ —	\$ —
Inventory	36,285	75,664	6,228
Property and equipment	823	842	51
Intangibles	2,774	—	—
Goodwill	40,165	51,887	4,369
Security deposits	—	12	—
Other assets	175	19	—
Customer deposits	—	(1,111)	(33)
Accounts payable	(2,231)	(49)	—
Accrued expenses	(329)	(575)	—
Purchase price	78,606	126,689	10,615
Purchase price holdback included in other long-term liabilities	—	(1,500)	—
Inventory purchases financed via floor plan	(28,942)	(59,794)	(4,029)
Cash payment net of holdback and floor plan financing	<u>\$ 49,664</u>	<u>\$ 65,395</u>	<u>\$ 6,586</u>

The basis for tax purposes of acquired goodwill for the years ended December 31, 2016, 2015, and 2014 was \$40.6 million, \$22.7 million, and \$4.4 million, respectively. Included in the 2016 Consolidated Financial results is \$75.1 million of revenue and \$2.7 million of pre-tax income of these dealership businesses purchased in 2016 from the applicable acquisition dates.

## 15. Exit Activities

The Company closed certain retail locations. The Company remains obligated under the terms of these leases for rent and other costs associated with these leases, and has no plan to occupy them in the future. In accordance with ASC 420, *Accounting for Costs Associated with Exit or Disposal Activities*, the Company recorded a charge to rent expense to recognize the costs of exiting the space. The liability was equal to the fair value of rent less the fair value of the amount of rent received by the Company from a tenant under a sublease over the remainder of the lease terms, which expire on various dates through 2032. The change in the estimated fair value of these amounts was recognized in income as part of income from operations. The current portion of the liability was \$0.3 million, and \$0.4 million as of December 31, 2016 and 2015, respectively, and is included in other current liabilities. The liability outstanding was \$2.8 million and \$2.0 million as of December 31, 2016 and 2015, respectively. The total of minimum rental payments to be received in the future under noncancelable subleases was \$7.4 million as of December 31, 2016.



## 16. Statements of Cash Flows

Supplemental disclosures of cash flow information for the years ended December 31, are as follows (in thousands):

	2016	2015	2014
Cash paid during the year for:			
Interest	\$ 61,889	\$ 57,717	\$ 54,843
Income taxes	1,622	1,166	1,119

The Company entered into the following non-cash investing and financing transactions:

### 2016:

The Company established \$19.2 million of liabilities under the Tax Receivable Agreement.

The Company assumed \$0.2 million of customer deposits and paid \$1.4 million in connection with the acquisition of five consumer shows from M & P Productions, Inc.

Landlords paid for tenant improvements of \$0.7 million on behalf of the Company.

The Company assigned its equity interest in AutoMatch USA, LLC, an indirect wholly-owned subsidiary of the Company, in the form of a \$38.8 million non-cash distribution (See Note 13 — Related Party Transactions). Included in the non-cash distribution were contracts in transit of \$1.0 million, accounts receivable of \$0.3 million, inventories of \$20.3 million, property and equipment of \$17.1 million, and prepaid expenses and other assets of \$0.1 million.

The Company acquired equipment through third party capital lease arrangements totaling \$2.0 million.

In the first quarter of 2016, the Company derecognized \$15.4 million of fixed assets and right to use liabilities for two leases that qualified as operating leases after completion of construction in 2016. In the third quarter of 2016, the Company derecognized \$4.6 million of fixed assets and \$4.7 million of right to use liabilities for the Company's lease that qualified as an operating lease after the reduction in lease deposits to less than two month's rent.

FreedomRoads acquired the assets of RV dealership groups comprised of six locations for an aggregate purchase price of approximately \$75.8 million plus real property of \$15.3 million (see Note 14 — Acquisitions). The purchase was funded through \$28.9 million of borrowings under the Floor Plan Facility and the balance through a capital contribution provided by the net proceeds of the incremental debt issuance in December 2015 under the Company's Previous Senior Secured Credit Facilities.

The Company acquired the assets of a wholesale parts dealer for \$1.4 million, comprised of inventory of \$1.2 million, intangible assets of \$1.3 million, receivables of \$1.0 million, prepaid expenses of \$0.1 million, and accrued liabilities of \$2.2 million.

### 2015

The Company distributed a prepaid marketing deposit with Adams Outdoor Advertising Marketing Company in the form of a non-cash \$1.0 million distribution.

The Company distributed a receivable due to CWGS Holding, LLC in the form of a non-cash \$0.9 million distribution.

Certain real estate lease agreements were capitalized in accordance with ASC 840 — Leases. The value of the real property, other than land of \$50.6 million, was capitalized as a right to use asset with

a corresponding \$50.6 million included as a right to use liability. The Company derecognized \$5.4 million of fixed assets and right to use lease liabilities for two leases that qualified as operating leases after completion of construction in 2015.

The Company modified the terms of certain leases in the fourth quarter of 2015. As a result of the modifications, thirty of these leases met the requirements to be reported as operating leases and therefore the right to use assets and corresponding liabilities were derecognized. This derecognition resulted in the removal of \$122.4 million of right to use assets, and \$127.0 million of right to use liabilities, resulting in a \$4.6 million deferred gain.

#### 2014

FreedomRoads entered into capital lease arrangements totaling \$0.2 million.

On September 30, 2014, CVRV exercised its option and delivered the Series B Note to the Company for cancellation in exchange for the equity interest. Upon surrender and cancellation of the \$70.0 million Series B Note, the remaining unamortized premium of \$3.4 million was written off to Members' Deficit.

Certain real estate lease agreements were capitalized in accordance with ASC 840 — Leases. The value of the real property, other than land of \$35.9 million, was capitalized as a right to use asset with a corresponding \$35.9 million included as a right to use liability. The Company derecognized \$8.2 million of right to use assets and right to use liabilities for five leases that qualified as operating leases after completion of construction in 2014.

### 17. Benefit Plan

The Freedom Roads 401(k) Defined Contribution Plan ("FreedomRewards 401(k) Plan") is qualified under Sections 401(a) and 401(k) of the Internal Revenue Service Code of 1986, as amended. Effective January 1, 2012, the GSE 401(k) Plan was merged with the FreedomRewards 401(k) Plan. Effective January 1, 2007, Camping World elected to begin participating in the FreedomRewards 401(k) Plan. All employees over age 18, including the executive officers, are eligible to participate in the Freedom Rewards 401(k) Plan. Any favorable vesting was grandfathered for any affected participants pursuant to FreedomRewards 401(k) Plan Amendment No. 3 signed December 15, 2011, and effective January 1, 2012. Non-highly compensated employees may defer up to 75% of their eligible compensation up to the Internal Revenue Service limits. Highly compensated employees may defer up to 15% of their eligible compensation up to the Internal Revenue Service limits. In 2016, 2015 and 2014 the Company expensed \$0.9 million, \$1.0 million, and \$0.9 million, respectively, for its contribution to the FreedomRewards 401(k) Plan, which were paid in the following year.

### 18. Stockholders' Equity

#### Reorganization Transactions

In connection with the IPO on October 6, 2016, the Company completed the following Reorganization Transactions:

- The Company amended and restated its certificate of incorporation (see "Amendment and Restatement of Certificate of Incorporation" below);
- CWGS, LLC amended and restated the limited liability company agreement of CWGS, LLC (the "LLC Agreement") (see "CWGS, LLC Recapitalization" below); and
- The Company acquired, by merger, an entity that was owned by former indirect members of CWGS, LLC (the "Former Equity Owners"), for which the Company issued 7,063,716 shares of Class A common stock as merger consideration (the "CWH BR Merger"). The only significant asset held by the merged entity prior to the CWH BR Merger was 7,063,716 common units of

CWGS, LLC and a corresponding number of shares of CWH Class B common stock. Upon consummation of the CWH BR Merger, the Company canceled the 7,063,716 shares of Class B common stock and recognized the 7,063,716 of common units of CWGS, LLC at carrying value, as the CWH BR Merger was considered to be a transaction between entities under common control.

Following the completion of the Reorganization Transactions and IPO, CWH owned 22.6% of CWGS, LLC. The remaining 77.4% of CWGS, LLC was held by the "Continuing Equity Owners," whom the Company defines as collectively, ML Acquisition Company, a Delaware limited liability company, indirectly owned by each of Stephen Adams and the Company's Chairman and Chief Executive Officer, Marcus Lemonis ("ML Acquisition"), funds controlled by Crestview Partners II GP, L.P. and, collectively, the Company's named executive officers (excluding Marcus Lemonis), Andris A. Baltins and K. Dillon Schickli, who are members of the Company's board of directors, and certain other current and former non-executive employees and former directors, in each case, who held profit units in CWGS, LLC pursuant to CWGS, LLC's equity incentive plan that was in existence prior to the Company's IPO and who received common units of CWGS, LLC in exchange for their profit units in connection with the Reorganization Transactions (collectively, the "Former Profit Unit Holders") and each of their permitted transferees that own common units in CWGS, LLC and who may redeem at each of their options their common units for, at the Company's election (determined solely by the Company's independent directors (within the meaning of the rules of the New York Stock Exchange) who are disinterested), cash or shares of the Company's Class A common stock. As a result of the Reorganization Transactions, CWH became the sole managing member of CWGS, LLC and, although CWH had a minority economic interest in CWGS, LLC, CWH had the sole voting power in, and controlled the management of, CWGS, LLC. Accordingly, the Company consolidated the financial results of CWGS, LLC and reported a non-controlling interest in its consolidated financial statements.

As the Reorganization Transactions are considered transactions between entities under common control, the financial statements for periods prior to the IPO and Reorganization Transactions have been adjusted to combine the previously separate entities for presentation purposes.

#### **Amendment and Restatement of Certificate of Incorporation**

On October 6, 2016, the Company amended and restated its certificate of incorporation to, among other things, provide for the (i) authorization of 250,000,000 shares of Class A common stock with a par value of \$0.01 per share; (ii) authorization of 75,000,000 shares of Class B common stock with a par value of \$0.0001 per share; (iii) authorization of one share of Class C common stock with a par value of \$0.0001 per share; (iv) authorization of 20,000,000 shares of undesignated preferred stock that may be issued from time to time by the Company's Board of Directors in one or more series; and (v) establishment of a classified board of directors, divided into three classes, each of whose members will serve for staggered three-year terms.

Each share of the Company's Class A common stock and Class B common stock entitles its holders to one vote per share on all matters presented to the Company's stockholders generally; provided that, for as long as ML Acquisition Company, LLC, a Delaware limited liability company, indirectly owned by each of Stephen Adams and the Company's Chairman and Chief Executive Officer, Marcus Lemonis, and its permitted transferees of common units (collectively, the "ML Related Parties"), directly or indirectly, beneficially own in the aggregate 27.5% or more of all of the outstanding common units of CWGS, LLC, the shares of Class B common stock held by the ML Related Parties will entitle the ML Related Parties to the number of votes necessary such that the ML Related Parties, in the aggregate, cast 47% of the total votes eligible to be cast by all of the Company's stockholders on all matters presented to a vote of the Company's stockholders generally. Additionally, the one share of Class C common stock entitles its holder to the number of votes necessary such that the holder casts 5% of the total votes eligible to be cast by all of the Company's stockholders on all matters presented to a vote of the Company's stockholders generally. The one share of Class C common stock is owned by ML RV Group, LLC, a Delaware limited liability company, wholly owned by the Company's Chairman and Chief Executive Officer, Marcus Lemonis.

Holders of the Company's Class B and Class C common stock are not entitled to receive dividends and will not be entitled to receive any distributions upon the liquidation, dissolution or winding up of the

Company. Shares of Class B common stock may only be issued to the extent necessary to maintain the one-to-one ratio between the number of common units of CWGS, LLC held by funds controlled by Crestview Partners II GP, L.P. and the ML Related Parties (the “Class B Common Owners”) and the number of shares of Class B common stock held by the Class B Common Owners. Shares of Class B common stock are transferable only together with an equal number of common units of CWGS, LLC. Only permitted transferees of common units held by the Class B Common Owners will be permitted transferees of Class B common stock. Shares of Class B common stock will be canceled on a one-for-one basis upon the redemption or exchange any of the outstanding common units of CWGS, LLC held by the Class B Common Owners. Upon the occurrence of certain change in control events, the Class C common stock shall no longer have any voting rights, such share of the Company’s Class C common stock will be cancelled for no consideration and will be retired, and the Company will not reissue such share of Class C common stock.

The Company must, at all times, maintain a one-to-one ratio between the number of outstanding shares of Class A common stock and the number of common units of CWGS, LLC owned by CWH (subject to certain exceptions for treasury shares and shares underlying certain convertible or exchangeable securities).

### **Initial Public Offering**

On October 13, 2016, the Company completed an IPO of 11,363,636 shares of the Company’s Class A common stock at a public offering price of \$22.00 per share. The Company received \$233.4 million in proceeds, net of underwriting discounts and commissions, which were used to purchase 11,363,636 newly-issued common units from CWGS, LLC at a price per unit equal to the initial public offering price per share of Class A common stock in the IPO less underwriting discounts and commissions. In addition, on November 4, 2016, the underwriters exercised their option, in part, to purchase an additional 508,564 shares of Class A common stock. On November 9, 2016, the Company closed on the purchase of the additional 508,564 shares of Class A common stock and received \$10.4 million in additional proceeds, net of underwriting discounts and commissions, which were used to purchase 508,564 newly-issued common units from CWGS, LLC at a price per unit equal to the initial public offering price per share of Class A common stock in the IPO less underwriting discounts and commissions.

Immediately following the completion of the IPO and the underwriters’ exercise of their option to purchase additional shares of Class A common stock, there were 62,002,729 shares of Class B common stock outstanding, one share of Class C common stock outstanding, and 18,935,916 shares of Class A common stock outstanding, comprised of 11,872,200 shares issued as part of the IPO and the underwriters’ exercise of their option to purchase additional shares of Class A common stock and 7,063,716 shares issued in connection with the CWH BR Merger described above.

### **CWGS, LLC Recapitalization**

On October 6, 2016, CWGS, LLC amended and restated the LLC Agreement (the “Recapitalization”) to, among other things, (i) provide for a new single class of common membership interests in CWGS, LLC, the common units, and (ii) exchange all of the then-existing membership interests of ML Acquisition, funds controlled by Crestview Partners II GP, L.P. and the Former Profit Unit Holders (collectively, the “Original Equity Owners”) for common units of CWGS, LLC.

The LLC Agreement also provides that the Continuing Equity Owners may from time to time at each of their options require CWGS, LLC to redeem all or a portion of their common units in exchange for, at the Company’s election (determined solely by the Company’s independent directors (within the meaning of the rules of the New York Stock Exchange (the “NYSE”) who are disinterested), shares of the Company’s Class A common stock on a one-for-one basis or a cash payment equal to a volume weighted average market price of one share of Class A common stock for each common unit redeemed, in each case in accordance with the terms of the CWGS LLC Agreement; provided that, at the Company’s election (determined solely by the Company’s independent directors (within the meaning of the rules of the NYSE) who are disinterested), the Company may effect a direct exchange of such Class A common stock or such cash, as applicable, for such common units. The Continuing Equity Owners may exercise such redemption right for as long as their common units remain outstanding. Simultaneously with the payment of cash or shares of Class A common stock, as applicable, in connection with a redemption or exchange of common units pursuant to the terms of

the CWGS LLC Agreement, a number of shares of the Company's Class B common stock registered in the name of the redeeming or exchanging Class B Common Owners will be cancelled for no consideration on a one-for-one basis with the number of common units so redeemed or exchanged.

The amendment also requires that CWGS, LLC, at all times, maintain (i) a one-to-one ratio between the number of outstanding shares of Class A common stock and the number of common units of CWGS, LLC owned by CWH and (ii) a one-to-one ratio between the number of shares of Class B common stock owned by the Class B Common Owners and the number of common units of CWGS, LLC owned by the Class B Common Owners.

## 19. Non-Controlling Interests

In connection with the Reorganization Transactions described in Note 18 — Stockholders' Equity, CWH became the sole managing member of CWGS, LLC and, as a result, consolidate the financial results of CWGS, LLC. The Company reports a non-controlling interest representing the common units of CWGS, LLC held by Continuing Equity Owners. Changes in the CWH's ownership interest in CWGS, LLC while CWH retains its controlling interest in CWGS, LLC will be accounted for as equity transactions. As such, future redemptions or direct exchanges of common units of CWGS, LLC by the Continuing Equity Owners will result in a change in ownership and reduce or increase the amount recorded as non-controlling interest and increase or decrease additional paid-in capital when CWGS, LLC as positive or negative net assets, respectively. At December, 31, 2016, CWGS, LLC had negative net assets which resulted in a negative non-controlling interest amount on the Consolidated Balance Sheet.

The Company used the net proceeds from its IPO to purchase 11,872,200 newly-issued common units of CWGS, LLC. Additionally, in connection with the Reorganization Transactions, the Company acquired 7,063,716 common units of CWGS, LLC.

As of December 31, 2016, there were 83,771,830 LLC Interests outstanding, of which CWH owned 18,935,916 common units of CWGS, LLC, representing a 22.6% ownership interest in CWGS, LLC.

The following table summarizes the effects of changes in ownership in CWGS, LLC on the Company's equity:

(\$ in thousands)	Year Ended December 31,		
	2016	2015	2014
Net income attributable to Camping World Holdings, Inc.	\$ 191,661	\$ 178,530	\$ 123,626
Transfers to non-controlling interests:			
Decrease in additional paid-in capital as a result of the Reorganization Transactions	(7,306)	—	—
Decrease in additional paid-in capital as a result of the purchase of common units from CWGS, LLC (1)	(144,178)	—	—
Change from net income attributable to Camping World Holdings, Inc. and transfers to non-controlling interests	\$ 40,177	\$ 178,530	\$ 123,626

## 20. Equity-based Compensation Plans

The following table summarizes the equity-based compensation that has been included in the following line items within the consolidated statements of operations during:

(\$ in thousands)	Year Ended December 31,		
	2016	2015	2014
<b>Equity-based compensation expense:</b>			
Costs applicable to revenue	\$ 90	\$ —	\$ —
Selling, general, and administrative	1,507	—	—
Total equity-based compensation expense	\$ 1,597	\$ —	\$ —
Total income tax benefit recognized related to equity-based compensation	\$ —	\$ —	\$ —

### CWGS Enterprises, LLC Equity Incentive Plan

In 2012, CWGS, LLC entered into the CWGS Enterprises, LLC Equity Incentive Plan (the “CWGS LLC Plan”), as defined in CWGS, LLC’s Limited Liability Agreement, with certain employees and directors of the Company, who, in the judgment of the Company, had played a meaningful role in enhancing the value of CWGS, LLC. Such employees and directors had been granted awards (“Profits Units”) under the CWGS LLC Plan which entitled them to receive, in aggregate, up to 10% of the increase in the value of the Company above certain thresholds, if any, realized in such sale of CWGS, LLC or other liquidity event. CWGS, LLC began making grants of these Profits Units pursuant to the CWGS LLC Plan effective for the year ended December 31, 2012. Generally, so long as the Unit holder is employed or remains a member of the board of managers of the Company, these Profits Units vest over time (generally a four-year period), but do not become exercisable or fully vested until a liquidity event occurs. All unvested Profits Units become exercisable and fully vested upon a liquidity event. Any unvested Profits Units are forfeited if the Unit holder ceases to be an employee of the Company or remain on the board of managers of the Company.

As of December 31, 2015, there were 15,556 Profits Units authorized, issued and outstanding pursuant to the CWGS LLC Plan. During the years ended December 31, 2015 and 2014, no equity-based compensation expense was recorded relating to the Profits Units because the Company determined, as of each period end, it was not probable that a sale of CWGS, LLC or other liquidity event would occur.

On April 4, 2016, CWGS, LLC’s board of directors approved a Profits Units redemption by Mr. Lemonis in the amount of 1,763 Profits Units for \$17.0 million. CWGS, LLC remitted the proceeds to Mr. Lemonis through a cash distribution in the amount of \$13.0 million and a \$4.0 million note. The note bore interest at 3.00% per annum and had scheduled principal amortization of (i) \$1.5 million, plus all accrued and unpaid interest on May 1, 2016, (ii) \$1.5 million, plus all accrued and unpaid interest on June 1, 2016 and (iii) all outstanding principal, plus all accrued and unpaid interest on July 1, 2016. The largest aggregate amount of principal outstanding since the note was issued on April 4, 2016 was \$4.0 million and the Company paid \$6,250 of interest on the note prior to its repayment in full in April 2016. The Company recorded an equity-based compensation charge of \$60,000 relating to this redemption during the year ended December 31, 2016 based on the grant date fair value.

On October 6, 2016, in connection with the Company’s IPO, the remaining 13,793 outstanding Profits Units fully vested and converted to 5,877,513 common units of CWGS, LLC. These common units are exchangeable for shares of the Company’s Class A common stock on a one-to-one basis. The Company recorded an equity-based compensation charge of \$889,000 relating to this conversion during the year ended December 31, 2016 based on the grant date fair value.

The weighted-average grant date fair value of Profits Units granted during the year ended December 31, 2015 was \$317 per unit. No Profits Units were granted during the years ended December 31, 2016 and 2014. As of December 31, 2016, there were no Profits Units outstanding and no further Profits Units were available for grant under the CWGS LLC Plan.

## 2016 Incentive Award Plan

In October 2016, the Company adopted the 2016 Incentive Award Plan (the “2016 Plan”) under which the Company may grant up to 14,693,518 stock options, restricted stock units, and other types of equity-based awards to employees, consultants or non-employee directors of the Company. The Company does not intend to use cash to settle any of its equity-based awards. Upon the exercise of a stock option award, the vesting of a restricted stock unit or the award of common stock or restricted stock, shares of Class A common stock are issued from authorized but unissued shares. Stock options and restricted stock units granted to employees vest in equal annual installments over a four-year period and are canceled upon termination of employment. Stock options are granted with an exercise price equal to the fair market value of the Company’s Class A common stock on the date of grant. Stock option grants expire after ten years unless canceled earlier due to termination of employment. Restricted stock units granted to non-employee directors vest in equal annual installments over a three-year period subject to voluntary deferral elections made at the time of grant.

The fair value of the stock option awards was determined on the grant date using the Black-Scholes valuation model based on the following weighted-average assumptions for the year ended December, 31:

	2016
Expected term (years) <sup>(1)</sup>	6.3
Expected volatility <sup>(2)</sup>	36.1 %
Risk-free interest rate <sup>(3)</sup>	1.5 %
Dividend yield <sup>(4)</sup>	1.1 %

- (1) Expected term represents the estimated period of time until an award is exercised and was determined using the simplified method.
- (2) Expected volatility is based on the historical volatility of a selected peer group over a period equivalent to the expected term.
- (3) The risk-free rate is an interpolation of yields on U.S. Treasury securities with maturities equivalent to the expected term.
- (4) The dividend yield was based on the Company’s expectation at the time of grant to declare quarterly dividends of \$0.06 per share.

A summary of stock option activity for the year ended December 31, 2016 is as follows:

	Stock Options (in thousands)	Weighted Average Exercise Price	Aggregate Intrinsic Value (in thousands)	Weighted Average Remaining Contractual Life (years)
Outstanding at December 31, 2015	—			
Granted	1,133	\$ 21.86		
Exercised	—			
Forfeited	(15)	\$ 22.00		
Cancelled	—			
Outstanding at December 31, 2016	<u>1,118</u>	\$ 21.86	\$ 11,995	9.8
Options exercisable at December 31, 2016	<u>—</u>			

The weighted-average grant date fair value of stock options granted during the year ended December 31, 2016 was \$7.24. The Company did not grant any stock options during the years ended December 31, 2015 and 2014. There were no exercises of stock options during the years ended December 31, 2016, 2015, and 2014. At December 31, 2016, total unrecognized compensation cost related to unvested stock options was \$7.6 million and is expected to be recognized over a weighted-average period of 3.8 years.



A summary of restricted stock unit activity for the year ended December 31, 2016 is as follows:

	Restricted Stock Units (in thousands)	Weighted Average Grant Date Fair Value
Outstanding at December 31, 2015	—	
Granted	145	\$ 21.37
Exercised	—	
Forfeited	(1)	\$ 21.40
Cancelled	—	
Outstanding at December 31, 2016	<u>144</u>	<u>\$ 21.37</u>

The weighted-average grant date fair value of restricted stock units granted during the year ended December 31, 2016 was \$21.37. The Company did not grant any restricted stock units during the years ended December 31, 2015 and 2014. There were no restricted stock units that vested during the years ended December 31, 2016, 2015, and 2014. At December 31, 2016, the intrinsic value of unvested restricted stock units was \$4.7 million. At December 31, 2016, total unrecognized compensation cost related to unvested restricted stock units was \$2.9 million and is expected to be recognized over a weighted-average period of 3.6 years.

## 21. Earnings Per Share

### Basic and Diluted Earnings Per Share

Basic earnings per share of Class A common stock is computed by dividing net income available to Camping World Holdings, Inc. by the weighted-average number of shares of Class A common stock outstanding during the period. Diluted earnings per share of Class A common stock is computed by dividing net income available to Camping World Holdings, Inc. by the weighted-average number of shares of Class A common stock outstanding adjusted to give effect to potentially dilutive securities.

As described in Note 18 — Stockholders' Equity, on October 6, 2016, the LLC Agreement was amended and restated to, among other things, (i) provide for a new single class of common membership interests, the common units of CWGS, LLC, and (ii) exchange all of the then-existing membership interests of the Original Equity Owners for common units of CWGS, LLC. This Recapitalization changed the relative membership rights of the Original Equity Owners such that retroactive application of the Recapitalization to periods prior to the IPO for the purposes of calculating earnings per share would not be appropriate.

Prior to the IPO, the CWGS, LLC membership structure included membership units, preferred units, and Profits Units. During the period of September 30, 2014 to October 6, 2016, there were 70,000 preferred units outstanding that received a total preferred return of \$2.1 million per quarter in addition to their proportionate share of distributions made to all members of CWGS, LLC. The Company analyzed the calculation of earnings per unit for periods prior to the IPO using the two-class method and determined that it resulted in values that would not be meaningful to the users of these consolidated financial statements. Therefore, earnings per share information has not been presented for periods prior to the IPO on October 6, 2016. The basic and diluted earnings per share period for the year ended December 31, 2016 represents only the period of October 6, 2016 to December 31, 2016.

The following table sets forth reconciliations of the numerators and denominators used to compute basic and diluted earnings per share of Class A common stock:

	<b>Year Ended December 31, 2016</b>
<b>Numerator:</b>	
Net income	\$ 13,635
Less: net income attributable to non-controlling interests	(11,576)
Net income attributable to Camping World Holdings, Inc. — basic	2,059
Add: Reallocation of net income attributable to non-controlling interests from the assumed exchange of common units of CWGS, LLC for Class A common stock	5,169
Net income attributable to Camping World Holdings, Inc. — diluted	\$ 7,228
<b>Denominator:</b>	
Weighted-average shares of Class A common stock outstanding — basic	18,766
Dilutive common units of CWGS, LLC that are convertible into Class A common stock	64,836
Weighted-average shares of Class A common stock outstanding — diluted	83,602
Earnings per share of Class A common stock — basic	\$ 0.11
Earnings per share of Class A common stock — diluted	\$ 0.09

For the year ended December 31, 2016, 1.1 million stock options and 0.1 million restricted stock units were excluded from the weighted-average in the computation of diluted earnings per share of Class A common stock because the effect would have been anti-dilutive.

Shares of the Company's Class B and Class C common stock do not share in the earnings or losses of the Company and are therefore not participating securities. As such, separate presentation of basic and diluted earnings per share of Class B or Class C common stock under the two-class method has not been presented.

#### Basic and Diluted Pro Forma Earnings Per Share

The pro forma financial information presented has been computed to reflect income attributable to non-controlling interests and income tax expense assuming the Company's IPO and the Recapitalization occurred on January 1, 2016. To calculate the income tax expense, an effective tax rate of 38.5% was applied to the taxable income of the pass-through entities that would have been attributed to the CWH if the IPO and Recapitalization had occurred on January 1, 2016.

The following table sets forth reconciliations of the numerators and denominators used to compute pro forma basic and diluted earnings per share of Class A common stock:

	<b>Year Ended December 31, 2016</b>
<b>Numerator:</b>	
Net income	\$ 203,237
Less: pro forma net income attributable to non-controlling interests	(158,296)
Less: pro forma income tax expense	(15,692)
Pro forma net income attributable to Camping World Holdings, Inc. — basic	29,249
Add: Reallocation of pro forma net income attributable to non-controlling interests from the assumed exchange of common units of CWGS, LLC for Class A common stock	98,175
Pro forma net income attributable to Camping World Holdings, Inc. — diluted	\$ 127,424
<b>Denominator:</b>	
Weighted-average shares of Class A common stock outstanding — basic	18,936
Dilutive restricted stock units	6
Dilutive common units of CWGS, LLC that are convertible into Class A common stock	64,836
Weighted-average shares of Class A common stock outstanding — diluted	83,778
Earnings per share of Class A common stock — basic	\$ 1.54
Earnings per share of Class A common stock — diluted	\$ 1.52

For the year ended December 31, 2016, 0.3 million stock options were excluded from the weighted-average in the computation of pro forma diluted earnings per share of Class A common stock because the effect would have been anti-dilutive.

## 22. Segment Information

At December 31, 2016, 2015, and 2014, the Company had two reportable segments: (1) Consumer Services and Plans, and (2) Retail. The Company's Consumer Services and Plans segment is comprised of emergency roadside assistance; property and casualty insurance programs; travel assist programs; extended vehicle service contracts; co-branded credit cards; vehicle financing and refinancing; membership clubs; and publications and directories. The Company's Retail segment is comprised of new vehicles; used vehicles; parts and service; and finance and insurance. Corporate and other is comprised of the corporate operations of the Company.

The reportable segments identified above are the business activities of the Company for which discrete financial information is available and for which operating results are regularly reviewed by the Company's chief operating decision maker to allocate resources and assess performance. The Company's chief operating decision maker is its Chief Executive Officer.

Reportable segment revenue, segment income, floor plan interest expense, depreciation and amortization, other interest expense, net, total assets, and capital expenditures are as follows:

(\$ in thousands)	Year Ended December 31,		
	2016	2015	2014
<b>Revenue:</b>			
Consumer Services and Plans	\$ 184,773	\$ 174,600	\$ 162,598
Retail (1)	3,341,933	3,111,494	2,472,400
Total consolidated revenue	\$ 3,526,706	\$ 3,286,094	\$ 2,634,998

- (1) The Company has adjusted certain prior period amounts for the correction of an immaterial error. See Note 1 — Summary of Significant Accounting Policies — Revisions to Prior Periods.

(\$ in thousands)	Year Ended December 31,		
	2016	2015	2014
<b>Segment income (1):</b>			
Consumer Services and Plans	\$ 89,046	\$ 80,522	\$ 73,515
Retail (2)	203,763	179,530	128,084
Total segment income	292,809	260,052	201,599
Corporate & other	(4,382)	(2,689)	(2,597)
Depreciation and amortization	(24,695)	(24,101)	(24,601)
Other interest expense, net	(48,318)	(53,377)	(46,769)
Loss and expense on debt restructure	(6,270)	—	(1,831)
Other income (expense), net	—	1	(35)
Income from operations before income taxes	\$ 209,144	\$ 179,886	\$ 125,766

- (1) Segment income is defined as income from operations before depreciation and amortization plus floor plan interest expense.
- (2) The Company has adjusted certain prior period amounts for the correction of an immaterial error. For the year ended December 31, 2014, segment income for the Company's Retail segment was originally reported as \$129.6 million. After the correction of the immaterial error of \$1.5 million, segment income for the Company's Retail segment was \$128.1 million for the year ended December 31, 2014. See Note 1 — Summary of Significant Accounting Policies — Revisions to Prior Periods.

(\$ in thousands)	Year Ended December 31,		
	2016	2015	2014
<b>Depreciation and amortization:</b>			
Consumer Services and Plans	\$ 3,780	\$ 3,627	\$ 3,283
Retail	20,915	18,243	19,895
Total	24,695	21,870	23,178
Corporate & other	—	2,231	1,423
Total depreciation and amortization	\$24,695	\$24,101	\$24,601

(\$ in thousands)	Years ended December 31,		
	2016	2015	2014
<b>Interest expense, net:</b>			
Consumer Services and Plans	\$ 19	\$ 32	\$ 62
Retail	5,395	16,015	12,060
Total	5,414	16,047	12,122
Corporate & other	42,904	37,330	34,647
Total interest expense	\$48,318	\$53,377	\$46,769

(\$ in thousands)	As of December 31,		
	2016	2015	2014
<b>Assets:</b>			
Consumer Services and Plans	\$ 152,689	\$ 139,064	\$ 138,240
Retail (1)	1,235,250	1,143,916	946,395
Total	1,387,939	1,282,980	1,084,635
Corporate & other	175,826	55,125	72,620
Total assets	\$ 1,563,765	\$ 1,338,105	\$ 1,157,255

- (1) The Company has adjusted certain prior period amounts for the correction of an immaterial error. Retail segment assets decreased \$5.9 million as of December 31, 2015 and 2014. See Note 1 — Summary of Significant Accounting Policies — Revisions to Prior Periods.

(\$ in thousands)	Year Ended December 31,		
	2016	2015	2014
<b>Capital expenditures:</b>			
Consumer Services and Plans	\$ 2,951	\$ 2,870	\$ 2,721
Retail	36,831	38,567	32,263
Total capital expenditures	\$39,782	\$41,437	\$34,984

### 23. Quarterly Financial Information (Unaudited)

(\$ in thousands)	Three Months Ended							
	December 31, 2016	September 30, 2016	June 30, 2016	March 31, 2016	December 31, 2015	September 30, 2015	June 30, 2015	March 31, 2015
Revenue (1)	670,032	991,071	1,067,855	797,748	647,311	948,005	993,446	697,332
Income from operations (1)	34,235	87,741	103,351	56,041	24,457	76,221	93,891	49,941
Net income (1)	13,635	68,416	83,406	37,780	11,999	57,650	75,212	33,669
Net income attributable to Camping World Holdings, Inc. (1)	2,059	68,416	83,406	37,780	11,999	57,650	75,212	33,669
Earnings per share of Class A common stock (2):								
Basic	\$ 0.11							
Diluted	\$ 0.09							

- (1) The Company has adjusted certain prior period amounts for the correction of an immaterial error. See reconciliation below and Note 1 — Summary of Significant Accounting Policies — Revisions to Prior Periods.
- (2) Basic and diluted earnings per Class A common stock is applicable only for periods after the Company's IPO. See Note 21 — Earnings Per Share.

As a result of the immaterial error discussed in Note 1 — Summary of Significant Accounting Policies — Revisions to Prior Periods, revenue, costs applicable to revenue, selling, general and administrative expenses, and floor plan interest expense within the retail segment were each corrected as follows:

(\$ in thousands)	Three Months Ended						
	September 30, 2016	June 30, 2016	March 31, 2016	December 31, 2015	September 30, 2015	June 30, 2015	March 31, 2015
Revenue - new vehicles - as originally reported (1)	\$ 545,231	\$ 578,728	\$ 409,504	\$ 293,048	\$ 468,084	\$ 509,641	\$ 337,017
Revenue - new vehicles - adjustment (1)	(77)	(439)	(28)	(227)	(375)	(410)	(313)
Revenue - new vehicles - as corrected (1)	545,154	578,289	409,476	292,821	467,709	509,231	336,704
Revenue - used vehicles - as originally reported (1)	181,820	217,358	178,816	160,621	238,018	235,271	172,849
Revenue - used vehicles - adjustment (1)	(145)	(832)	(53)	(62)	(102)	(111)	(85)
Revenue - used vehicles - as corrected (1)	181,675	216,526	178,763	160,559	237,916	235,160	172,764
Revenue - parts, service and other - as originally reported (1)	166,076	173,353	125,530	122,993	157,214	160,381	113,246
Revenue - parts, service and other - adjustment (1)	(14,986)	(15,611)	(12,046)	(8,929)	(13,645)	(13,268)	(10,182)
Revenue - parts, service and other - as corrected (1)	151,090	157,742	113,484	114,064	143,569	147,113	103,064
Revenue - finance and insurance, net - as originally reported (1)	67,418	69,564	50,828	32,893	57,748	59,156	40,481
Revenue - finance and insurance, net - adjustment (1)	292	306	199	121	161	169	91
Revenue - finance and insurance, net - as corrected (1)	67,710	69,870	51,027	33,014	57,909	59,325	40,572
Total revenue - as originally reported (1)	1,005,987	1,084,431	809,676	656,408	961,966	1,007,066	707,821
Total revenue - adjustment (1)	(14,916)	(16,576)	(11,928)	(9,097)	(13,961)	(13,620)	(10,489)
Total revenue - as corrected (1)	991,071	1,067,855	797,748	647,311	948,005	993,446	697,332
Costs applicable to revenues - new vehicles - as originally reported (1)	474,944	499,385	351,588	252,284	405,448	438,065	291,561
Costs applicable to revenues - new vehicles - adjustment (1)	(3,804)	(4,226)	(740)	(473)	(3,164)	(3,365)	(1,200)
Costs applicable to revenues - new vehicles - as corrected (1)	471,140	495,159	350,848	251,811	402,284	434,700	290,361
Costs applicable to revenues - used vehicles - as originally reported (1)	140,516	174,325	146,909	130,120	192,119	190,241	139,755
Costs applicable to revenues - used vehicles - adjustment (1)	(1,879)	(3,391)	(1,821)	3	(1,594)	(2,010)	(1,698)
Costs applicable to revenues - used vehicles - as corrected (1)	138,637	170,934	145,088	130,123	190,525	188,231	138,057
Costs applicable to revenues - parts, service and other - as originally reported (1)	88,473	90,850	65,411	67,912	85,825	84,941	59,279
Costs applicable to revenues - parts, service and other - adjustment (1)	(7,368)	(7,809)	(5,776)	(4,042)	(7,023)	(6,807)	(5,096)
Costs applicable to revenues - parts, service and other - as corrected (1)	81,105	83,041	59,635	63,870	78,802	78,134	54,183
Selling, general and administrative expenses - as originally reported (1)	188,858	192,947	163,149	152,064	176,466	175,686	140,193
Selling, general and administrative expenses - adjustment (1)	(2,603)	(2,624)	(2,761)	(3,070)	(2,325)	(2,121)	(2,003)
Selling, general and administrative expenses - as corrected (1)	186,255	190,323	160,388	148,994	174,141	173,565	138,190
Income from operations - as originally reported (1)	87,003	101,877	56,871	26,718	76,423	92,861	49,687
Income from operations - adjustment (1)	738	1,474	(830)	(1,515)	145	683	(492)
Income from operations - as corrected (1)	87,741	103,351	56,041	25,203	76,568	93,544	49,195
Floor plan interest expense - as originally reported (1)	(4,322)	(5,387)	(5,142)	(3,033)	(3,013)	(3,436)	(2,945)
Floor plan interest expense - adjustment (1)	—	—	—	1,179	—	—	—
Floor plan interest expense - as corrected (1)	(4,322)	(5,387)	(5,142)	(1,854)	(3,013)	(3,436)	(2,945)

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Net income and net income attributable to Camping World Holdings, Inc. - as originally reported (1)	67,678	81,932	38,610	12,335	57,505	74,529	34,161
Net income and net income attributable to Camping World Holdings, Inc. - adjustment (1)	738	1,474	(830)	(336)	145	683	(492)
Net income and net income attributable to Camping World Holdings, Inc. - as corrected (1)	68,416	83,406	37,780	11,999	57,650	75,212	33,669

- (1) The Company has adjusted certain prior period amounts for the correction of an immaterial error. See Note 1 — Summary of Significant Accounting Policies — Revisions to Prior Periods.

Additionally, as a result of these immaterial errors, inventories and members' deficit on the consolidated balance sheets were each corrected as follows:

(\$ in thousands)	As of						
	September 30, 2016	June 30, 2016	March 31, 2016	December 31, 2015	September 30, 2015	June 30, 2015	March 31, 2015
Inventories - as originally reported (1)	\$ 808,089	\$ 915,153	\$ 1,009,555	\$ 868,939	\$ 779,636	\$ 828,926	\$ 835,736
Inventories - adjustment (1)	(5,710)	(6,448)	(7,922)	(7,092)	(5,577)	(5,722)	(6,405)
Inventories - as corrected (1)	802,379	908,705	1,001,633	861,847	774,059	821,204	829,331
Other assets - as originally reported (1)	17,870	16,568	16,172	15,394	16,571	16,644	15,546
Other assets - adjustment (1)	1,179	1,179	1,179	1,179	—	—	—
Other assets - as corrected (1)	19,049	17,747	17,351	16,573	16,571	16,644	15,546
Members' deficit - as originally reported (1)	(354,287)	(285,017)	(278,905)	(288,947)	(276,644)	(279,266)	(222,160)
Members' deficit - adjustment (1)	(4,531)	(5,269)	(6,743)	(5,913)	(5,577)	(5,722)	(6,405)
Members' deficit - as corrected (1)	(358,818)	(290,286)	(285,648)	(294,860)	(282,221)	(284,988)	(228,565)

- (1) The Company has adjusted certain prior period amounts for the correction of an immaterial error. See Note 1 — Summary of Significant Accounting Policies — Revisions to Prior Periods.

**Schedule I: Condensed Financial Information of Registrant**

Camping World Holdings, Inc.  
Condensed Balance Sheet  
(Parent Company Only)  
(In Thousands Except Share Amounts)

	December 31, 2016
<b>Assets</b>	
Current assets:	
Cash and cash equivalents	\$ 2,232
Total current assets	2,232
Deferred tax asset	122,444
Investment in subsidiaries	(30,139)
Total assets	\$ 94,537
<b>Liabilities and stockholders' equity</b>	
Current liabilities:	
Accrued liabilities	\$ 110
Income tax payable	268
Current portion of liabilities under tax receivable agreement	991
Total current liabilities	1,369
Liabilities under tax receivable agreement, net of current portion	18,190
Total liabilities	19,559
Commitments and contingencies	—
Stockholders' equity:	
Preferred stock, par value \$0.01 per share – 20,000,000 shares authorized; none issued and outstanding as of December 31, 2016	—
Class A common stock, par value \$0.01 per share – 250,000,000 shares authorized; 18,935,916 issued and outstanding as of December 31, 2016	189
Class B common stock, par value \$0.0001 per share – 75,000,000 shares authorized; 69,066,445 issued; and 62,002,729 outstanding as of December 31, 2016	6
Class C common stock, par value \$0.0001 per share – one share authorized; one issued and outstanding as of December 31, 2016	—
Additional paid-in capital	74,239
Retained earnings	544
Total stockholders' equity	74,978
Total liabilities and stockholders' equity	\$ 94,537

See accompanying Notes to Condensed Financial Statements



**Schedule I: Condensed Financial Information of Registrant (continued)**

Camping World Holdings, Inc.  
Condensed Statement of Income  
(Parent Company Only)  
(In Thousands)

	Year Ended December 31, 2016
Revenue:	
Intercompany revenue	\$ 1,564
Total revenue	1,564
Operating expenses:	
Selling, general, and administrative	1,564
Total operating expenses	1,564
Income from operations	—
Equity in net income of subsidiaries	3,350
Income before income taxes	3,350
Income tax expense	(1,291)
Net income	\$ 2,059

*See accompanying Notes to Condensed Financial Statements*

**Schedule I: Condensed Financial Information of Registrant (continued)**Camping World Holdings, Inc.  
Condensed Statement of Cash Flows  
(Parent Company Only)  
(In Thousands)

	Year Ended December 31, 2016
<b>Operating activities</b>	
Net income	\$ 2,059
Adjustments to reconcile net income to net cash used in operating activities:	
Equity in net income of subsidiaries	(3,350)
Deferred tax expense	965
Change in assets and liabilities, net of acquisitions:	
Accrued expenses	(471)
Income taxes payable	684
Net cash used in operating activities	(113)
<b>Investing activities</b>	
Purchases of LLC Interest from CWGS, LLC	(243,845)
Distributions received from CWGS, LLC	3,889
Net cash used in investing activities	(239,956)
<b>Financing activities</b>	
Proceeds from issuance of Class A common stock sold in an initial public offering net of underwriter discounts and commissions	243,809
Proceeds from issuance of Class B common stock	7
Dividends paid to Class A common stockholders	(1,515)
Net cash provided by financing activities	242,301
Increase in cash	2,232
Cash at beginning of year	—
Cash at end of the year	<u>\$ 2,232</u>

See accompanying Notes to Condensed Financial Statements

**Schedule I: Condensed Financial Information of Registrant (continued)**

**Camping World Holdings, Inc.  
Notes to Condensed Financial Statements  
(Parent Company Only)  
December 31, 2016**

**1. Organization**

Camping World Holdings, Inc. (the "Parent Company") was formed on March 8, 2016 as a Delaware corporation and is a holding company with no direct operations. The Parent Company's assets consist primarily of cash and cash equivalents, its equity interest in CWGS Enterprises, LLC ("CWGS, LLC"), and certain deferred tax assets

On October 13, 2016, the Parent Company completed an initial public offering ("IPO") of 11,872,200 shares of its Class A common stock at a public offering price of \$22.00 per share, which includes 508,564 shares issued pursuant to the underwriters' over-allotment option on November 4, 2016. The Parent Company received \$243.8 million in proceeds, net of underwriting discounts and commissions, which it used to purchase newly-issued common units from CWGS, LLC at a price per interest equal to the IPO price of its Class A common stock.

The Parent Company's cash inflows are primarily from cash dividends or distributions and other transfers from CWGS, LLC. The amounts available to the Parent Company to fulfill cash commitments and pay cash dividends on its common stock are subject to certain restrictions in CWGS, LLC's Senior Secured Credit Facilities. See Note 7 to the consolidated financial statements.

**2. Basis of Presentation**

These condensed parent company financial statements should be read in conjunction with the consolidated financial statements of Camping World Holdings, Inc. and the accompanying notes thereto, included in this Annual Report on Form 10-K. For purposes of these condensed financial statements, the Parent Company's interest in CWGS, LLC is recorded based upon its proportionate share of CWGS, LLC's net assets (similar to presenting them on the equity method).

The Parent Company is the sole managing member of CWGS, LLC, and pursuant to the Amended and Restated LLC Agreement of CWGS, LLC (the "LLC Agreement"), receives compensation in the form of reimbursements for all costs associated with being a public company. Intercompany revenue consists of these reimbursement payments and is recognized when the corresponding expense to which it relates is recognized.

Certain intercompany balances presented in these condensed Parent Company financial statements are eliminated in the consolidated financial statements. \$1.6 million and \$3.4 million of intercompany revenue and equity in net income of subsidiaries, respectively, was eliminated in consolidation for the year ended December 31, 2016. Related party amounts that were not eliminated in the consolidated financial statements include the Parent Company's liabilities under the tax receivable agreement, which totaled \$19.2 million as of December 31, 2016.

**3. Commitments and Contingencies**

On October 6, 2016, the Parent Company entered into a tax receivable agreement with certain holders of common units in CWGS, LLC (the "Continuing Equity Owners") that provides for the payment by the Parent Company to the Continuing Equity Owners of 85% of the amount of any tax benefits that the Parent Company actually realizes, or in some cases are deemed to realize, as a result of certain transactions. See Note 10 to the consolidated financial statements for more information regarding the Parent Company's tax receivable agreement. As described in Note 10 to the consolidated financial statements, amounts payable under the tax receivable agreement are contingent upon, among other things, (i) generation of future taxable income of Camping World Holdings, Inc. over the term of the tax receivable agreement and (ii) future changes in tax laws. As of December 31, 2016, liabilities under the tax receivable agreement totaled \$19.2 million.

**Schedule II: Valuation and Qualifying Accounts**

(In Thousands)	Balance at Beginning of Period	Additions Charged to Expense (1)	Charged to Other Accounts (2)	Charges Utilized (Write- offs)	Balance at End of Period
<b>Accounts receivable allowance (3):</b>					
Year ended December 31, 2016	\$ 8,370	\$ 1,332	\$ 12,960	\$ (13,909)	\$ 8,753
Year ended December 31, 2015	\$ 5,748	\$ 2,180	\$ 13,505	\$ (13,063)	\$ 8,370
Year ended December 31, 2014	\$ 6,290	\$ 1,192	\$ 10,722	\$ (12,456)	\$ 5,748

- (1) Additions to allowance for doubtful accounts are charged to expense.  
(2) Additions to cancellations/returns allowances are credited against revenue.  
(3) Accounts receivable allowance includes the allowance for doubtful accounts and the allowance for cancellations/returns.

(In Thousands)	Balance at Beginning of Period	Additions Charged to Expense	Charged to Other Accounts (1)	Charges Utilized (Write- offs)	Balance at End of Period
<b>Noncurrent other assets allowance:</b>					
Year ended December 31, 2016	\$ 4,554	\$ —	\$ 3,209	\$ (2,026)	\$ 5,737
Year ended December 31, 2015	\$ 3,081	\$ —	\$ 2,826	\$ (1,353)	\$ 4,554
Year ended December 31, 2014	\$ —	\$ —	\$ 3,914	\$ (833)	\$ 3,081

- (1) Additions to cancellations/returns allowances are credited against revenue.

(In Thousands)	Balance at Beginning of Period	Tax Valuation Allowance Charged to Income Tax Provision	Tax Valuation Allowance Credited to Income Tax Provision	Balance at End of Period
<b>Valuation allowance for deferred tax assets:</b>				
Year ended December 31, 2016	\$ 42,504	\$ 1,049	\$ —	\$ 43,553
Year ended December 31, 2015	\$ 41,769	\$ 735	\$ —	\$ 42,504
Year ended December 31, 2014	\$ 42,165	\$ —	\$ (396)	\$ 41,769

## **ITEM 9. Changes in and Disagreements with Accountants on Accounting and Financial Disclosure**

None

### **ITEM 9A. Controls and Procedures**

#### *Limitations on Effectiveness of Controls and Procedures*

In designing and evaluating our disclosure controls and procedures, management recognizes that any controls and procedures, no matter how well designed and operated, can provide only reasonable assurance of achieving the desired control objectives. In addition, the design of disclosure controls and procedures must reflect the fact that there are resource constraints and that management is required to apply judgment in evaluating the benefits of possible controls and procedures relative to their costs.

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

Our management, with the participation of our Chief Executive Officer and Chief Financial Officer, evaluated, as of the end of the period covered by this Annual Report on Form 10-K, the effectiveness of our disclosure controls and procedures (as defined in Rules 13a-15(e) and 15d-15(e) under the Securities Exchange Act of 1934, as amended (the "Exchange Act")). Based on that evaluation, our Chief Executive Officer and Chief Financial Officer concluded that our disclosure controls and procedures were effective at the reasonable assurance level as of December 31, 2016.

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

There was no change in our internal control over financial reporting (as defined in Rules 13a-15(f) and 15d-15(f) under the Exchange Act) identified in connection with the evaluation of our internal control performed during the fiscal quarter ended December 31, 2016, that has materially affected, or is reasonably likely to materially affect, our internal control over financial reporting.

#### *Exemption from Management's Report on Internal Control Over Financial Reporting*

This Annual Report on Form 10-K does not include a report of management's assessment regarding internal control over financial reporting or an attestation report of our independent registered public accounting firm due to a transition period established by rules of the SEC for newly public companies.

### **ITEM 9B. Other Information**

Not applicable

## **PART III**

### **ITEM 10. Directors, Executive Officers and Corporate Governance**

We have adopted a written code of business conduct and ethics, which applies to all of our directors, officers and employees, including our principal executive officer and our principal financial and accounting officer. Our Code of Business Conduct and Ethics is available on our website [www.campingworld.com](http://www.campingworld.com) "Investor Relations" section under "Governance." In addition, we intend to post on our website all disclosures that are required by law or New York Stock Exchange listing rules concerning any amendments to, or waivers from, any provision of our Code of Business Conduct and Ethics. The information contained on our website is not incorporated by reference into this Annual Report on Form 10-K.

The information concerning our executive officers and directors in response to this item is contained above in part under the caption "Executive Officers and Directors of the Registrant" at the end of Part I of this Annual Report on Form 10-K. Other Information required by this item will be included under the captions "Proposal 1: Election of Directors", "Corporate Governance", "Committees of the Board", and "Section 16(a)

Beneficial Ownership Reporting Compliance” in our Proxy Statement for our 2017 Annual Meeting of Shareholders and, upon filing, is incorporated herein by reference.

#### **ITEM 11. Executive Compensation**

The information required by this item will be included under the captions “Executive Compensation”, “Director Compensation”, “Compensation Committee Report”, and “Compensation Committee Interlocks and Insider Participation” in our Proxy Statement for our 2017 Annual Meeting of Shareholders and, upon filing, is incorporated herein by reference.

#### **ITEM 12. Security Ownership of Certain Beneficial Owners and Management and Related Stockholder Matters**

The following table provides information about our compensation plans under which our Class A common stock is authorized for issuance, as of December 31, 2016:

<b>Plan Category</b>	<b>Number of securities to be issued upon exercise of outstanding options, warrants and rights</b>	<b>Weighted-average exercise price of outstanding options, warrants and rights</b>	<b>Number of securities remaining available for future issuances under equity compensation plans</b>
Equity compensation plans approved by security holders (1)	1,261,059	\$ 21.86	13,432,459
Equity compensation plans not approved by security holders	—	—	—
<b>Total</b>	<b>1,261,059</b>	<b>\$ 21.86</b>	<b>13,432,459</b>

(1) Includes awards granted and available to be granted under our 2016 Incentive Award Plan.

Other information required by this item with respect to security ownership of certain beneficial owners and management will be included under the caption “Security Ownership of Certain Beneficial Owners and Management” and “Equity Compensation Plan Information” in our Proxy Statement for our 2017 Annual Meeting of Shareholders and, upon filing, is incorporated herein by reference.

#### **ITEM 13. Certain Relationships and Related Transactions, and Director Independence**

The information required by this item will be included under the captions “Certain Relationships and Related Party Transactions” and “Corporate Governance—Director Independence” in our Proxy Statement for our 2017 Annual Meeting of Shareholders and, upon filing, is incorporated herein by reference.

#### **ITEM 14. Principal Accounting Fees and Services**

The information required by this item will be included under the caption “Independent Registered Public Accounting Firm Fees and Other Matters” in our Proxy Statement for our 2017 Annual Meeting of Shareholders and, upon filing, is incorporated herein by reference.

**PART IV**

**ITEM 15. Exhibits, Financial Statements and Schedules**

(a)(1) Financial Statements.

See the table of contents under "Item 8. Financial Statements and Supplementary Data" in Part II of this Annual Report on Form 10-K above for the list of financial statements filed as part of this report.

(a)(2) Financial Statement Schedules.

[Schedule I: Condensed Financial Information of Registrant](#) 148

[Schedule II: Valuation and Qualifying Accounts](#) 152

All other schedules have been omitted because they are not required or because the required information is given in the Consolidated Financial Statements or Notes thereto set forth above under "Item 8. Financial Statements and Supplementary Data" in Part II of this Form 10-K, beginning on page 105.

(a)(3) Exhibits.

See the Exhibit Index immediately following the signature page of this Annual Report on Form 10-K. The exhibits listed in the Exhibit Index below are filed or incorporated by reference as part of this Annual Report on Form 10-K.

**ITEM 16. Form 10-K Summary**

None



### 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.

Camping World Holdings, Inc.

Date: March 13, 2017

By:                   /s/ MARCUS A. LEMONIS                    
                  Marcus A. Lemonis  
                  *Chairman and Chief Executive Officer*

Pursuant to the requirements of the Securities Exchange Act of 1934, as amended, this report has been signed below by the following persons on behalf of the registrant and in the capacities set forth opposite to their names and on the dates indicated.

<u>Signature</u>	<u>Title</u>	<u>Date</u>
<u>          /s/ MARCUS A. LEMONIS          </u> Marcus A. Lemonis	Chairman, Chief Executive Officer and Director (Principal Executive Officer)	March 13, 2017
<u>          /s/ THOMAS F. WOLFE          </u> Thomas F. Wolfe	Chief Financial Officer (Principal Financial Officer and Principal Accounting Officer)	March 13, 2017
<u>          *                                  </u> Stephen Adams	Director	
<u>          *                                  </u> Andris A. Baltins	Director	
<u>          *                                  </u> Brian P. Cassidy	Director	
<u>          *                                  </u> Mary J. George	Director	
<u>          *                                  </u> Daniel G. Kilpatrick	Director	
<u>          *                                  </u> Jeffrey A. Marcus	Director	
<u>          *                                  </u> K. Dillon Schickli	Director	
*By: <u>          /s/ MARCUS A. LEMONIS          </u> Marcus A. Lemonis <i>Attorney-in-fact</i>		March 13, 2017

**INDEX TO EXHIBITS**

Exhibit Number	Exhibit Description	Incorporated by Reference			Filing Date	Filed/ Furnished Herewith
		Form	File No.	Exhibit		
3.1	Amended and Restated Certificate of Incorporation of Camping World Holdings, Inc.	10-Q	001-37908	3.1	11/10/16	
3.2	Amended and Restated Bylaws of Camping World Holdings, Inc.	10-Q	001-37908	3.2	11/10/16	
4.1	Specimen Stock Certificate evidencing the shares of Class A common stock	S-1/A	333-211977	10.10	8/29/16	
10.1	Tax Receivable Agreement, dated October 6, 2016					*
10.2	Voting Agreement, dated October 6, 2016					*
10.3	Amended and Restated LLC Agreement of CWGS Enterprises, LLC, dated October 6, 2016					*
10.4	Registration Rights Agreement, dated October 6, 2016					*
10.5	Sixth Amended and Restated Credit Agreement, dated August 12, 2015, by and among FreedomRoads, LLC, as the borrower, certain of FreedomRoads, LLC's subsidiaries from time to time, the lenders party thereto and Bank of America, N.A., as administrative agent and letter of credit issuer	S-1/A	333-211977	10.9		
10.6	Amendment No. 1 to Sixth Amended and Restated Credit Agreement, dated July 1, 2016, by and among FreedomRoads, LLC, as the borrower, certain of FreedomRoads, LLC's subsidiaries from time to time, the lenders party thereto and Bank of America, N.A., as administrative agent and letter of credit issuer	S-1/A	333-211977	10.10		
#10.7	Amended and Restated Employment Agreement, dated November 2011, by and between CWGS Enterprises, LLC, FreedomRoads, LLC and Marcus Lemonis	S-1/A	333-211977	10.11	9/20/16	
#10.8	Employment Agreement, dated June 10, 2016, by and between CWGS Enterprises, LLC, Camping World Holdings, Inc. and Marcus A. Lemonis	S-1/A	333-211977	10.12	9/20/16	
#10.9	Employment Agreement, dated January 1, 2013, by and between Good Sam Enterprises, LLC and Thomas F. Wolfe	S-1/A	333-211977	10.13	9/20/16	
#10.10	First Amendment to Employment Agreement, dated February 16, 2015, by and between Good Sam Enterprises, LLC and Thomas F. Wolfe	S-1/A	333-211977	10.14	9/20/16	
#10.11	Employment Agreement, dated June 10, 2016, by and between CWGS Enterprises, LLC, Camping World Holdings, Inc. and Thomas F. Wolfe	S-1/A	333-211977	10.15	9/20/16	

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Exhibit Number	Exhibit Description	Incorporated by Reference				Filed/ Furnished Herewith
		Form	File No.	Exhibit	Filing Date	
#10.12	Employment Agreement, dated December 1, 2012, by and between FreedomRoads, LLC and Roger Nuttall	S-1/A	333-211977	10.16	9/20/16	
#10.13	Employment Agreement, dated June 10, 2016, by and between CWGS Enterprises, LLC, Camping World Holdings, Inc. and Roger Nuttall	S-1/A	333-211977	10.17	9/20/16	
#10.14	Employment Agreement, dated January 1, 2010, by and between FreedomRoads, LLC, CWI, Inc. and Brent Moody	S-1/A	333-211977	10.18	9/20/16	
#10.15	First Amendment to Employment Agreement, dated January 1, 2011, by and between FreedomRoads, LLC, CWI, Inc. and Brent Moody	S-1/A	333-211977	10.19	9/20/16	
#10.16	Employment Agreement, dated June 10, 2016, by and between CWGS Enterprises, LLC, Camping World Holdings, Inc. and Brent Moody	S-1/A	333-211977	10.20	9/20/16	
#10.17	Employment Agreement, dated December 1, 2012, by and between Good Sam Enterprises, LLC and Mark Boggess	S-1/A	333-211977	10.21	9/20/16	
#10.18	Camping World Holdings, Inc. 2016 Incentive Award Plan	S-8	333-214040	4.4	10/11/16	
#10.19	Camping World Holdings, Inc. 2016 Senior Executive Bonus Plan					*
#10.20	Camping World Holdings, Inc. Non Employee Director Compensation Policy	S-1/A	333-211977	10.25	9/20/16	
#10.21	Camping World Holdings, Inc. Director Stock Ownership Guidelines					*
#10.22	Camping World Holdings, Inc. Executive Stock Ownership Guidelines					*
#10.23	Form of Employee Stock Option Agreement	S-1/A	333-211977	10.28	9/20/16	
#10.24	Form of Employee Restricted Stock Unit Agreement	S-1/A	333-211977	10.29	9/20/16	
#10.25	Form of Director Restricted Stock Unit Agreement	S-1/A	333-211977	10.30	9/20/16	
#10.26	Form of Indemnification Agreement	S-1/A	333-211977	10.31	9/26/16	
10.27	Fourth Amendment to Credit Agreement, dated September 21, 2016, by and among CWGS Enterprises, LLC, as holdings, CWGS Group, LLC, as borrower, certain of CWGS Enterprises, LLC's existing and future domestic subsidiaries as subsidiary guarantors, the lenders party thereto and Goldman Sachs Bank USA, as administrative agent	S-1/A	333-211977	10.32	9/26/16	

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Exhibit Number	Exhibit Description	Incorporated by Reference				Filed/ Furnished Herewith
		Form	File No.	Exhibit	Filing Date	
10.28	Credit Agreement, dated November 8, 2016, by and among CWGS Enterprises, LLC, as holdings, CWGS Group, LLC, as borrower, certain of CWGS Enterprises, LLC's existing and future domestic subsidiaries as subsidiary guarantors, the lenders party thereto and Goldman Sachs Bank USA, as administrative agent	10-Q	001-37908	10.3	11/10/16	
21.1	List of Subsidiaries of Camping World Holdings, Inc.					*
23.1	Consent of Independent Registered Public Accounting Firm					*
24.1	Power of Attorney					*
31.1	Rule 13a-14(a) / 15d-14(a) Certification of Chief Executive Officer					*
31.2	Rule 13a-14(a) / 15d-14(a) Certification of Chief Financial Officer					*
32.1	Section 1350 Certification of Chief Executive Officer					**
32.2	Section 1350 Certification of Chief Financial Officer					**
101.INS	XBRL Instance Document					***
101.SCH	XBRL Taxonomy Extension Schema Document					***
101.CAL	XBRL Taxonomy Extension Calculation Linkbase Document					***
101.DEF	XBRL Extension Definition Linkbase Document					***
101.LAB	XBRL Taxonomy Label Linkbase Document					***
101.PRE	XBRL Taxonomy Extension Presentation Linkbase Document					***

\* Filed herewith

\*\* Furnished herewith

\*\*\* Submitted electronically herewith

# Indicates management contract or compensatory plan

**TAX RECEIVABLE AGREEMENT**

by and among

**CAMPING WORLD HOLDINGS, INC.**

**the several MEMBERS (as defined herein)**

**MANAGEMENT REPRESENTATIVE (as defined herein) and**

**OTHER MEMBERS OF CWGS ENTERPRISES, LLC  
FROM TIME TO TIME PARTY HERETO**

Dated as of October 6, 2016

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**Exhibits**

Exhibit A - Form of Joinder Agreement



## TAX RECEIVABLE AGREEMENT

This TAX RECEIVABLE AGREEMENT (as the same may be amended, restated, amended and restated, supplemented or otherwise modified from time to time, this “Agreement”), dated as of October 6, 2016, is hereby entered into by and among Camping World Holdings, Inc., a Delaware corporation (the “Corporation”), CWGS Enterprises, LLC, a Delaware limited liability company (the “LLC”), each of the Members from time to time party hereto, and the Management Representative. Capitalized terms used but not otherwise defined herein have the respective meanings set forth in Section 1.01.

### RECITALS

WHEREAS, the LLC is treated as a partnership for U.S. federal income tax purposes;

WHEREAS, each of the members of the LLC other than the Corporation (such members and each other Person who becomes party hereto by satisfying the Joinder Requirement, the “Members”) owns (or, in the case of such other Persons, will own) limited liability company interests in the LLC (the “Units”);

WHEREAS, on the date hereof, the Corporation will become the managing member of the LLC;

WHEREAS, on the date hereof and exclusive of the Over-Allotment Option (as defined below), the Corporation issued 11,363,636 shares of its Class A common stock, par value \$0.01 per share (the “Class A Common Stock”) to certain purchasers in an initial public offering of its Class A Common Stock (the “IPO”);

WHEREAS, on the date hereof, the Corporation used a portion of the net proceeds from the IPO to purchase newly-issued Units directly from the LLC (the “Base Offering Capital Contribution”), which proceeds will be used to repay or prepay certain indebtedness of the LLC and for general corporate purposes;

WHEREAS, on and after the date hereof, the Corporation may issue additional Class A Common Stock in connection with the IPO as a result of the exercise by the underwriters of their over-allotment option (the “Over-Allotment Option”) and, if the Over-Allotment Option is in fact exercised in whole or in part, any additional net proceeds will be used by the Corporation to acquire additional newly-issued Units directly from the LLC (the “Over-Allotment Capital Contribution”) and, together with the Base Offering Capital Contribution, the “Corporation’s Capital Contribution”), which proceeds will be used to repay or prepay certain indebtedness of the LLC and for general corporate purposes;

WHEREAS, on and after the date hereof, pursuant to the LLC Agreement, each Member has the right, in its sole discretion, from time to time to require the LLC to redeem (a “Redemption”) all or a portion of such Member’s Units for cash or under certain circumstances, Class A Common Stock; *provided* that, at the election of the Corporation in its sole discretion, the Corporation may effect a direct exchange (a “Direct Exchange”) of such cash or shares of Class A Common Stock for such Units;

WHEREAS, the LLC and any direct or indirect subsidiary (owned through a chain of pass-through entities) of the LLC that is treated as a partnership for U.S. federal income tax purposes (together with the LLC and any direct or indirect subsidiary (owned through a chain of pass-through entities) of the LLC that is treated as a disregarded entity for U.S. federal income tax purposes, the “the LLC Group”) will have in effect an election under Section 754 of the Code (as defined herein) for the Taxable Year (as defined herein) in which any Exchange (as defined below) occurs, which election should result in an adjustment to the Corporation’s share of the tax basis of the assets owned by the LLC Group as of the date of the Exchange, with a consequent result on the taxable income subsequently derived therefrom; and

WHEREAS, the parties to this Agreement desire to provide for certain payments and make certain arrangements with respect to any tax benefits to be derived by the Corporation as the result of Exchanges and the receipt of payments under this Agreement.

NOW, THEREFORE, in consideration of the foregoing and the respective covenants and agreements set forth herein, and intending to be legally bound hereby, the parties hereto agree as follows:

## **ARTICLE I DEFINITIONS**

Section 1.1 Definitions. As used in this Agreement, the terms set forth in this Article I shall have the following meanings (such meanings to be equally applicable to both (i) the singular and plural and (ii) the active and passive forms of the terms defined).

“Actual Interest Amount” is defined in Section 3.1(b)(vii) of this Agreement.

“Advisory Firm” means Ernst & Young LLP or any other accounting firm that is nationally recognized as being an expert in Covered Tax matters and is not an Affiliate of the Corporation, selected by the Corporation.

“Advisory Firm Letter” means a letter, that has been prepared by the Advisory Firm used by the Corporation in connection with the performance of its obligations under this Agreement, which states that the relevant Schedules, notices or other information to be provided by the Corporation to the Members, along with all supporting schedules and work papers, were prepared in a manner that is consistent with the terms of this Agreement and, to the extent not expressly provided in this Agreement, on a reasonable basis in light of the facts and law in existence on the date such Schedules, notices or other information were delivered by the Corporation to the Members.

“Affiliate” means, with respect to any Person, any other Person that directly or indirectly, through one or more intermediaries, Controls, is Controlled by, or is under common Control with, such first Person.

“Agreed Rate” means LIBOR plus 100 basis points.

“Agreement” is defined in the preamble.

“ Amended Schedule ” is defined in Section 2.4(b) of this Agreement.

“ Assumed State and Local Tax Rate ” means the tax rate equal to the sum of the products of (x) the LLC’s income tax apportionment rate(s) for each state and local jurisdiction in which the LLC files income or franchise tax returns for the relevant Taxable Year and (y) the highest corporate income and franchise tax rate(s) for each such state and local jurisdiction in which the LLC files income tax returns for each relevant Taxable Year; *provided*, that the Assumed State and Local Tax Rate calculated pursuant to the foregoing shall be reduced by the assumed federal benefit received by the Corporation with respect to state and local jurisdiction income taxes (with such benefit calculated as the product of (x) the Corporation’s marginal U.S. federal income tax rate for the relevant Taxable Year and (y) the Assumed State and Local Tax Rate (without regard to this proviso)).

“ Attributable ” is defined in Section 3.1(b)(i) of this Agreement.

“ Audit Committee ” means the audit committee of the Board.

“ Basis Adjustment ” means the increase or decrease to the tax basis of, or the Corporation’s share of, the tax basis of the Reference Assets (i) under Section 734(b), 743(b) and 754 of the Code and, in each case, the comparable sections of U.S. state and local tax law (in situations where, following an Exchange, the LLC remains in existence as an entity for tax purposes) and (ii) under Sections 732 and 1012 of the Code and, in each case, the comparable sections of U.S. state and local tax law (in situations where, as a result of one or more Exchanges, the LLC becomes an entity that is disregarded as separate from its owner for tax purposes), in each case, as a result of any Exchange and any payments made under this Agreement. Notwithstanding any other provision of this Agreement, the amount of any Basis Adjustment resulting from an Exchange of one or more Units shall be determined without regard to any Pre-Exchange Transfer of such Units and as if any such Pre-Exchange Transfer had not occurred.

“ Basis Schedule ” is defined in Section 2.2 of this Agreement.

“ Beneficial Owner ” means, with respect to any security, a Person who directly or indirectly, through any contract, arrangement, understanding, relationship or otherwise, has or shares: (i) voting power, which includes the power to vote, or to direct the voting of, with respect to such security and/or (ii) investment power, which includes the power to dispose of, or to direct the disposition of, such security.

“ Board ” means the Board of Directors of the Corporation.

“ Business Day ” means any day excluding Saturday, Sunday and any day that is a legal holiday under the laws of the State of New York or is a day on which banking institutions located in New York are closed.

“ Change Notice ” is defined in Section 3.5(a) of this Agreement.

“ Change of Control ” means the occurrence of any of the following events:

(1) any “person” or “group” (within the meaning of Sections 13(d) and 14(d) of the Securities Exchange Act of 1934, as amended, or any successor provisions thereto (the “Exchange Act”), but excluding any employee benefit plan of such person and its subsidiaries, and any person or entity acting in its capacity as trustee, agent or other fiduciary or administrator of any such plan, and excluding the Permitted Transferees) becomes the “beneficial owner” (within the meaning of Rules 13d-3 and 13d-5 under the Exchange Act), directly or indirectly, of shares of Common Stock, Preferred Stock and/or any other class or classes of capital stock of the Corporation (if any) representing in the aggregate more than fifty percent (50%) of the voting power of all of the outstanding shares of capital stock of the Corporation entitled to vote;

(2) the shareholders of the Corporation approve a plan of complete liquidation or dissolution of the Corporation or there is consummated an agreement or series of related agreements for the sale or other disposition, directly or indirectly, by the Corporation of all or substantially all of the Corporation’s assets (including a sale of all or substantially all of the assets of the LLC);

(3) there is consummated a merger or consolidation of the Corporation with any other corporation or entity, and, immediately after the consummation of such merger or consolidation, the voting securities of the Corporation immediately prior to such merger or consolidation do not continue to represent, or are not converted into, more than 50% of the combined voting power of the then outstanding voting securities of the Person resulting from such merger or consolidation or, if the surviving company is a Subsidiary, the ultimate parent thereof; or

(4) the Corporation ceases to be the sole managing member of the LLC.

Notwithstanding the foregoing, a “Change of Control” shall not be deemed to have occurred by virtue of the consummation of any transaction or series of integrated transactions immediately following which the record holders of the Class A Common Stock and Class B Common Stock immediately prior to such transaction or series of transactions continue to have substantially the same proportionate ownership in and voting control over, and own substantially all of the shares of, an entity which owns all or substantially all of the assets of the Corporation immediately following such transaction or series of transactions.

“Class B Common Stock” means shares of Class B common stock, par value \$0.01 per share, of the Corporation.

“Code” means the U.S. Internal Revenue Code of 1986, as amended, and applicable Treasury Regulations promulgated thereunder.

“Control” means the possession, direct or indirect, of the power to direct or cause the direction of the management and policies of a Person, whether through ownership of voting securities, by contract or other agreement.

“Corporation” is defined in the preamble to this Agreement.

“Corporation’s Capital Contribution” is defined in the recitals to this Agreement.

“Covered Person” is defined in Section 7.17 of this Agreement.

“Covered Tax Benefit” is defined in Section 3.3(a) of this Agreement.

“Covered Taxes” means any and all U.S. federal, state, local and foreign taxes, assessments or similar charges that are based on or measure with respect to net income or profits and any interest related thereto.

“Crestview” means CVRV Acquisition LLC, a Delaware limited liability company, Crestview Partners II GP, L.P., a Delaware limited partnership, and each of their respective Permitted Transferees in the LLC Agreement.

“Cumulative Net Realized Tax Benefit” is defined in Section 3.1(b)(iii) of this Agreement.

“Default Rate” means the sum of (i) the highest rate applicable at the time under the Senior Secured Credit Facilities *plus* (ii) 200 basis points, it being understood that if there are no Senior Secured Credit Facilities then the Default Rate shall be LIBOR *plus* 550 basis points.

“Default Rate Interest” is defined in Section 3.1(b)(ix) of this Agreement.

“Determination” shall have the meaning ascribed to such term in Section 1313(a) of the Code or similar provision of U.S. state tax law, as applicable, or any other event (including the execution of IRS Form 870-AD) that finally and conclusively establishes the amount of any liability for tax.

“Direct Exchange” is defined in the recitals to this agreement.

“Dispute” is defined in Section 7.8(a) of this Agreement.

“Early Termination Effective Date” means the date of an Early Termination Notice for purposes of determining the Early Termination Payment.

“Early Termination Notice” is defined in Section 4.2 of this Agreement.

“Early Termination Payment” is defined in Section 4.3(b) of this Agreement.

“Early Termination Rate” means the lesser of (i) 6.50% per annum, compounded annually, and (ii) the Agreed Rate.

“Early Termination Reference Date” is defined in Section 4.2 of this Agreement.

“Early Termination Schedule” is defined in Section 4.2 of this Agreement.

“Estimated Tax Benefit Payment” is defined in Section 3.4 of this Agreement.

“Exchange” means any Direct Exchange or Redemption and, for the avoidance of doubt, includes the Direct Exchange occurring pursuant to the Common Unit Purchase Agreement between the Corporation and Crestview, dated as of October 6, 2016.

“Exchange Date” means the date of any Exchange.

“Expert” is defined in Section 7.9 of this Agreement.

“Extension Rate Interest” is defined in Section 3.1(b)(viii) of this Agreement.

“Final Payment Date” means any date on which a payment is required to be made pursuant to this Agreement. For the avoidance of doubt, the Final Payment Date in respect of a Tax Benefit Payment is determined pursuant to Section 3.1(a) of this Agreement.

“GAAP” means generally accepted accounting principles in the United States, as in effect from time to time; *provided, however*, that if the Corporation notifies the Members that the Corporation requests an amendment to any provision hereof to eliminate the effect of any change in GAAP or in the application thereof occurring after the date of this Agreement (including through the adoption of International Financial Reporting Standards and applicable accounting requirements set by the International Accounting Standards Board or any successor thereto (the “IFRS”), on the operation of such provision (or if the Members notify the Corporation that they request an amendment to any provision hereof for such purpose), regardless of whether any such notice is given before or after such change in GAAP or in the application thereof (including through the adoption of IFRS), then such provision shall be interpreted on the basis of GAAP as in effect and applied immediately before such change shall have become effective until such notice shall have been withdrawn or such provision amended in accordance herewith.

“Hypothetical Tax Liability” means, with respect to any Taxable Year, the hypothetical liability of the Corporation that would arise in respect of Covered Taxes, using the same methods, elections, conventions and similar practices used on the actual relevant Tax Returns of the Corporation but (i) calculating depreciation, amortization, or other similar deductions, or otherwise calculating any items of income, gain, or loss, using the Corporation’s share of the Non-Adjusted Tax Basis as reflected on the Basis Schedule, including amendments thereto for the Taxable Year and (ii) excluding any deduction attributable to Imputed Interest, Actual Interest Amounts or Default Rate Interest for the Taxable Year; *provided*, that for purposes determining the Hypothetical Tax Liability, the combined tax rate for U.S. state and local Covered Taxes shall be the Assumed State and Local Tax Rate. For the avoidance of doubt, the Hypothetical Tax Liability shall be determined without taking into account the carryover or carryback of any tax item attributable to Imputed Interest, Actual Interest, Default Rate Interest or a Basis Adjustment (or portions thereof).

“Imputed Interest” is defined in Section 3.1(b)(vi) of this Agreement.

“Independent Directors” means the members of the Board who are “independent” under the standards set forth in Rule 10A-3 promulgated under the Exchange Act and the corresponding rules of the applicable exchange on which the Class A Common Stock is traded or quoted.

“IPO” is defined in the recitals to this Agreement.

“IRS” means the U.S. Internal Revenue Service.

“Joinder” means a joinder to this Agreement, in form and substance substantially similar to Exhibit A to this Agreement.

“Joinder Requirement” is defined in Section 7.6(b) of this Agreement.

“LIBOR” means during any period, a rate per annum equal to (i) the ICE LIBOR rate for a period of one year (“ICE LIBOR”), as published on the applicable Bloomberg screen page (or such other commercially available source providing quotations of ICE LIBOR as may be designated by the Corporation from time to time) at approximately 11:00 a.m., London time, two (2) Business Days prior to the commencement of such period, for dollar deposits (for delivery on the first day of such period) with a term equivalent to such period.

“LLC” is defined in the recitals to this Agreement.

“LLC Agreement” means that certain Amended and Restated Limited Liability Company Agreement of the LLC, dated as of the date hereof, as such agreement may be further amended, restated, supplemented and/or otherwise modified from time to time.

“Management Representative” is defined in Section 7.17 of this Agreement.

“Market Value” means the Common Unit Redemption Price, as defined in the LLC Agreement, determined as of an Early Termination Date.

“Members” is defined in the recitals to this Agreement.

“ML Acquisition” means CWGS Holding, LLC, a Delaware limited liability company.

“ML Related Parties” means ML Acquisition and its Permitted Transferees under the LLC Agreement.

“Net Tax Benefit” is defined in Section 3.1(b)(ii) of this Agreement.

“Non-Adjusted Tax Basis” means, with respect to any Reference Asset at any time, the tax basis that such asset would have had at such time if no Basis Adjustments had been made.

“Objection Notice” is defined in Section 2.4(a)(i) of this Agreement.

“Over-Allotment Option” is defined in the recitals to this Agreement.

“Parties” means the parties named on the signature pages to this agreement and each additional party that satisfies the Joinder Requirement, in each case with their respective successors and assigns.

“Person” means any individual, corporation, firm, partnership, joint venture, limited liability company, estate, trust, business association, organization, governmental entity or other entity.

“Permitted Transfer” means the transfer of Units by a holder of Units to any transferee as permitted by the LLC Agreement.



“ Permitted Transferee ” means a holder of Units pursuant to a Permitted Transfer.

“ Pre-Exchange Transfer ” means any transfer of one or more Units (including upon the death of a Member) (i) that occurs after the IPO but prior to an Exchange of such Units and (ii) to which Section 743(b) of the Code applies.

“ Realized Tax Benefit ” is defined in Section 3.1(b)(iv) of this Agreement.

“ Realized Tax Detriment ” is defined in Section 3.1(b)(v) of this Agreement.

“ Reconciliation Dispute ” is defined in Section 7.9 of this Agreement.

“ Reconciliation Procedures ” is defined in Section 2.4(a) of this Agreement.

“ Redemption ” has the meaning in the recitals to this Agreement.

“ Reference Asset ” means any tangible or intangible asset of the LLC or any of its successors or assigns, and whether held directly by the LLC or indirectly by the LLC through any entity in which the LLC now holds or may subsequently hold an ownership interest (but only if such entity is treated as a partnership or disregarded entity for purposes of the applicable tax), at the time of an Exchange. A Reference Asset also includes any asset the tax basis of which is determined, in whole or in part, by reference to the tax basis of an asset that is described in the preceding sentence, including “substituted basis property” within the meaning of Section 7701(a)(42) of the Code.

“ Reserve Notice ” is defined in Section 3.5(b).

“ Schedule ” means any of the following: (i) a Basis Schedule, (ii) a Tax Benefit Schedule, or (iii) the Early Termination Schedule, and, in each case, any amendments thereto.

“ Senior Obligations ” is defined in Section 5.1 of this Agreement.

“ Senior Secured Credit Facilities ” means the indebtedness described in that certain agreement entered into on November 20, 2013 (as amended) among CWGS Group, LLC and CWGS, LLC, as borrower and parent-guarantor, respectively, and Goldman Sachs Bank USA and other lenders for a senior secured credit facility, or any replacement or refinancing thereof.

“ Subsidiary ” means, with respect to any Person and as of the date of any determination, any other Person as to which such Person, owns, directly or indirectly, or otherwise controls, more than 50% of the voting power or other similar interests, or the sole general partner interest, or managing member or similar interest, of such Person.

“ Subsidiary Stock ” means any stock or other equity interest in any Subsidiary of the Corporation that is treated as a corporation for U.S. federal income tax purposes.

“ Tax Benefit Payment ” is defined in Section 3.1(b) of this Agreement.

“ Tax Benefit Schedule ” is defined in Section 2.3(a) of this Agreement.

“ Tax Return ” means any return, declaration, report or similar statement required to be filed with respect to taxes (including any attached schedules), including, without limitation, any information return, claim for refund, amended return and declaration of estimated tax.

“ Taxable Year ” means a taxable year of the Corporation as defined in Section 441(b) of the Code or comparable section of U.S. state or local tax law, as applicable (and, therefore, for the avoidance of doubt, may include a period of less than 12 months for which a Tax Return is made), ending on or after the closing date of the IPO.

“ Taxing Authority ” means any national, federal, state, county, municipal, or local government, or any subdivision, agency, commission or authority thereof, or any quasi-governmental body, or any other authority of any kind, exercising regulatory or other authority in relation to tax matters.

“ Termination Objection Notice ” is defined in Section 4.2 of this Agreement.

“ Treasury Regulations ” means the final, temporary, and (to the extent they can be relied upon) proposed regulations under the Code, as promulgated from time to time (including corresponding provisions and succeeding provisions) as in effect for the relevant taxable period.

“ True-Up ” is defined in Section 3.4 of this Agreement.

“ U.S. ” means the United States of America.

“ Units ” is defined in the recitals to this Agreement.

“ Valuation Assumptions ” means, as of an Early Termination Effective Date, the assumptions that:

(1) in each Taxable Year ending on or after such Early Termination Effective Date, the Corporation will have taxable income sufficient to fully use the deductions arising from the Basis Adjustments and the Imputed Interest during such Taxable Year or future Taxable Years (including, for the avoidance of doubt, Basis Adjustments and Imputed Interest that would result from future Tax Benefit Payments that would be paid in accordance with the Valuation Assumptions) in which such deductions would become available;

(2) the U.S. federal income tax rates that will be in effect for each such Taxable Year will be those specified for each such Taxable Year by the Code and other law as in effect on the Early Termination Effective Date, except to the extent any change to such tax rates for such Taxable Year have already been enacted into law and the combined U.S. state and local income tax rates shall be the Assumed State and Local Tax Rate;

(3) all taxable income of the Corporation will be subject to the maximum applicable tax rates for each Covered Tax throughout the relevant period; *provided*, that the combined tax rate for U.S. state and local income taxes shall be the Assumed State and Local Tax Rate;

(4) any loss carryovers or carrybacks generated by any Basis Adjustment or Imputed Interest (including such Basis Adjustment and Imputed Interest generated as a result of payments under this Agreement) and available as of the Early Termination Effective Date will be used by the Corporation on a pro rata basis from the date of the Early Termination Schedule through the scheduled expiration date of such loss carryovers or carrybacks;

(5) any non-amortizable assets (other than Subsidiary Stock) will be disposed of on the earlier of (i) the fifteenth anniversary of the applicable Basis Adjustment and (ii) the Early Termination Effective Date;

(6) any Subsidiary Stock will be deemed never to be disposed of except if Subsidiary Stock is directly disposed of in the Change of Control;

(7) if, on the Early Termination Effective Date, any Member has Units that have not been Exchanged, then such Units shall be deemed to be Exchanged for the Market Value that would be received by such Member if such Units had been Exchanged on the Early Termination Effective Date, and such Member shall be deemed to receive the amount of cash such Member would have been entitled to pursuant to Section 4.3(a) had such Units actually been Exchanged on the Early Termination Effective Date; and

(8) any payment obligations pursuant to this Agreement will be satisfied on the date that any Tax Return to which such payment obligation relates is required to be filed excluding any extensions.

Section 1.2 Rules of Construction. Unless otherwise specified herein:

(a) The meanings of defined terms are equally applicable to the singular and plural forms of the defined terms.

(b) For purposes of interpretation of this Agreement:

(i) The words “herein,” “hereto,” “hereof” and “hereunder” and words of similar import when used in this Agreement shall refer to this Agreement as a whole and not to any particular provision thereof.

(ii) References in this Agreement to a Schedule, Article, Section, clause or sub-clause refer to the appropriate Schedule to, or Article, Section, clause or subclause in, this Agreement.

(iii) References in this Agreement to dollars or “\$” refer to the lawful currency of the United States of America.

(iv) The term “including” is by way of example and not limitation.

(v) The term “documents” includes any and all instruments, documents, agreements, certificates, notices, reports, financial statements and other writings, however evidenced, whether in physical or electronic form.

(c) In the computation of periods of time from a specified date to a later specified date, the word “from” means “from and including;” the words “to” and “until” each mean “to but excluding;” and the word “through” means “to and including.”

(d) Section headings herein are included for convenience of reference only and shall not affect the interpretation of this Agreement.

(e) Unless otherwise expressly provided herein, (a) references to organization documents (including the LLC Agreement), agreements (including this Agreement) and other contractual instruments shall be deemed to include all subsequent amendments, restatements, extensions, supplements and other modifications thereto, but only to the extent that such amendments, restatements, extensions, supplements and other modifications are permitted hereby; and (b) references to any law (including the Code and the Treasury Regulations) shall include all statutory and regulatory provisions consolidating, amending, replacing, supplementing or interpreting such law.

## **ARTICLE II. DETERMINATION OF REALIZED TAX BENEFIT**

### Section 2.1 Basis Adjustments; the LLC 754 Election.

(a) Basis Adjustments. The Parties acknowledge and agree that (A) each Direct Exchange shall give rise to Basis Adjustments and (B) each Redemption using cash or Class A Common Stock contributed to the LLC by the Corporation shall be treated as a direct purchase of Units by the Corporation from the applicable Member pursuant to Section 707(a)(2)(B) of the Code that shall give rise to Basis Adjustments. In connection with any such Direct Exchange or Redemption, the Parties acknowledge and agree that pursuant to applicable law the Corporation’s share of the basis in the Reference Assets shall be increased by the excess, if any, of (A) the sum of (x) the Market Value of Class A Common Stock or the cash transferred to a Member pursuant to an Exchange as payment for the Units, (y) the amount of payments made pursuant to this Agreement with respect to such Exchange and (z) the amount of liabilities allocated to the Units acquired pursuant to the Exchange, over (B) the Corporation’s proportionate share of the basis of the Referenced Assets immediately after the Exchange attributable to the Units exchanged, determined as if each member of the LLC Group remains in existence as an entity for tax purposes and no member of the LLC Group made the election provided by Section 754 of the Code.

For the avoidance of doubt, payments made under this Agreement shall not be treated as resulting in a Basis Adjustment to the extent that such payments are treated as Imputed Interest or are Actual Interest Amounts or Default Rate Interest.

(b) Section 754 Election. In its capacity as the sole managing member of the LLC, the Corporation will ensure that, on and after the date hereof and continuing throughout the term of this Agreement, the LLC and each of its direct and indirect Subsidiaries that is treated as a partnership for U.S. federal income tax purposes will have in effect an election under Section 754 of the Code (and under any similar provisions of applicable U.S. state or local law).

Section 2.2 Basis Schedules. Within ninety (90) calendar days after the filing of the U.S. federal income Tax Return of the Corporation for each relevant Taxable Year, the Corporation shall deliver to ML Acquisition, Crestview and the Management Representative, as applicable, a schedule (the “Basis Schedule”) that shows, in reasonable detail as necessary in order to understand the calculations performed under this Agreement: (a) the Basis Adjustments with respect to the Reference Assets as a result of the relevant Exchanges effected in such Taxable Year and (b) the period (or periods) over which each Basis Adjustment is amortizable and/or depreciable. The Basis Schedule will become final and binding on the Parties pursuant to the procedures set forth in Section 2.4(a) and may be amended by the Parties pursuant to the procedures set forth in Section 2.4(b).

Section 2.3 Tax Benefit Schedules.

(a) Tax Benefit Schedule. Within ninety (90) calendar days after the filing of the U.S. federal income Tax Return of the Corporation for any Taxable Year in which there is a Realized Tax Benefit or Realized Tax Detriment, the Corporation shall provide to ML Acquisition, Crestview, and the Management Representative, as applicable, a schedule showing, in reasonable detail, the calculation of the Realized Tax Benefit or Realized Tax Detriment for such Taxable Year (a “Tax Benefit Schedule”). The Tax Benefit Schedule will become final and binding on the Parties pursuant to the procedures set forth in Section 2.4(a), and may be amended by the Parties pursuant to the procedures set forth in Section 2.4(b).

(b) Applicable Principles. Subject to the provisions of this Agreement, the Realized Tax Benefit or Realized Tax Detriment for each Taxable Year is intended to measure the decrease or increase in the actual liability of the Corporation for Covered Taxes for such Taxable Year attributable to the Basis Adjustments, Imputed Interest, Actual Interest Amounts, and Default Rate Interest as determined using a “with and without” methodology described in Section 2.4(a). Carryovers or carrybacks of any Tax item attributable to any Basis Adjustment, Imputed Interest, Actual Interest Amounts, and Default Rate Interest shall be considered to be subject to the rules of the Code and the Treasury Regulations or the appropriate provisions of U.S. state and local tax law, as applicable, governing the use, limitation and expiration of carryovers or carrybacks of the relevant type. If a carryover or carryback of any Tax item includes a portion that is attributable to a Basis Adjustment, Imputed Interest, Actual Interest Amounts, and Default Rate Interest (a “TRA Portion”) and another portion that is not (a “Non-TRA Portion”), such portions shall be considered to be used in accordance with the “with and without” methodology so that: (i) the amount of any Non-TRA Portion is deemed utilized first, followed by the amount of any TRA Portion (with the TRA Portion being applied on a proportionate basis consistent with the provisions of Section 3.3(a)); and (ii) in the case of a carryback of a Non-TRA Portion, such carryback shall not affect the original “with and without” calculation made in the prior Taxable Year. The Parties agree that (i) all Tax Benefit Payments (other than Imputed Interest, Actual Interest Amounts and Default Rate Interest) attributable to an Exchange will to the extent permitted by applicable law (A) be treated as subsequent upward purchase price adjustments that give rise to further Basis Adjustments for the Corporation and (B) have the effect of creating additional Basis Adjustments for the Corporation in the year of payment, and (ii) as a result, such additional Basis Adjustments will be incorporated into the current Taxable Year continuing until any incremental current Taxable Year benefits equal an immaterial amount.

Section 2.4 Procedures; Amendments .

(a) Procedures . Each time the Corporation delivers an applicable Schedule to ML Acquisition, Crestview, and the Management Representative, as applicable under this Agreement, including any Amended Schedule delivered pursuant to Section 2.4(b), but excluding any Early Termination Schedule or amended Early Termination Schedule delivered pursuant to the procedures set forth in Section 4.2, the Corporation shall also: (x) deliver supporting schedules and work papers, as determined by the Corporation or as reasonably requested by ML Acquisition, Crestview, and the Management Representative, as applicable, that provide a reasonable level of detail regarding the data and calculations that were relevant for purposes of preparing the Schedule; (y) deliver an Advisory Firm Letter supporting such Schedule; and (z) allow ML Acquisition, Crestview, and the Management Representative, as applicable, and their advisors to have reasonable access to the appropriate representatives, as determined by the Corporation or as reasonably requested by ML Acquisition, Crestview, and the Management Representative, as applicable, at the Corporation and the Advisory Firm in connection with a review of such Schedule. Without limiting the generality of the preceding sentence, the Corporation shall ensure that any Tax Benefit Schedule that is delivered to ML Acquisition, Crestview, and the Management Representative, as applicable, along with any supporting schedules and work papers, provides a reasonably detailed presentation of the calculation of the actual liability of the Corporation for Covered Taxes (the “with” calculation) and the Hypothetical Tax Liability of the Corporation (the “without” calculation), and identifies any material assumptions or operating procedures or principles that were used for purposes of such calculations. An applicable Schedule or amendment thereto shall become final and binding on the Parties thirty (30) calendar days from the date on which ML Acquisition, Crestview, and the Management Representative, as applicable, first received the applicable Schedule or amendment thereto unless:

(i) ML Acquisition, Crestview, or the Management Representative, as applicable, within thirty (30) calendar days after receiving the applicable Schedule or amendment thereto, provides the Corporation with written notice of a material objection to such Schedule that is made in good faith and that sets forth in reasonable detail ML Acquisition’s, Crestview’s or the Management Representative’s, as applicable, material objection (an “Objection Notice”) or

(ii) each of ML Acquisition, Crestview, and the Management Representative, as applicable, provides a written waiver of its right to deliver an Objection Notice within the time period described in clause (i) above, in which case such Schedule or amendment thereto becomes binding on the date the waiver from each of ML Acquisition, Crestview and the Management Representative, as applicable, is received by the Corporation.

In the event that ML Acquisition, Crestview, or the Management Representative, as applicable, timely delivers an Objection Notice pursuant to clause (i) above, and if the Parties, for any reason, are unable to successfully resolve the issues raised in the Objection Notice within thirty (30) calendar days after receipt by the Corporation of the Objection Notice, the Corporation and ML Acquisition, Crestview, or the Management Representative, as applicable, shall employ the reconciliation procedures as described in Section 7.9 of this Agreement (the “Reconciliation Procedures”).

(b) Amended Schedule. The applicable Schedule for any Taxable Year may be amended from time to time by the Corporation: (i) in connection with a Determination affecting such Schedule; (ii) to correct inaccuracies in the Schedule identified as a result of the receipt of additional factual information relating to a Taxable Year after the date the Schedule was originally provided to ML Acquisition, Crestview, and the Management Representative, as applicable; (iii) to comply with an Expert's determination under the Reconciliation Procedures applicable to this Agreement; (iv) to reflect a change in the Realized Tax Benefit or Realized Tax Detriment for such Taxable Year attributable to a carryback or carryforward of a loss or other Tax item to such Taxable Year; (v) to reflect a change in the Realized Tax Benefit or Realized Tax Detriment for such Taxable Year attributable to an amended Tax Return filed for such Taxable Year; or (vi) to adjust a Basis Schedule to take into account any Tax Benefit Payments made pursuant to this Agreement (any such Schedule, an "Amended Schedule").

### **ARTICLE III. TAX BENEFIT PAYMENTS**

#### Section 3.1 Timing and Amount of Tax Benefit Payments.

(a) Timing of Payments. Except as provided in Sections 3.4 and 3.5, and subject to Sections 3.2 and 3.3, within three (3) Business Days following the date on which each Tax Benefit Schedule that is required to be delivered by the Corporation to ML Acquisition, Crestview, and the Management Representative, as applicable, pursuant to Section 2.3(a) of this Agreement becomes final in accordance with Section 2.4(a) of this Agreement, the Corporation shall pay to each relevant Member the Tax Benefit Payment as determined pursuant to Section 3.1(b). Each such Tax Benefit Payment shall be made by wire transfer of immediately available funds to the bank account previously designated by such Members or as otherwise agreed by the Corporation and such Members. For the avoidance of doubt, the Members shall not be required under any circumstances to return any portion of any Tax Benefit Payment previously paid by the Corporation to the Members (including any portion of any Estimated Tax Benefit Payment or any Early Termination Payment).

(b) Amount of Payments. For purposes of this Agreement, a "Tax Benefit Payment" with respect to any Member means an amount, not less than zero, equal to the sum of: (i) the portion of the Net Tax Benefit that is Attributable to such Member (including Imputed Interest calculated in respect of such amount); and (ii) the Actual Interest Amount.

(i) Attributable. A Net Tax Benefit is "Attributable" to a Member to the extent that it is derived from any Basis Adjustment, Imputed Interest, or Actual Interest Amount that is attributable to an Exchange undertaken by or with respect to such Member.

(ii) Net Tax Benefit. The "Net Tax Benefit" for a Taxable Year equals the amount of the excess, if any, of (x) 85% of the Cumulative Net Realized Tax Benefit as of the end of such Taxable Year over (y) the aggregate amount of all Tax Benefit Payments previously made under this Section 3.1. For the avoidance of doubt, if the Cumulative Net Realized Tax Benefit as of the end of any Taxable Year is less than the aggregate amount of all Tax Benefit Payments previously made, no Member shall be



required to return any portion of any Tax Benefit Payment previously made by the Corporation to such Member.

(iii) Cumulative Net Realized Tax Benefit. The “Cumulative Net Realized Tax Benefit” for a Taxable Year equals the cumulative amount of Realized Tax Benefits for all Taxable Years of the Corporation, up to and including such Taxable Year, net of the cumulative amount of Realized Tax Detriments for the same period. The Realized Tax Benefit and Realized Tax Detriment for each Taxable Year shall be determined based on the most recent Tax Benefit Schedule or Amended Schedule, if any, in existence at the time of such determination.

(iv) Realized Tax Benefit. The “Realized Tax Benefit” for a Taxable Year equals the excess, if any, of the Hypothetical Tax Liability over the actual liability of the Corporation for Covered Taxes; *provided*, that for purposes of determining the Hypothetical Tax Liability and actual liability of the Corporation for Covered Taxes, the Corporation shall use the Assumed State and Local Tax Rate for purposes of determining such liabilities for all state and local Covered Taxes. If all or a portion of the actual liability for such Covered Taxes for the Taxable Year arises as a result of an audit by a Taxing Authority of any Taxable Year, such liability shall not be included in determining the Realized Tax Benefit unless and until there has been a Determination.

(v) Realized Tax Detriment. The “Realized Tax Detriment” for a Taxable Year equals the excess, if any, of the actual liability of the Corporation for Covered Taxes over the Hypothetical Tax Liability for such Taxable Year; *provided*, that for purposes of determining the Hypothetical Tax Liability and actual liability of the Corporation for Covered Taxes, the Corporation shall use the Assumed State and Local Tax Rate for purposes of determining such liabilities for all state and local Covered Taxes. If all or a portion of the actual liability for such Covered Taxes for the Taxable Year arises as a result of an audit by a Taxing Authority of any Taxable Year, such liability shall not be included in determining the Realized Tax Detriment unless and until there has been a Determination.

(vi) Imputed Interest. The parties acknowledge that the principles of Sections 1272, 1274, or 483 of the Code, as applicable, and the principles of any similar provision of U.S. state and local law, will apply to cause a portion of any Net Tax Benefit payable by the Corporation to a Member under this Agreement to be treated as imputed interest (“Imputed Interest”). For the avoidance of doubt, the deduction for the amount of Imputed Interest as determined with respect to any Net Tax Benefit payable by the Corporation to a Member shall be excluded in determining the Hypothetical Tax Liability of the Corporation for purposes of calculating Realized Tax Benefits and Realized Tax Detriments pursuant to this Agreement.

(vii) Actual Interest Amount. The “Actual Interest Amount” calculated in respect of the Net Tax Benefit for a Taxable Year will equal the amount of any Extension Rate Interest. For the avoidance of doubt, any deduction for any Actual Interest Amount as determined with respect to any Net Tax Benefit payable by the Corporation to a Member shall be excluded in determining the Hypothetical Tax Liability of the

Corporation for purposes of calculating Realized Tax Benefits and Realized Tax Detriments pursuant to this Agreement.

(viii) Extension Rate Interest. Subject to Section 3.4, the amount of “Extension Rate Interest” calculated in respect of the Net Tax Benefit (including previously accrued Imputed Interest) for a Taxable Year will equal interest calculated at the Agreed Rate from the due date (without extensions) for filing the U.S. federal income Tax Return of the Corporation for such Taxable Year until the date on which the Corporation makes a timely Tax Benefit Payment to the Member on or before the Final Payment Date as determined pursuant to Section 3.1(a).

(ix) Default Rate Interest. In the event that the Corporation does not make timely payment of all or any portion of a Tax Benefit Payment to a Member on or before the Final Payment Date as determined pursuant to Section 3.1(a), the amount of “Default Rate Interest” calculated in respect of the Net Tax Benefit (including previously accrued Imputed Interest and Extension Rate Interest) for a Taxable Year will equal interest calculated at the Default Rate from the Final Payment Date for a Tax Benefit Payment as determined pursuant to Section 3.1(a) until the date on which the Corporation makes such Tax Benefit Payment to such Member. For the avoidance of doubt, any deduction for any Default Rate Interest with respect to any Net Tax Benefit payable by the Corporation to a Member shall be excluded in determining the Hypothetical Tax Liability of the Corporation for purposes of calculating Realized Tax Benefits and Realized Tax Detriments pursuant to this Agreement.

(x) The Corporation and the Members hereby acknowledge and agree that, as of the date of this Agreement and as of the date of any future Exchange that may be subject to this Agreement, the aggregate value of the Tax Benefit Payments cannot be reasonably ascertained for U.S. federal income or other applicable tax purposes. Notwithstanding anything to the contrary in this Agreement, unless a Member notifies the Corporation otherwise, the stated maximum selling price (within the meaning of Treasury Regulation 15A.453-1(c)(2)) with respect to any Exchange by such Member shall not exceed 75% of the amount of the initial consideration received in connection with such Exchange (which, for the avoidance of doubt, shall include the amount of any cash and the fair market value of any Class A Common Stock received in such Exchange and shall exclude the fair market value of any Tax Benefit Payments) and the aggregate Tax Benefit Payments to such Member in respect of such Exchange (other than amounts accounted for as interest under the Code) shall not exceed such stated maximum selling price.

(c) Interest. The provisions of Section 3.1(b) are intended to operate so that interest will effectively accrue in respect of the Net Tax Benefit for any Taxable Year as follows:

(i) first, at the applicable rate used to determine the amount of Imputed Interest under the Code (from the relevant Exchange Date or date on which the relevant Tax Benefit Payment was made until the due date (without extensions) for filing the U.S. federal income Tax Return of the Corporation for such Taxable Year and, if required

under applicable law, through the Final Payment Date for a Tax Benefit Payment as determined pursuant to Section 3.1(a));

(ii) second, at the Agreed Rate in respect of any Extension Rate Interest (from the due date (without extensions) for filing the U.S. federal income Tax Return of the Corporation for such Taxable Year until the Final Payment Date for a Tax Benefit Payment as determined pursuant to Section 3.1(a)); and

(iii) third, at the Default Rate in respect of any Default Rate Interest (from the Final Payment Date for a Tax Benefit Payment as determined pursuant to Section 3.1(a) until the date on which the Corporation makes the relevant Tax Benefit Payment to a Member).

Section 3.2 No Duplicative Payments. It is intended that the provisions of this Agreement will not result in the duplicative payment of any amount (including interest) that may be required under this Agreement, and the provisions of this Agreement shall be consistently interpreted and applied in accordance with that intent. For purposes of this Agreement, and also for the avoidance of doubt, no Tax Benefit Payment shall be required to be calculated or made in respect of any estimated tax payments, including, without limitation, any estimated U.S. federal income tax payments.

Section 3.3 Pro-Ration of Payments as Between the Members.

(a) Insufficient Taxable Income. Notwithstanding anything in Section 3.1(b) to the contrary, if the aggregate potential depreciation, amortization or other similar deductions in respect of the Basis Adjustments, Imputed Interest, Actual Interest Amounts, and Default Rate Interest for purposes of determining the Corporation's liability for Covered Taxes (the "Covered Tax Benefit") is limited in a particular Taxable Year because the Corporation does not have sufficient actual taxable income, then the available Covered Tax Benefit for the Corporation shall be allocated among the Members in proportion to the respective Tax Benefit Payment that would have been payable if the Corporation had in fact had sufficient taxable income so that there had been no such limitation. As an illustration of the intended operation of this Section 3.3(a), if the Corporation had \$200 of aggregate potential Covered Tax Benefits in a particular Taxable Year (with \$50 of such Covered Tax Benefits being attributable to Member 1 and \$150 of such Covered Tax Benefits being attributable to Member 2), such that Member 1 would have potentially been entitled to a Tax Benefit Payment of \$42.50 and Member 2 would have been entitled to a Tax Benefit Payment of \$127.50 if the Corporation had \$200 of actual taxable income, and if at the same time the Corporation only had \$100 of actual taxable income in such Taxable Year, then \$25 of the aggregate \$100 actual Covered Tax Benefit for the Corporation for such Taxable Year would be allocated to Member 1 and \$75 of the aggregate \$100 actual Covered Tax benefit for the Corporation would be allocated to Member 2, such that Member 1 would receive a Tax Benefit Payment of \$21.25 and Member 2 would receive a Tax Benefit Payment of \$63.75.

(b) Late Payments. If for any reason the Corporation is not able to timely and fully satisfy its payment obligations under this Agreement in respect of a particular Taxable Year, then Default Rate Interest will begin to accrue pursuant to Section 5.2 and the Corporation and other

Parties agree that (i) the Corporation shall pay the Tax Benefit Payments due in respect of such Taxable Year to each Member pro rata in proportion to the amount of such Tax Benefit Payments, without favoring one obligation over the other, and (ii) no Tax Benefit Payment shall be made in respect of any Taxable Year until all Tax Benefit Payments to all Members in respect of all prior Taxable Years have been made in full.

Section 3.4 Optional Estimated Payment Procedure. As long as the Corporation is current in respect of its payment obligations owed to each Member pursuant to this Agreement and there are no delinquent Tax Benefit Payments (including interest thereon) outstanding in respect of prior Taxable Years for any Member, the Corporation may, at any time on or after the due date (without extensions) for filing the U.S. federal income Tax Return of the Corporation for a Taxable Year and at the Corporation's option, in its sole discretion, make one or more estimated payments to the Members in respect of any anticipated amounts to be owed with respect to a Taxable Year to the Members pursuant to Section 3.1 of this Agreement (any such estimated payments referred to as an "Estimated Tax Benefit Payment"); *provided* that any Estimated Tax Benefit Payment made to a Member pursuant to this Section 3.4 is matched by a proportionately equal Estimated Tax Benefit Payment to all other Members then entitled to a Tax Benefit Payment. Any Estimated Tax Benefit Payment made under this Section 3.4 shall be paid by the Corporation to the Members and applied against the final amount of any expected Tax Benefit Payment to be made pursuant to Section 3.1. The payment of an Estimated Tax Benefit Payment by the Corporation to the Members pursuant to this Section 3.4 shall also terminate the obligation of the Corporation to make payment of any Extension Rate Interest that might have otherwise accrued with respect to the proportionate amount of the Tax Benefit Payment that is being paid in advance of the applicable Tax Benefit Schedule being finalized pursuant to Section 2.4. Upon the making of any Estimated Tax Benefit Payment pursuant to this Section 3.4, the amount of such Estimated Tax Benefit Payment shall first be applied to any estimated Extension Rate Interest, then to Imputed Interest, and then applied to the remaining residual amount of the Tax Benefit Payment to be made pursuant to Section 3.1. In determining the final amount of any Tax Benefit Payment to be made pursuant to Section 3.1, and for purposes of finalizing the Tax Benefit Schedule pursuant to Section 2.4, the amount of any Estimated Tax Benefit Payments that may have been made with respect to the Taxable Year shall be increased, if the finally determined Tax Benefit Payment for a Taxable Year exceeds the Estimated Tax Benefit Payments made for such Taxable Year, with such increase being paid by the Corporation to the Members along with an appropriate amount of Extension Rate Interest in respect of the amount of such increase (a "True-Up"). If the Estimated Tax Benefit Payment for a Taxable Year exceeds the finally determined Tax Benefit Payment for such Taxable Year, such excess, along with an appropriate amount of Extension Rate Interest in respect of such excess (being charged by the Corporation to the Member), shall be applied to reduce the amount of any subsequent future Tax Benefit Payments (including Estimated Tax Benefit Payments, if any) to be paid by the Corporation to such Member. As of the date on which any Estimated Tax Benefit Payments are made, and as of the date on which any True-Up is made, all such payments shall be made in the same manner and subject to the same terms and conditions as otherwise contemplated by Section 3.1 and all other applicable terms of this Agreement. For the avoidance of doubt, as is the case with Tax Benefit Payments made by the Corporation to the Members pursuant to Section 3.1, the amount of any Estimated Tax Benefit Payments made pursuant to this Section 3.4 that are attributable to an Exchange shall also be treated, in part, as subsequent upward purchase price adjustments that give rise to Basis Adjustments in the Taxable Year of payment to

the extent permitted by applicable law and as of the date on which such payments are made (to the extent of the estimated Net Tax Benefit associated with such Estimated Tax Benefit Payment, less any Imputed Interest, and exclusive of any Extension Rate Interest).

Section 3.5 Changes; Reserves; Suspension of Payments.

(a) Receipt of Change Notice. If any Party, or any Affiliate or Subsidiary of any Party, receives a 30-day letter, a final audit report, a statutory notice of deficiency, or similar written notice from any Taxing Authority relating to the amount of the Net Tax Benefit calculated for purposes of this Agreement, or relating to any other material tax matter that is relevant to the terms of this Agreement and the calculation of the Tax Benefit Payments that may be payable by the Corporation to the Members (a “Change Notice”), prompt written notification and a copy of the relevant Change Notice shall be delivered by the Party, or its Affiliate or Subsidiary, that received such Change Notice to each other Party.

(b) Suspension of Payments. From and after the date on which a Change Notice is received, any Tax Benefit Payments required to be made under this Agreement shall, to the extent determined reasonably necessary by the Audit Committee after considering the potential tax implications of the Change Notice, be paid by the Corporation to a national bank mutually agreeable to the Parties to act as escrow agent to hold such funds in escrow pursuant to an escrow agreement until a Determination is received. Notwithstanding anything to the contrary, the Corporation shall not pay to the escrow agent an amount in excess of (i) 85% of the amount of the asserted deficiency in tax owed pursuant to the Change Notice *plus* (ii) the portion of any future Tax Benefit Payments that are required to be paid under this Agreement in respect of any taxable year of the Corporation following the taxable year(s) to which the Change Notice relates and that could reasonably be expected to be reduced if such Change Notice resulted in an adverse Determination. The Corporation shall not settle or otherwise compromise any matter which is the subject of a Change Notice without the prior written consent (not to be unreasonably withheld, conditioned, or delayed) of Crestview and ML Acquisition. For the avoidance of doubt, the date on which the Corporation pays any such Tax Benefit Payments to the escrow agent shall be considered the date on which such Tax Benefit Payments are paid to the Members, including for purposes of determining the Actual Interest Amount and Default Rate Interest.

(c) Release of Escrowed Funds. If a Determination is received, and if such Determination results in no adjustment in any Tax Benefit Payments under this Agreement, then the relevant escrowed funds (along with any interest earned on such funds, and less (1) the out-of-pocket expenses incurred by the Corporation or the LLC in administering the escrow, and (2) any taxes imposed on the Corporation or the LLC with respect to any income earned on the investment of such funds) shall be distributed to the relevant Members. If a Determination is received, and if such Determination results in an adjustment in any Tax Benefit Payments under this Agreement, then the relevant escrowed funds (along with any interest earned on such funds) shall be distributed as follows: (i) first, to the Corporation or the LLC in an amount equal to (1) the out-of-pocket expenses incurred by the Corporation or the LLC in administering the escrow and in contesting the Determination and (2) any taxes imposed on the Corporation or the LLC with respect to any income earned on the investment of such funds; and (ii) second, to the relevant Parties (which, for the avoidance of doubt and depending on the nature of the adjustments, may include the Corporation, the LLC, or the relevant Members, or some

combination thereof) in accordance with the relevant Amended Schedule prepared pursuant to Section 2.4 of this Agreement.

#### **ARTICLE IV. TERMINATION**

##### Section 4.1 Early Termination of Agreement; Breach of Agreement.

(a) Corporation's Early Termination Right. With the written approval of a majority of the Independent Directors, ML Acquisition and Crestview, the Corporation may completely terminate this Agreement, as and to the extent provided herein, with respect to all amounts payable to the Members pursuant to this Agreement by paying to the Members the Early Termination Payment; *provided* that Early Termination Payments may be made pursuant to this Section 4.1(a) only if made to all Members that are entitled to such a payment simultaneously, and *provided further*, that the Corporation may withdraw any notice to execute its termination rights under this Section 4.1(a) prior to the time at which any Early Termination Payment has been paid. Upon the Corporation's payment of the Early Termination Payment, the Corporation shall not have any further payment obligations under this Agreement, other than with respect to any: (i) prior Tax Benefit Payments that are due and payable under this Agreement but that still remain unpaid as of the date of the Early Termination Notice; and (ii) current Tax Benefit Payment due for the Taxable Year ending on or including the date of the Early Termination Notice (except to the extent that the amount described in clause (ii) is included in the calculation of the Early Termination Payment). If an Exchange subsequently occurs with respect to Units for which the Corporation has exercised its termination rights under this Section 4.1(a), the Corporation shall have no obligations under this Agreement with respect to such Exchange.

(b) Acceleration Upon Change of Control. In the event of a Change of Control, all obligations hereunder shall be accelerated and such obligations shall be calculated pursuant to this Article IV as if an Early Termination Notice had been delivered on the closing date of the Change of Control and utilizing the Valuation Assumptions by substituting the phrase "the closing date of a Change of Control" in each place where the phrase "Early Termination Effective Date" appears. Such obligations shall include, but not be limited to, (1) the Early Termination Payment calculated as if an Early Termination Notice had been delivered on the closing date of the Change of Control, (2) any Tax Benefit Payments agreed to by the Corporation and the Members as due and payable but unpaid as of the Early Termination Notice and (3) any Tax Benefit Payments due for any Taxable Year ending prior to, with or including the closing date of a Change of Control (except to the extent that any amounts described in clauses (2) or (3) are included in the Early Termination Payment). For the avoidance of doubt, Sections 4.2 and 4.3 shall apply to a Change of Control, *mutadis mutandi*.

(c) Acceleration Upon Breach of Agreement. In the event that the Corporation materially breaches any of its material obligations under this Agreement, whether as a result of failure to make any payment when due, failure to honor any other material obligation required hereunder, or by operation of law as a result of the rejection of this Agreement in a case commenced under the Bankruptcy Code or otherwise, then all obligations hereunder shall be accelerated and become immediately due and payable upon notice of acceleration from a Member (provided that in the case of any proceeding under the Bankruptcy Code or other

insolvency statute, such acceleration shall be automatic without any such notice), and such obligations shall be calculated as if an Early Termination Notice had been delivered on the date of such notice of acceleration (or, in the case of any proceeding under the Bankruptcy Code or other insolvency statute, on the date of such breach) and shall include, but not be limited to: (i) the Early Termination Payment calculated as if an Early Termination Notice had been delivered on the date of such acceleration; (ii) any prior Tax Benefit Payments that are due and payable under this Agreement but that still remain unpaid as of the date of such acceleration; and (iii) any current Tax Benefit Payment due for the Taxable Year ending with or including the date of such acceleration. Notwithstanding the foregoing, in the event that the Corporation breaches this Agreement and such breach is not a material breach of a material obligation, a Member shall still be entitled to enforce all of its rights otherwise available under this Agreement, excluding, for the avoidance of doubt, seeking an acceleration of amounts payable under this Agreement. For purposes of this Section 4.1(c), and subject to the following sentence, the Parties agree that the failure to make any payment due pursuant to this Agreement within six (6) months of the relevant Final Payment Date shall be deemed to be a material breach of a material obligation under this Agreement for all purposes of this Agreement, and that it will not be considered to be a material breach of a material obligation under this Agreement to make a payment due pursuant to this Agreement within six (6) months of the relevant Final Payment Date. For the avoidance of doubt, a suspension of payments pursuant to Section 3.5 will not be considered to be a failure to make a payment due pursuant to this Agreement. Notwithstanding anything in this Agreement to the contrary, it shall not be a material breach of a material obligation of this Agreement if the Corporation fails to make any Tax Benefit Payment within six (6) months of the relevant Final Payment Date to the extent that the Corporation has insufficient funds, and cannot obtain sufficient funds to make such payments by taking commercially reasonable actions; *provided* that the interest provisions of Section 5.2 shall apply to such late payment (unless the Corporation does not have sufficient funds to make such payment as a result of limitations imposed by any Senior Obligations, in which case Section 5.2 shall apply, but the Default Rate shall be replaced by the Agreed Rate).

Section 4.2 Early Termination Notice. If the Corporation chooses to exercise its right of early termination under Section 4.1 above, the Corporation shall deliver to ML Acquisition, Crestview, and the Management Representative a notice of the Corporation's decision to exercise such right (an "Early Termination Notice") and a schedule (the "Early Termination Schedule") showing in reasonable detail the calculation of the Early Termination Payment. The Corporation shall also (x) deliver supporting schedules and work papers, as determined by the Corporation or as reasonably requested by ML Acquisition, Crestview, or the Management Representative, that provide a reasonable level of detail regarding the data and calculations that were relevant for purposes of preparing the Early Termination Schedule; (y) deliver an Advisory Firm Letter supporting such Early Termination Schedule; and (z) allow ML Acquisition, Crestview, and the Management Representative and their advisors to have reasonable access to the appropriate representatives, as determined by the Corporation or as reasonably requested by ML Acquisition, Crestview, or the Management Representative, at the Corporation and the Advisory Firm in connection with a review of such Early Termination Schedule. The Early Termination Schedule shall become final and binding on each Party thirty (30) calendar days from the first date on which ML Acquisition, Crestview, and the Management Representative received such Early Termination Schedule unless:

(i) ML Acquisition, Crestview, or the Management Representative within thirty (30) calendar days after receiving the Early Termination Schedule, provides the Corporation with (A) notice of a material objection to such Early Termination Schedule made in good faith and setting forth in reasonable detail ML Acquisition's, Crestview's, or the Management Representative's, as applicable, material objection (a "Termination Objection Notice") and (B) a letter from an Advisory Firm (that is different from the Advisory Firm that was used by the Corporation to prepare the Early Termination Schedule) in support of such Termination Objection Notice; or

(ii) each of ML Acquisition, Crestview, and the Management Representative provides a written waiver of such right of a Termination Objection Notice within the period described in clause (i) above, in which case such Early Termination Schedule becomes binding on the date the waiver from ML Acquisition, Crestview, and the Management Representative is received by the Corporation.

In the event that ML Acquisition, Crestview, or the Management Representative timely delivers a Termination Objection Notice pursuant to clause (i) above, and if the Parties, for any reason, are unable to successfully resolve the issues raised in the Termination Objection Notice within thirty (30) calendar days after receipt by the Corporation of the Termination Objection Notice, the Corporation and ML Acquisition, Crestview, or the Management Representative, as applicable, shall employ the Reconciliation Procedures. For the avoidance of doubt, and notwithstanding anything to the contrary herein, the expense of preparing and obtaining the letter from an Advisory Firm referenced in clause (i) above shall be borne solely by ML Acquisition, Crestview, or the Management Representative, as applicable, and the Corporation shall have no liability with respect to such letter or any of the expenses associated with its preparation and delivery. The date on which the Early Termination Schedule becomes final in accordance with this Section 4.2 shall be the "Early Termination Reference Date."

#### Section 4.3 Payment Upon Early Termination.

(a) Timing of Payment. Within three (3) Business Days after the Early Termination Reference Date, the Corporation shall pay to each Member an amount equal to the Early Termination Payment for such Member. Such Early Termination Payment shall be made by the Corporation by wire transfer of immediately available funds to a bank account or accounts designated by the Members or as otherwise agreed by the Corporation and the Members.

(b) Amount of Payment. The "Early Termination Payment" payable to a Member pursuant to Section 4.3(a) shall equal the present value, discounted at the Early Termination Rate as determined as of the Early Termination Reference Date, of all Tax Benefit Payments that would be required to be paid by the Corporation to such Member, whether payable with respect to Units that were Exchanged prior to the Early Termination Effective Date or on or after the Early Termination Effective Date, beginning from the Early Termination Effective Date and using the Valuation Assumptions.



**ARTICLE V.  
SUBORDINATION AND LATE PAYMENTS**

Section 5.1 Subordination. Notwithstanding any other provision of this Agreement to the contrary, any Tax Benefit Payment or Early Termination Payment required to be made by the Corporation to the Members under this Agreement shall rank subordinate and junior in right of payment to any principal, interest, or other amounts due and payable in respect of any obligations owed in respect of secured indebtedness for borrowed money of the Corporation and its Subsidiaries (“Senior Obligations”) and shall rank *pari passu* in right of payment with all current or future unsecured obligations of the Corporation that are not Senior Obligations. To the extent that any payment under this Agreement is not permitted to be made at the time payment is due as a result of this Section 5.1 and the terms of the agreements governing Senior Obligations, such payment obligation nevertheless shall accrue for the benefit of the Members and the Corporation shall make such payments at the first opportunity that such payments are permitted to be made in accordance with the terms of the Senior Obligations.

Section 5.2 Late Payments by the Corporation. Except as otherwise provided in this Agreement, the amount of all or any portion of any Tax Benefit Payment or Early Termination Payment not made to the Members when due under the terms of this Agreement, whether as a result of Section 5.1 and the terms of the Senior Obligations or otherwise, shall be payable together with any interest thereon, computed at the Default Rate and commencing from the Final Payment Date on which such Tax Benefit Payment or Early Termination Payment was first due and payable to the date of actual payment.

**ARTICLE VI.  
TAX MATTERS; CONSISTENCY; COOPERATION**

Section 6.1 Participation in the Corporation’s and the LLC’s Tax Matters. Except as otherwise provided herein, and except as provided in Article IX of the LLC Agreement, the Corporation shall have full responsibility for, and sole discretion over, all tax matters concerning the Corporation and the LLC, including without limitation the preparation, filing or amending of any Tax Return and defending, contesting or settling any issue pertaining to taxes. Notwithstanding the foregoing, the Corporation shall notify ML Acquisition, Crestview, and the Management Representative of, and keep them reasonably informed with respect to, the portion of any tax audit of the Corporation or the LLC, or any of the LLC’s Subsidiaries, the outcome of which is reasonably expected to materially affect the Tax Benefit Payments payable to such Members under this Agreement, and ML Acquisition, Crestview, and the Management Representative, as applicable, shall, without limiting any rights granted to ML Acquisition or Crestview pursuant to Section 3.5, have the right to participate in and to monitor at their own expense (but, for the avoidance of doubt, not to control) any such portion of any such Tax audit.

Section 6.2 Consistency. Except as otherwise required by law, all calculations and determinations made hereunder, including, without limitation, any Basis Adjustments, the Schedules and the determination of any Realized Tax Benefits or Realized Tax Detriments, shall be made in accordance with the elections, methodologies or positions taken by the Corporation and the LLC on their respective Tax Returns. Each Member shall prepare its Tax Returns in a manner that is consistent with the terms of this Agreement, and any related calculations or

determinations that are made hereunder, including, without limitation, the terms of Section 2.1 of this Agreement and the Schedules provided to the Members under this Agreement. In the event that an Advisory Firm is replaced with another Advisory Firm, such replacement Advisory Firm shall perform its services under this Agreement using procedures and methodologies consistent with the previous Advisory Firm, unless otherwise required by law or unless the Corporation and all of the Members agree to the use of other procedures and methodologies.

Section 6.3 Cooperation.

(a) Each Member shall (i) furnish to the Corporation in a timely manner such information, documents and other materials as the Corporation may reasonably request for purposes of making any determination or computation necessary or appropriate under this Agreement, preparing any Tax Return or contesting or defending any audit, examination or controversy with any Taxing Authority, (ii) make itself available to the Corporation and its representatives to provide explanations of documents and materials and such other information as the Corporation or its representatives may reasonably request in connection with any of the matters described in clause (i) above, and (iii) reasonably cooperate in connection with any such matter.

(b) The Corporation shall reimburse the Members for any reasonable and documented out-of-pocket costs and expenses incurred pursuant to Section 6.3(a).

**ARTICLE VII.  
MISCELLANEOUS**

Section 7.1 Notices. All notices, requests, consents and other communications hereunder shall be in writing and shall be given (and shall be deemed to have been duly given upon receipt) by delivery in person, by courier service, by fax, by electronic mail (delivery receipt requested) or by certified or registered mail (postage prepaid, return receipt requested) to the respective Parties at the following addresses (or at such other address for a Party as shall be as specified in a notice given in accordance with this Section 7.1). All notices hereunder shall be delivered as set forth below, or pursuant to such other instructions as may be designated in writing by the Party to receive such notice:

If to the Corporation, to:

Camping World Holdings, Inc.  
c/o CWGS Enterprises, LLC  
250 Parkway Drive, Suite 270  
Lincolnshire, IL 60048

Attn: Thomas F. Wolfe, Chief Financial Officer  
E-mail: tom.wolfe@goodsam.com

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

Latham & Watkins LLP  
885 Third Avenue  
New York, New York 10022

Attn: Marc Jaffe  
Facsimile: (212) 751-4684  
E-mail: marc.jaffe@lw.com

If to ML Acquisition:

Kaplan, Strangis and Kaplan, P.A.  
90 South Seventh St.  
Suite 5500  
Minneapolis, MN 55402

Attn: Robert T. York

E-mail: rty@kskpa.com

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

Attn.:  
Facsimile:  
E-mail:

If to Crestview:

667 Madison Avenue, 10th Floor  
New York, NY 10065  
Attn: Brian Cassidy  
E-mail: bcassidy@crestview.com

Attn: Ross A. Oliver  
E-mail: roliver@crestview.com

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

Davis Polk & Wardwell LLP  
450 Lexington Avenue  
New York, NY 10017

Attn: Mary Conway  
Facsimile: (212) 701-5959  
E-mail: mary.conway@davispolk.com

If to any Member (other than ML Acquisition or Crestview):

Thomas A. Wolfe  
2750 Park View Court, Suite 240  
Oxnard, CA 93036  
805-667-4457

E-mail: tom.wolfe@goodsam.com

Any Party may change its address, fax number or e-mail address by giving each of the other Parties written notice thereof in the manner set forth above.

Section 7.2 Counterparts. This Agreement may be executed in one or more counterparts, all of which shall be considered one and the same agreement and shall become effective when one or more counterparts have been signed by each of the Parties and delivered to the other Parties, it being understood that all Parties need not sign the same counterpart. Delivery of an executed signature page to this Agreement by facsimile transmission shall be as effective as delivery of a manually signed counterpart of this Agreement.

Section 7.3 Entire Agreement; No Third Party Beneficiaries. This Agreement constitutes the entire agreement and supersedes all prior agreements and understandings, both written and oral, among the Parties with respect to the subject matter hereof. This Agreement shall be binding upon and inure solely to the benefit of each Party hereto and their respective successors and permitted assigns, and nothing in this Agreement, express or implied, is intended to or shall confer upon any other Person any right, benefit or remedy of any nature whatsoever under or by reason of this Agreement.

Section 7.4 Governing Law. This Agreement shall be governed by, and construed in accordance with, the law of the State of Delaware, without regard to the conflicts of laws principles thereof that would mandate the application of the laws of another jurisdiction.

Section 7.5 Severability. If any term or other provision of this Agreement is invalid, illegal or incapable of being enforced by any law or public policy, all other terms and provisions of this Agreement shall nevertheless remain in full force and effect so long as the economic or legal substance of the transactions contemplated hereby is not affected in any manner materially adverse to any Party. Upon such determination that any term or other provision is invalid, illegal or incapable of being enforced, the Parties hereto shall negotiate in good faith to modify this Agreement so as to effect the original intent of the Parties as closely as possible in an acceptable manner in order that the transactions contemplated hereby are consummated as originally contemplated to the greatest extent possible.

Section 7.6 Assignments; Amendments; Successors; No Waiver.

(a) Assignment. No Member may assign, sell, pledge, or otherwise alienate or transfer any interest in this Agreement, including the right to receive any Tax Benefit Payments under this Agreement, to any Person without such Person executing and delivering a Joinder agreeing to succeed to the applicable portion of such Member's interest in this Agreement and to

become a Party for all purposes of this Agreement (the “Joinder Requirement”); *provided*, that ML Acquisition’s and Crestview’s approval and consent rights described in each of Sections 3.5(b) (with respect to matters subject to a Change Notice that affects all members, but not with respect to matters that affect solely the transferee) and 4.1(a) shall not be transferrable or assignable to any Person (other than Permitted Transferees), without the prior written consent of the Corporation (and any purported transfer or assignment without such consent shall be null and void), it being understood that ML Acquisition and Crestview’s approval and consent rights described in Section 3.5(b) may be transferred or assigned without the Corporation’s prior written consent with respect to matters subject to a Change Notice that affects solely the transferee. For the avoidance of doubt, if a Member transfers Units in accordance with the terms of the LLC Agreement but does not assign to the transferee of such Units its rights under this Agreement with respect to such transferred Units, such Member shall continue to be entitled to receive the Tax Benefit Payments arising in respect of a subsequent Exchange of such Units. The Corporation may not assign any of its rights or obligations under this Agreement to any Person (other than any direct or indirect successor (whether by purchase, merger, consolidation or otherwise) to all or substantially all of the business or assets of the Corporation) without the prior written consent of each of the Members (and any purported assignment without such consent shall be null and void).

(b) Amendments. No provision of this Agreement may be amended unless such amendment is approved in writing by each of ML Acquisition, Crestview, and the Management Representative; *provided* that amendment of the definition of Change of Control will also require the written approval of a majority of the Independent Directors. No provision of this Agreement may be waived unless such waiver is in writing and signed by the Party against whom the waiver is to be effective.

(c) Successors. Except as provided in Section 7.6(a), all of the terms and provisions of this Agreement shall be binding upon, and shall inure to the benefit of and be enforceable by, the Parties hereto and their respective successors, assigns, heirs, executors, administrators and legal representatives. The Corporation shall require and cause any direct or indirect successor (whether by purchase, merger, consolidation or otherwise) to all or substantially all of the business or assets of the Corporation, by written agreement, expressly to assume and agree to perform this Agreement in the same manner and to the same extent that the Corporation would be required to perform if no such succession had taken place.

(d) Waiver. No failure by any Party to insist upon the strict performance of any covenant, duty, agreement, or condition of this Agreement, or to exercise any right or remedy consequent upon a breach thereof, shall constitute a waiver of any such breach or any other covenant, duty, agreement, or condition.

Section 7.7 Titles and Subtitles. The titles of the sections and subsections of this Agreement are for convenience of reference only and are not to be considered in construing this Agreement.

Section 7.8 Resolution of Disputes.

(a) Except for Reconciliation Disputes subject to Section 7.9, any and all disputes which cannot be settled amicably, including any ancillary claims of any Party, arising out of, relating to or in connection with the validity, negotiation, execution, interpretation, performance or non-performance of this Agreement (including the validity, scope and enforceability of this arbitration provision) (each a “Dispute”) shall be finally resolved by arbitration in accordance with the International Institute for Conflict Prevention and Resolution Rules for Administered Arbitration (the “Rules”) by three arbitrators, of which the Corporation shall appoint one arbitrator and the Members party to such Dispute shall appoint one arbitrator in accordance with the “screened” appointment procedure provided in Rule 5.4. The arbitration shall be governed by the Federal Arbitration Act, 9 U.S.C. §§ 1 et seq., and judgment upon the award rendered by the arbitrators may be entered by any court having jurisdiction thereof. The place of the arbitration shall be Chicago, Illinois.

(b) Notwithstanding the provisions of paragraph (a), any Party may bring an action or special proceeding in any court of competent jurisdiction for the purpose of compelling another Party to arbitrate, seeking temporary or preliminary relief in aid of an arbitration hereunder, and/or enforcing an arbitration award and, for the purposes of this paragraph (b), each Party (i) expressly consents to the application of paragraph (c) of this Section 7.8 to any such action or proceeding, and (ii) agrees that proof shall not be required that monetary damages for breach of the provisions of this Agreement would be difficult to calculate and that remedies at law would be inadequate. For the avoidance of doubt, this Section 7.8 shall not apply to Reconciliation Disputes to be settled in accordance with the procedures set forth in Section 7.9.

(c) Each Party irrevocably consents to service of process by means of notice in the manner provided for in Section 7.1. Nothing in this Agreement shall affect the right of any Party to serve process in any other manner permitted by law.

(d) **WAIVER OF RIGHT TO TRIAL BY JURY. EACH PARTY HERETO HEREBY IRREVOCABLY WAIVES, TO THE FULLEST EXTENT PERMITTED BY APPLICABLE LAW, ANY RIGHT IT MAY HAVE TO A TRIAL BY JURY IN ANY LEGAL PROCEEDING DIRECTLY OR INDIRECTLY ARISING OUT OF OR RELATING TO THIS AGREEMENT OR THE TRANSACTIONS CONTEMPLATED HEREBY (WHETHER BASED ON CONTRACT, TORT OR ANY OTHER THEORY).**

(e) Any dispute as to whether a dispute is a Reconciliation Dispute within the meaning of Section 7.9, or a Dispute within the meaning of this Section 7.8, shall be decided and resolved as a Dispute subject to the procedures set forth in this Section 7.8.

Section 7.9 Reconciliation. In the event that the Corporation and any Member are unable to resolve a disagreement with respect to a Schedule (other than an Early Termination Schedule) prepared in accordance with the procedures set forth in Section 2.4, or with respect to an Early Termination Schedule prepared in accordance with the procedures set forth in Section 4.2, within the relevant time period designated in this Agreement (a “Reconciliation Dispute”), the Reconciliation Dispute shall be submitted for determination to a nationally recognized expert (the “Expert”) in the particular area of disagreement mutually acceptable to both Parties. The Expert shall be a partner or principal in a nationally recognized accounting firm, and unless the Corporation and such Member agree otherwise, the Expert shall not, and the firm that employs

the Expert shall not, have any material relationship with the Corporation or such Member or other actual or potential conflict of interest. If the Parties are unable to agree on an Expert within fifteen (15) calendar days of receipt by the respondent(s) of written notice of a Reconciliation Dispute, the selection of an Expert shall be treated as a Dispute subject to Section 7.8 and an arbitration panel shall pick an Expert from a nationally recognized accounting firm that does not have any material relationship with the Corporation or such Member or other actual or potential conflict of interest. The Expert shall resolve any matter relating to the Basis Schedule or an amendment thereto or the Early Termination Schedule or an amendment thereto within thirty (30) calendar days and shall resolve any matter relating to a Tax Benefit Schedule or an amendment thereto within fifteen (15) calendar days or as soon thereafter as is reasonably practicable, in each case after the matter has been submitted to the Expert for resolution. Notwithstanding the preceding sentence, if the matter is not resolved before any payment that is the subject of a disagreement would be due (in the absence of such disagreement) or any Tax Return reflecting the subject of a disagreement is due, the undisputed amount shall be paid on the date prescribed by this Agreement and such Tax Return may be filed as prepared by the Corporation, subject to adjustment or amendment upon resolution. The costs and expenses relating to the engagement of such Expert or amending any Tax Return shall be borne by the Corporation except as provided in the next sentence. The Corporation and the Members shall bear their own costs and expenses of such proceeding, unless (i) the Expert adopts the Member's position, in which case the Corporation shall reimburse the Member for any reasonable and documented out-of-pocket costs and expenses in such proceeding, or (ii) the Expert adopts the Corporation's position, in which case the Member shall reimburse the Corporation for any reasonable and documented out-of-pocket costs and expenses in such proceeding. The Expert shall finally determine any Reconciliation Dispute and the determinations of the Expert pursuant to this Section 7.9 shall be binding on the Corporation and the Members and may be entered and enforced in any court having competent jurisdiction.

Section 7.10 Withholding. The Corporation shall be entitled to deduct and withhold from any payment that is payable to any Member pursuant to this Agreement such amounts as the Corporation is required to deduct and withhold with respect to the making of such payment under the Code or any provision of U.S. state, local or foreign tax law. To the extent that amounts are so withheld and paid over to the appropriate Taxing Authority by the Corporation, such withheld amounts shall be treated for all purposes of this Agreement as having been paid by the Corporation to the relevant Member. Each Member shall promptly provide the Corporation with any applicable tax forms and certifications reasonably requested by the Corporation in connection with determining whether any such deductions and withholdings are required under the Code or any provision of U.S. state, local or foreign tax law.

Section 7.11 Admission of the Corporation into a Consolidated Group; Transfers of Corporate Assets.

(a) If the Corporation is or becomes a member of an affiliated or consolidated group of corporations that files a consolidated income Tax Return pursuant to Section 1501 or other applicable Sections of the Code governing affiliated or consolidated groups, or any corresponding provisions of U.S. state or local law, then: (i) the provisions of this Agreement shall be applied with respect to the group as a whole; and (ii) Tax Benefit Payments, Early

Termination Payments, and other applicable items hereunder shall be computed with reference to the consolidated taxable income of the group as a whole.

(b) If the Corporation, its successor in interest or any member of a group described in Section 7.11(a) transfers one or more assets to a corporation (or a Person classified as a corporation for U.S. income tax purposes) with which such entity does not file a consolidated Tax Return pursuant to Section 1501 of the Code, such entity, for purposes of calculating the amount of any Tax Benefit Payment or Early Termination Payment due hereunder, shall be treated as having disposed of such asset in a fully taxable transaction on the date of such contribution. The consideration deemed to be received by such entity shall be equal to the fair market value of the contributed asset as determined by the Advisory Firm or a valuation expert selected by the Corporation. For purposes of this Section 7.11, a transfer of a partnership interest shall be treated as a transfer of the transferring partner's share of each of the assets and liabilities of that partnership. Notwithstanding anything to the contrary set forth herein, if the Corporation, its successor in interest or any member of a group described in Section 7.11(a), transfers its assets pursuant to a transaction that qualifies as a "reorganization" (within the meaning of Section 368(a) of the Code) in which such entity does not survive or pursuant to any other transaction to which Section 381(a) of the Code applies (other than any such reorganization or any such other transaction, in each case, pursuant to which such entity transfers assets to a corporation with which the Corporation, its successor in interest or any member of the group described in Section 7.11(a) (other than any such member being transferred in such reorganization or other transaction) does not file a consolidated Tax Return pursuant to Section 1501 of the Code), the transfer will not cause such entity to be treated as having transferred any assets to a corporation (or a Person classified as a corporation for U.S. income tax purposes) pursuant to this Section 7.11(b).

Section 7.12 Confidentiality. Each Member and its assignees acknowledges and agrees that the information of the Corporation is confidential and, except in the course of performing any duties as necessary for the Corporation and its Affiliates, as required by law or legal process or to enforce the terms of this Agreement, such Person shall keep and retain in the strictest confidence and not disclose to any Person any confidential matters, acquired pursuant to this Agreement, of the Corporation and its Affiliates and successors, learned by any Member heretofore or hereafter. This Section 7.12 shall not apply to (i) any information that has been made publicly available by the Corporation or any of its Affiliates, becomes public knowledge (except as a result of an act of any Member in violation of this Agreement) or is generally known to the business community, (ii) the disclosure of information to the extent necessary for a Member to prosecute or defend claims arising under or relating to this Agreement, and (iii) the disclosure of information to the extent necessary for a Member to prepare and file its Tax Returns, to respond to any inquiries regarding the same from any Taxing Authority or to prosecute or defend any action, proceeding or audit by any Taxing Authority with respect to such Tax Returns. If a Member or an assignee commits a breach, or threatens to commit a breach, of any of the provisions of this Section 7.12, the Corporation shall have the right and remedy to have the provisions of this Section 7.12 specifically enforced by injunctive relief or otherwise by any court of competent jurisdiction without the need to post any bond or other security, it being acknowledged and agreed that any such breach or threatened breach shall cause irreparable injury to the Corporation or any of its Subsidiaries and that money damages alone shall not



provide an adequate remedy to such Persons. Such rights and remedies shall be in addition to, and not in lieu of, any other rights and remedies available at law or in equity.

Section 7.13 Change in Law. Notwithstanding anything herein to the contrary, if, as a result of or, in connection with an actual or proposed change in law, a Member reasonably believes that the existence of this Agreement could cause income (other than income arising from receipt of a payment under this Agreement) recognized by such Member (or direct or indirect equity holders in such Member) in connection with any Exchange to be treated as ordinary income rather than capital gain (or otherwise taxed at ordinary income rates) for U.S. federal income tax purposes or would have other material adverse tax consequences to such Member or any direct or indirect owner of such Member, then at the written election of such Member in its sole discretion (in an instrument signed by such Member and delivered to the Corporation) and to the extent specified therein by such Member, this Agreement shall cease to have further effect and shall not apply to an Exchange occurring after a date specified by such Member, or may be amended by in a manner reasonably determined by such Member, *provided* that such amendment shall not result in an increase in any payments owed by the Corporation under this Agreement at any time as compared to the amounts and times of payments that would have been due in the absence of such amendment.

Section 7.14 Interest Rate Limitation. Notwithstanding anything to the contrary contained herein, the interest paid or agreed to be paid hereunder with respect to amounts due to any Member hereunder shall not exceed the maximum rate of non-usurious interest permitted by applicable law (the "Maximum Rate"). If any Member shall receive interest in an amount that exceeds the Maximum Rate, the excess interest shall be applied to the Tax Benefit Payment, Estimated Tax Benefit Payment or Early Termination Payment, as applicable (but in each case exclusive of any component thereof comprising interest) or, if it exceeds such unpaid non-interest amount, refunded to the Corporation. In determining whether the interest contracted for, charged, or received by any Member exceeds the Maximum Rate, such Member may, to the extent permitted by applicable law, (a) characterize any payment that is not principal as an expense, fee, or premium rather than interest, (b) exclude voluntary prepayments and the effects thereof, and (c) amortize, prorate, allocate, and spread in equal or unequal parts the total amount of interest throughout the contemplated term of the payment obligations owed by the Corporation to such Member hereunder. Notwithstanding the foregoing, it is the intention of the Lenders and the Borrower to conform strictly to any applicable usury laws.

Section 7.15 Independent Nature of Rights and Obligations. The rights and obligations of the each Member hereunder are several and not joint with the rights and obligations of any other Person. A Member shall not be responsible in any way for the performance of the obligations of any other Person hereunder, nor shall a Member have the right to enforce the rights or obligations of any other Person hereunder (other than the Corporation). The obligations of a Member hereunder are solely for the benefit of, and shall be enforceable solely by, the Corporation. Nothing contained herein or in any other agreement or document delivered at any closing, and no action taken by any Member pursuant hereto or thereto, shall be deemed to constitute the Members acting as a partnership, an association, a joint venture or any other kind of entity, or create a presumption that the Members are in any way acting in concert or as a group with respect to such rights or obligations or the transactions contemplated hereby, and the Corporation acknowledges that the Members are not acting in concert or as a group and will not

assert any such claim with respect to such rights or obligations or the transactions contemplated hereby.

Section 7.16 LLC Agreement. This Agreement shall be treated as part of the LLC Agreement as described in Section 761(c) of the Code and Sections 1.704-1(b)(2)(ii)(h) and 1.761-1(c) of the Treasury Regulations.

Section 7.17 Management Representative. By executing this Agreement, each of the Members (other than ML Acquisition and Crestview) shall be deemed to have irrevocably constituted and appointed Thomas F. Wolfe (in the capacity described in this Section 7.17 and each successor as provided below, the “Management Representative”) as his, her or its agent and attorney in fact with full power of substitution to act from and after the date hereof and to do any and all things and execute any and all documents on behalf of such Members which may be necessary, convenient or appropriate to facilitate any matters under this Agreement, including but not limited to: (i) execution of the documents and certificates required pursuant to this Agreement; (ii) receipt and forwarding of notices and communications pursuant to this Agreement; (iv) administration of the provisions of this Agreement; (v) giving or agreeing to, on behalf of such Members, any and all consents, waivers, amendments or modifications deemed by the Management Representative, in its sole and absolute discretion, to be necessary or appropriate under this Agreement and the execution or delivery of any documents that may be necessary or appropriate in connection therewith; (vi) amending this Agreement or any of the instruments to be delivered to the Corporation pursuant to this Agreement; (vii) taking actions Management Representative is expressly authorized to take pursuant to the other provisions of this Agreement; (viii) negotiating and compromising, on behalf of such Members, any dispute that may arise under, and exercising or refraining from exercising any remedies available under, this Agreement or any other agreement contemplated hereby and executing, on behalf of such Members, any settlement agreement, release or other document with respect to such dispute or remedy; and (ix) engaging attorneys, accountants, agents or consultants on behalf of such Members in connection with this Agreement or any other agreement contemplated hereby and paying any fees related thereto. If the Management Representative is unable or unwilling to so serve, then the Members (other than ML Acquisition and Crestview), as applicable, holding a majority of the common units owned by such Members outstanding on the date hereof, shall elect a new Management Representative. To the fullest extent permitted by law, none of the Management Representative, any of its Affiliates, or any of the Management Representative’s or Affiliate’s directors, officers, employees or other agents (each a “Covered Person”) shall be liable, responsible or accountable in damages or otherwise to any Member, the LLC or the Corporation for damages arising from any action taken or omitted to be taken by the Management Representative or any other Person with respect to the LLC or the Corporation, except in the case of any action or omission which constitutes, with respect to such Person, willful misconduct or fraud. Each of the Covered Persons may consult with legal counsel, accountants, and other experts selected by it, and any act or omission suffered or taken by it on behalf of the LLC or the Corporation or in furtherance of the interests of the LLC or the Corporation in good faith in reliance upon and in accordance with the advice of such counsel, accountants, or other experts shall create a rebuttable presumption of the good faith and due care of such Covered Person with respect to such act or omission; *provided* that such counsel, accountants, or other experts were selected with reasonable care. Each of the Covered Persons may rely in good faith upon, and shall have no liability to the LLC, the Corporation or the

Members for acting or refraining from acting upon, any resolution, certificate, statement, instrument, opinion, report, notice, request, consent, order, bond, debenture, or other paper or document reasonably believed by it to be genuine and to have been signed or presented by the proper party or parties.

[ *Signature Page Follows This Page* ]

IN WITNESS WHEREOF, the undersigned have executed or caused to be executed on their behalf this Agreement as of the date first written above.

**CORPORATION:**

**CAMPING WORLD HOLDINGS, INC.**

By: /s/ Brent Moody  
Name: Brent Moody  
Title: Chief Operating & Legal Officer

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**THE LLC:**

**CWGS ENTERPRISES, LLC**

By: /s/ Brent Moody  
Name: Brent Moody  
Title: Chief Operating & Legal Officer

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**MEMBER:**

**CWGS HOLDING, LLC**

By: /s/ Marcus A. Lemonis

Name: Marcus A. Lemonis

Title: Chief Executive Officer

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**MEMBER:**

**CRESTVIEW PARTNERS II GP, L.P.**

By: Crestview, L.L.C., *its general partner*

By: /s/ Ross A. Oliver

Name: Ross A. Oliver

Title: General Counsel

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**MEMBER:**

**CVRV ACQUISITION LLC**

By: /s/ Ross A. Oliver

Name: Ross A. Oliver

Title: General Counsel

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**MEMBER:**

**Matthew Baden**

By: /s/ Matthew Baden

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**MEMBER:**

**Andris A. Baltins**

By: /s/ Andris A. Baltins

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**MEMBER:**

**Karin Bell**

By: /s/ Karin Bell

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**MEMBER:**

**Mark J. Boggess**

By: /s/ Mark J. Boggess

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**MEMBER:**

**Steve Hedlund**

By: /s/ Steve Hedlund

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**MEMBER:**

**Dale Hendrix**

By: /s/ Dale Hendrix

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**MEMBER:**

**Ann Jackson**

By: /s/ Ann Jackson

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**MEMBER:**

**Lisa L. Marshall Revocable Living Trust**

By: /s/ Lisa L. Marshall, Trustee

Name: Lisa L. Marshall

Title: Trustee

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**MEMBER:**

**Brent L. Moody**

By: /s/ Brent L. Moody

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**MEMBER:**

**Roger L. Nuttall**

By: /s/ Roger L. Nuttall

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**MEMBER:**

**Prabhuling Patel**

By: /s/ Prabhuling Patel

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**MEMBER:**

**Seth Rosenberg**

By: /s/ Seth Rosenberg

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**MEMBER:**

**K. Dillon Schickli**

By: /s/ K. Dillon Schickli

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**MEMBER:**

**Mike Siemens**

By: /s/ Mike Siemens

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**MEMBER:**

**John Sirpilla**

By: /s/ John Sirpilla

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[Signature Page to Tax Receivable Agreement]

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**MEMBER:**

**Tamara Ward**

By: /s/ Tamara Ward

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[Signature Page to Tax Receivable Agreement]

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**MEMBER:**

**Brock Whinnery**

By: /s/ Brock Whinnery

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**MEMBER:**

**Thomas F. Wolfe**

By: /s/ Thomas F. Wolfe

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**MANAGEMENT REPRESENTATIVE:**

/s/ Thomas F. Wolfe  
Thomas F. Wolfe  
CFO

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[Signature Page to Tax Receivable Agreement]

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**Exhibit A**

**FORM OF JOINDER AGREEMENT**

This JOINDER AGREEMENT, dated as of \_\_\_\_\_, 20\_\_ (this “Joinder”), is delivered pursuant to that certain Tax Receivable Agreement, dated as of November 26, 2014 (as amended, restated, amended and restated, supplemented or otherwise modified from time to time, the “Tax Receivable Agreement”) by and among Camping World Holdings, Inc., a Delaware corporation (the “Corporation”), the Camping World Enterprises, LLC, a Delaware limited liability company (“the LLC”), and each of the Members from time to time party thereto. Capitalized terms used but not otherwise defined herein have the respective meanings set forth in the Tax Receivable Agreement.

1. Joinder to the Tax Receivable Agreement. Upon the execution of this Joinder by the undersigned and delivery hereof to the Corporation, the undersigned hereby is and hereafter will be a Member under the Tax Receivable Agreement and a Party thereto, with all the rights, privileges and responsibilities of a Member thereunder. The undersigned hereby agrees that it shall comply with and be fully bound by the terms of the Tax Receivable Agreement as if it had been a signatory thereto as of the date thereof.
2. Incorporation by Reference. All terms and conditions of the Tax Receivable Agreement are hereby incorporated by reference in this Joinder as if set forth herein in full.
3. Address. All notices under the Tax Receivable Agreement to the undersigned shall be direct to:

[Name]  
[Address]  
[City, State, Zip Code]  
Attn:  
Facsimile:  
E-mail:

IN WITNESS WHEREOF, the undersigned has duly executed and delivered this Joinder as of the day and year first above written.

**[NAME OF NEW PARTY]**

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

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Acknowledged and agreed  
as of the date first set forth above:

**CAMPING WORLD HOLDINGS, INC.**

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

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**CAMPING WORLD HOLDINGS, INC.  
SENIOR EXECUTIVE INCENTIVE BONUS PLAN**

**1. Purpose**

This Senior Executive Incentive Bonus Plan (the “Bonus Plan”) is intended to provide an incentive for superior work and to motivate eligible executives of Camping World Holdings, Inc. (the “Company”) and its subsidiaries toward even higher achievement and business results, to tie their goals and interests to those of the Company and its stockholders and to enable the Company to attract and retain highly qualified executives. The Bonus Plan is for the benefit of Covered Employees (as defined below).

**2. Administration**

The Compensation Committee of the Board of Directors of the Company (the “Compensation Committee”) shall have the sole discretion and authority to administer and interpret the Bonus Plan.

**3. Eligibility and Participation**

The Compensation Committee shall select the persons eligible to participate in the Bonus Plan, which may include, without limitation, the executives of the Company and its subsidiaries who are or, as determined in the sole discretion of the Compensation Committee, may become “covered employees” (as defined in Section 162(m) of the Internal Revenue Code of 1986, as amended (the “Code”)) of the Company and its subsidiaries for the applicable taxable year of the Company (such selected persons, the “Covered Employees”).

**4. Bonus Determinations**

(a) A Covered Employee may receive a bonus payment under the Bonus Plan based upon the attainment of performance objectives which are established by the Compensation Committee and relate to financial, operational or other metrics with respect to the Company or any of its subsidiaries (the “Performance Goals”), including but not limited to: (i) net earnings or losses (either before or after one or more of the following: (A) interest, (B) taxes, (C) depreciation and (D) amortization); (ii) gross or net sales or revenue; (iii) revenue growth or product revenue growth; (iv) net income (either before or after taxes); (v) adjusted net income; (vi) operating earnings or profit (either before or after taxes); (vii) cash flow (including, but not limited to, operating cash flow and free cash flow); (viii) return on assets or net assets; (ix) return on capital and cost of capital; (x) return on stockholders’ equity; (xi) total stockholder return; (xii) return on sales; (xiii) gross or net profit or operating margin; (xiv) costs, reductions in costs and cost control measures; (xv) funds from operations or funds available for distributions; (xvi) expenses; (xvii) working capital; (xviii) earnings or loss per share; (xix) adjusted earnings per share; (xx) price per share of common stock of the Company or appreciation in and/or maintenance of such price; (xxi) economic value added models or similar metrics; (xxii) regulatory achievements or compliance (including, without limitation, regulatory body approval for commercialization of a product); (xxiii) implementation or completion of critical projects or processes; (xxiv) sales or market share; (xxv) licensing revenue; (xxvi) brand recognition/acceptance, (xxvii) inventory turns or cycle time and supply chain achievements

(including, without limitation, establishing relationships with manufacturers or suppliers of component materials and manufacturers of the Company's products), (xxviii) strategic initiatives (including, without limitation, with respect to market penetration, geographic business expansion, manufacturing, commercialization, production and productivity, customer satisfaction and growth, employee satisfaction, recruitment and maintenance of personnel, human resources management, supervision of litigation and other legal matters, information technology, strategic partnerships and transactions (including acquisitions, dispositions, joint ventures, in-licensing and out-licensing of intellectual property, and establishment of relationships with commercial entities with respect to the marketing, distribution and sale of Company products, and factoring transactions, research and development and related activity, and financial or other capital raising transactions); (xxix) new or existing store results and operations and new store openings; and (xxx) financial ratios (including, without limitation, those measuring liquidity, activity, profitability or leverage), any of which may be measured either in absolute terms or as compared to any incremental increase or decrease or as compared to results of a peer group or to market performance indicators or indices.

(b) Except as otherwise set forth in this Section 4(b): (i) any bonuses paid to Covered Employees under the Bonus Plan shall be based upon objectively determinable bonus formulas that tie such bonuses to one or more performance objectives relating to the Performance Goals; (ii) bonus formulas for Covered Employees shall be adopted in each performance period by the Compensation Committee (generally, for performance periods of one year or more, no later than 90 days after the commencement of the performance period to which the Performance Goals relate); and (iii) no bonuses shall be paid to Covered Employees unless and until the Compensation Committee makes a certification with respect to the attainment of the performance objectives. Notwithstanding the foregoing, the Company may pay bonuses (including, without limitation, discretionary bonuses) to Covered Employees under the Bonus Plan based upon such other terms and conditions as the Compensation Committee may in its sole discretion determine.

(c) The payment of a bonus to a Covered Employee with respect to a performance period shall be conditioned upon the Covered Employee's employment by the Company on the last day of the performance period; provided, however, that the Compensation Committee may make exceptions to this requirement, in its sole discretion, including, without limitation, in the case of a Covered Employee's termination of employment, retirement, death or disability.

## **5. Forfeiture and Claw-Back Provisions**

The Compensation Committee may provide that any bonuses paid under the Bonus Plan shall be subject to the provisions of any claw-back policy implemented by the Company, including, without limitation, any claw-back policy adopted to comply with the requirements of the Dodd-Frank Wall Street Reform and Consumer Protection Act and any rules, regulations or interpretations thereunder, to the extent set forth in such claw-back policy.

## **6. Other Provisions**

(a) Neither the establishment of the Bonus Plan nor the selection of any individual as a Covered Employee shall give any individual any right to be retained in the employ of the Company or any subsidiary thereof, or any right whatsoever under the Bonus Plan other than to

receive bonus payments awarded by the Compensation Committee.

(b) No member of the Board of Directors of the Company or the Compensation Committee shall be liable to any individual in respect of the Bonus Plan for any act or omission of such member, any other member, or any officer, agent or employee of the Company or any of its subsidiaries.

(c) The Company and its subsidiaries shall be entitled to withhold such amounts as may be required by federal, state or local law from all bonus payments under the Bonus Plan.

(d) To the extent not preempted by federal law, the Bonus Plan shall be governed and construed in accordance with the internal laws of the State of Delaware, without regard to the principles of conflicts of law thereof or any other jurisdiction.

(e) The Bonus Plan is intended to meet the requirements of Section 409A of the Code and will be interpreted and construed in accordance with Section 409A of the Code and Department of Treasury Regulations and other interpretive guidance issued thereunder, including without limitation any such regulations or other guidance that may be issued after the Effective Date. Each bonus payable pursuant to the Bonus Plan shall be intended to comply with, or be exempt from, the requirements of Section 409A of the Code such that the bonus will not be subject to any penalty tax imposed under Section 409A of the Code and, unless otherwise determined by the Compensation Committee, each bonus under the Bonus Plan shall be paid subject to the applicable Covered Employee's continued employment through the date of payment of such bonus. Notwithstanding any provision of the Bonus Plan to the contrary, in the event that following the Effective Date the Company determines that any provision of the Bonus Plan could otherwise cause any person to be subject to the penalty taxes imposed under Section 409A of the Code, the Company may adopt such amendments to the Bonus Plan or adopt other policies and procedures (including amendments, policies and procedures with retroactive effect), or take any other actions, that the Company determines are necessary or appropriate to comply with the requirements of Section 409A of the Code and related Department of Treasury guidance and thereby avoid the application of any penalty taxes under Section 409A of the Code. Notwithstanding anything herein to the contrary, in no event shall any liability for failure to comply with the requirements of Section 409A of the Code be transferred from a Covered Employee or any other person to the Company or any of its affiliates, employees or agents pursuant to the terms of the Bonus Plan or otherwise.

## **7. Amendment and Termination**

The Company reserves the right to amend or terminate the Bonus Plan at any time in its sole discretion. Any amendments to the Bonus Plan shall require stockholder approval only to the extent required by any applicable law, rule or regulation.



## 8. Stockholder Approval

No bonuses shall be paid under the Bonus Plan unless and until the Company's stockholders shall have approved the Bonus Plan. The Bonus Plan will be submitted for the approval of the Company's stockholders after the initial adoption of the Bonus Plan by the Board of Directors of the Company.

## 9. Term of Bonus Plan

The Bonus Plan shall become effective as of the day immediately prior to the first date upon which common stock of the Company is listed (or approved for listing) upon notice of issuance on any securities exchange or designated (or approved for designation) upon notice of issuance as a national market security on an interdealer quotation system (the "Effective Date"). The Bonus Plan shall expire on the earliest to occur of: (a) the first material modification of the Bonus Plan (as defined in Treasury Regulation Section 1.162-27(h)(1)(iii)); (b) the first meeting of the Company's stockholders at which members of the Board of Directors of the Company are to be elected that occurs after the close of the third calendar year following the calendar year in which occurred the first registration of an equity security of the Company under Section 12 of the Securities Exchange Act of 1934, as amended; or (c) such other date required by Section 162(m) of the Code, and the rules, regulations and interpretations thereunder (including without limitation Treasury Regulation Section 1.162-27(f)(2)). The Bonus Plan is intended to be subject to the relief set forth in Treasury Regulation Section 1.162-27(f)(1) and shall be interpreted accordingly.

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I hereby certify that the Bonus Plan was duly authorized, approved and adopted by the Board of Directors of Camping World Holdings, Inc. as of September 24, 2016, effective as of the Effective Date.

I hereby certify that the Bonus Plan was approved by the stockholders of Camping World Holdings, Inc. as of September 24, 2016.

/s/ Thomas F. Wolfe

Name: Thomas F. Wolfe

Title: Corporate Secretary

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## CAMPING WORLD HOLDINGS, INC.

## VOTING AGREEMENT

**THIS VOTING AGREEMENT**, dated as of October 6, 2016 (as it may be amended, amended and restated or otherwise modified from time to time in accordance with the terms hereof, this “Agreement”), is entered into by and among **CAMPING WORLD HOLDINGS, INC.**, a Delaware corporation (the “Company”), **CWGS Holding, LLC**, a Delaware limited liability company (“ML Acquisition”), **ML RV Group, LLC**, a Delaware limited liability company (“ML RV Group”), **CVRV Acquisition II LLC**, a Delaware limited liability company (“Crestview Class A Holder”), **CVRV Acquisition LLC**, a Delaware limited liability company (“Crestview Class B Holder”), and together with ML Acquisition, the “Original Members”) and **CRESTVIEW ADVISORS L.L.C.**, a Delaware limited liability company (“Crestview”). Certain terms used in this Agreement are defined in Section 8.

## RECITALS

**WHEREAS**, each Original Member owns, directly or indirectly, outstanding common membership units (the “Common Units”) of CWGS Enterprises, LLC, a Delaware limited liability company (“CWGS LLC”);

**WHEREAS**, the Company is contemplating an offering and sale of the shares of Class A common stock, par value \$0.01 per share, of the Company (the “Class A Common Stock”) in an underwritten initial public offering (the “IPO”) and using a portion of the net proceeds received from the IPO to purchase Common Units;

**WHEREAS**, pursuant to that certain Common Unit Subscription Agreement between the Company and CWGS LLC, dated as of October 6, 2016 (the “Common Unit Subscription Agreement”) and that certain Common Unit Purchase Agreement by and among the Company and the member(s) of CWGS LLC parties thereto, dated as of October 6, 2016 (the “Common Unit Purchase Agreement”), the Company will hold Common Units;

**WHEREAS**, upon consummation of the transactions contemplated by the Common Unit Subscription Agreement and the Common Unit Purchase Agreement, it is contemplated that the Company will be admitted as a member, and appointed as the sole managing member of CWGS LLC;

**WHEREAS**, ML Acquisition (together with its Permitted Transferees, in such capacity, the “ML Related Parties”) is the record holder of shares of Class B common stock, par value \$0.0001 per share, of the Company (“Class B Common Stock”), provided that, as of the date of this Agreement and so long as the ML Related Parties continue to beneficially own, directly or indirectly, twenty-seven and five-tenths percent (27.5%) or more of all Common Units outstanding, such ownership of Class B Common Stock entitles the ML Related Parties to cast forty-seven percent (47%) of the total votes entitled to be cast by all holders of voting stock of the Company;

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**WHEREAS** , (i) Crestview Class B Holder (together with its Permitted Transferees, in such capacity, the “Crestview Class B Stockholders”, and together with the ML Related Parties, the “Class B Stockholders”) is the record holder of Class B Common Stock and (ii) Crestview Class A Holder (together with its Permitted Transferees, in such capacity, the “Class A Stockholders”, and together with the Crestview Class B Stockholders, the “Crestview Stockholders”) is the record holder of Class A Common Stock;

**WHEREAS** , ML RV Group (in such capacity, the “Class C Stockholder”) is the record holder of one (1) shares of Class C common stock, par value \$ 0.0001 per share, of the Company (“Class C Common Stock”), which entitles it to cast five percent (5%) of the total votes entitled to be cast by all holders of voting stock of the Company for as long as a Change of Control (as defined in the Charter) has not occurred;

**WHEREAS** , a Change of Control has not occurred as of the date hereof; and

**WHEREAS** , in order to induce the Original Members to approve the sale and issuance of Common Units by CWGS LLC to the Company and the appointment of the Company as the sole managing member of CWGS LLC in connection with the IPO, the parties hereto desire to set forth their agreement with respect to the matters set forth herein in connection with their respective investments in the Company.

**NOW, THEREFORE** , in consideration of the covenants and agreements contained herein and other good and valuable consideration, the receipt and sufficiency of which are hereby acknowledged, the Company, the Original Members, ML RV Group, the Crestview Class A Holder and Crestview agree as follows:

## **AGREEMENT**

### Section 1. Election of the Board of Directors.

(a) Subject to Section 1(d), Crestview shall be entitled to designate up to four (4) Directors from time to time (any Director designated by Crestview, a “CV Director”); provided, that in the event that Marcus Lemonis ceases to be the chief executive officer of the Company, Crestview shall only be entitled to designate three (3) CV Directors. The CV Directors shall be apportioned among the three (3) classes of Directors as nearly equal in number as possible. Subject to the Board’s fiduciary duties to the Company’s stockholders, Crestview shall be entitled to have its proportionate share of Crestview Directors appointed to any Board committees that have been established.

(b) Subject to Section 1(e), the ML Related Parties shall be entitled to designate four (4) Directors from time to time (any Director designated by the ML Related Parties, a “ML Director”). The ML Directors shall be apportioned among the three (3) classes of Directors as nearly equal in number as possible. Subject to the Board’s fiduciary duties to the Company’s stockholders, the ML Related Parties shall be

entitled to have their proportionate share of ML Directors appointed to any Board committees that have been established.

(c) Subject to Section 1(f), ML RV Group shall be entitled to designate one (1) Director from time to time (the Director designated by ML RV Group, the “ML RV Director”).

(d) The right of Crestview to designate Directors as set forth in Section 1(a) shall be subject to the following: (i) if at any time Crestview Partners II GP LP, a Delaware limited partnership (together with its Permitted Transferees, “Crestview GP”) beneficially owns, directly or indirectly, in the aggregate less than thirty-two and five-tenths percent (32.5%) but twenty-five percent (25%) or more of all issued and outstanding shares of Class A Common Stock (including the Underlying Class A Shares), Crestview shall only be entitled to designate three (3) CV Directors, (ii) if at any time Crestview GP beneficially owns, directly or indirectly, in the aggregate less than twenty-five percent (25%) but fifteen percent (15%) or more of all issued and outstanding shares of Class A Common Stock (including the Underlying Class A Shares), Crestview shall only be entitled to designate two (2) CV Directors, and (iii) if at any time Crestview GP beneficially owns, directly or indirectly, in the aggregate less than fifteen percent (15%) but seven and five-tenths percent (7.5%) or more of all issued and outstanding shares of Class A Common Stock (including the Underlying Class A Shares), Crestview shall only be entitled to designate one (1) CV Director. Crestview shall not be entitled to designate any Directors in accordance with Section 1(a) if at any time Crestview GP beneficially owns, directly or indirectly, in the aggregate less than seven and five-tenths percent (7.5%) of all issued and outstanding shares of Class A Common Stock (including the Underlying Class A Shares). For as long as Crestview is entitled to designate at least three (3) CV Directors, one (1) of such CV Directors shall also be “independent” in accordance with the New York Stock Exchange and U.S. Securities and Exchange Commission rules regarding audit committee independence.

(e) The right of the ML Related Parties to designate Directors as set forth in Section 1(b) shall be subject to the following: (i) if at any time the ML Related Parties beneficially own, directly or indirectly, in the aggregate less than twenty-seven and five-tenths percent (27.5%) but twenty-five percent (25%) or more of all issued and outstanding shares of Class A Common Stock (including the Underlying Class A Shares), the ML Related Parties shall only be entitled to designate three (3) ML Directors, (ii) if at any time the ML Related Parties beneficially own, directly or indirectly, in the aggregate less than twenty-five percent (25%) but fifteen percent (15%) or more of all issued and outstanding shares of Class A Common Stock (including the Underlying Class A Shares), the ML Related Parties shall only be entitled to designate two (2) ML Directors, and (iii) if at any time the ML Related Parties beneficially own, directly or indirectly, in the aggregate less than fifteen percent (15%) but seven and five-tenths percent (7.5%) or more of all issued and outstanding shares of Class A Common Stock (including the Underlying Class A Shares), the ML Related Parties shall only be entitled to designate one (1) ML Director. The ML Related Parties shall not be entitled to designate any

Directors in accordance with Section 1(b) if at any time the ML Related Parties beneficially own, directly or indirectly, in the aggregate less than seven and five-tenths percent (7.5%) of all issued and outstanding shares of Class A Common Stock (including any of its Underlying Class A Shares). For as long as the ML Related Parties are entitled to designate at least three (3) ML Directors, one (1) of such ML Directors shall also be “independent” in accordance with the New York Stock Exchange and U.S. Securities and Exchange Commission rules regarding audit committee independence.

(f) ML RV Group shall not be entitled to designate a Director in accordance with Section 1(c), in the event that the ML RV Group ceases to own any Class C Common Stock as set forth in the Charter and this Agreement.

(g) Subject to Section 1(a) and Section 1(d), each of ML Acquisition and ML RV Group hereby agrees to vote, or cause to be voted, all outstanding shares of Class A Common Stock, Class B Common Stock and Class C Common Stock, as applicable, at any annual or special meeting of stockholders of the Company at which Directors of the Company are to be elected, or to take all Necessary Action to cause the election of the CV Directors as provided herein.

(h) Subject to Section 1(b), Section 1(e) and Section 1(f), each of the Crestview Stockholders hereby agrees to vote, or cause to be voted, all outstanding shares of Class B Common Stock and Class A Common Stock, respectively, at any annual or special meeting of stockholders of the Company at which Directors of the Company are to be elected, or to take all Necessary Action to cause the election of the ML Directors and/or the ML RV Director, as applicable, as provided herein.

## Section 2. Vacancies and Replacements.

(a) If the number of Directors that the ML Related Parties, Crestview or the ML RV Group have the right to designate to the Board is decreased pursuant to Section 1(d), Section 1(e) or Section 1(f), (each such occurrence, a “Decrease in Designation Rights”) then, unless otherwise requested in a writing signed by a majority of the members of the Board that shall not be required to resign as a result of a Decrease in Designation Rights, (i) each of the ML Related Parties, Crestview or the ML RV Group, as applicable, shall use its reasonable best efforts to cause (x) the appropriate number of ML Directors that the ML Related Parties cease to have the right to designate to serve as an ML Director, (y) the appropriate number of CV Directors that Crestview ceases to have the right to designate to serve as a CV Director or (z) the ML RV Director that ML RV Group ceases to have the right to designate to serve as the ML RV Director, respectively, each to offer to tender his or her resignation, and each such ML Director, CV Director or ML RV Director so tendering a resignation, as applicable, shall resign within thirty (30) days from the date that the ML Related Parties, Crestview and/or ML RV Group, as applicable, incurs a Decrease in Designation Rights. In the event any such ML Director, CV Director or ML RV Director does not resign by such time as is required by the foregoing, the Class A Stockholders, the Class B Stockholders, the Class C

Stockholder, the Company and the Board, to the fullest extent permitted by law and, with respect to the Board, subject to its fiduciary duties to the Company's stockholders, shall thereafter take all Necessary Action, including voting in accordance with Sections 1(g) and 1(h) as applicable, to cause the removal of such individual as a Director and (ii) the vacancy or vacancies created by such resignation(s) and/or removal(s) shall be filled with one or more Directors, as applicable, designated by the Board upon the recommendation of the Nominating and Corporate Governance Committee. For the avoidance of all doubt, nothing contained in this Section 2(a) shall be read or interpreted to require a party to this Agreement to vote in favor of another party's Director other than as set forth in Sections 1(g) or 1(h), as applicable.

(b) Except as provided in the final sentence of Section 2(a) and subject thereto, each of the ML Related Parties, Crestview and ML RV Group, as applicable, shall have the sole right to request that one or more of their respective designated Directors, as applicable, tender their resignations as Directors of the Board (each, a "Removal Right"), in each case, with or without cause at any time, by sending a written notice to such Director and the Company's Secretary stating the name of the Director or Directors whose resignation from the Board is requested (the "Removal Notice"). If the Director subject to such Removal Notice does not resign within thirty (30) days from receipt thereof by such Director, the Class A Stockholders, the Class B Stockholders, the Class C Stockholder, the Company and the Board, to the fullest extent permitted by law and, with respect to the Board, subject to its fiduciary duties to the Company's stockholders, shall thereafter take all Necessary Action, including voting in accordance with Sections 1(g) and 1(h) as applicable, to cause the removal of such Director from the Board (and such Director shall only be removed by the parties to this Agreement in such manner as provided herein). For the avoidance of all doubt, nothing contained in this Section 2(b) shall be read or interpreted to require a party to this Agreement to vote in favor of another party's Director other than as set forth in Sections 1(g) or 1(h), as applicable.

(c) Each of the ML Related Parties, Crestview and ML RV Group, as applicable, shall have the exclusive right to fill vacancies created as a result of not designating their respective Director(s) initially or by death, disability, retirement, resignation, removal (with or without cause) of their respective Director(s), or otherwise by designating a successor to fill the vacancy of their respective Director(s) created thereby on the terms and subject to the conditions of Section 1.

Section 3. Initial Directors. The initial CV Directors pursuant to Section 1(a) shall be Brian P. Cassidy (as a Class III Director) and Jeffrey A. Marcus (as a Class II Director). The initial ML Directors pursuant to Section 1(b) shall be Stephen Adams (as a Class I Director), Andris A. Baltins (as a Class II Director) and K. Dillon Schickli (as a Class I Director). The initial ML RV Director pursuant to Section 1(c) shall be Marcus A. Lemonis (as a Class III Director).

Section 4. Consent Rights.

(a) In addition to any voting requirements contained in the organizational documents of the Company or any of its Subsidiaries, the Company shall require the prior written approval of (i) ML Acquisition for as long as each of the ML Related Parties beneficially own, directly or indirectly, twenty-eight percent (28%) or more of all issued and outstanding shares of Class A Common Stock (including the Underlying Class A Shares) and (ii) Crestview for as long as Crestview GP beneficially owns, directly or indirectly, twenty-eight percent (28%) or more of all issued and outstanding shares of Class A Common Stock (including the Underlying Class A Shares), in each of case, only after Marcus Lemonis ceases to serve as the chief executive officer of the Company, prior to (x) hiring or (y) terminating the chief executive officer of the Company.

(b) In addition to any voting requirements contained in the organizational documents of the Company or any of its Subsidiaries, the Company shall not take, and shall cause CWGS LLC and its Subsidiaries not to take, any of the following actions (whether by merger, consolidation or otherwise) without the prior written approval of (x) ML Acquisition for as long as each of the ML Related Parties beneficially own, directly or indirectly, twenty-two and five-tenths percent (22.5%) or more of all issued and outstanding shares of Class A Common Stock (including the Underlying Class A Shares) and (y) Crestview for as long as Crestview GP beneficially owns, directly or indirectly, twenty-two and five-tenths percent (22.5%) or more of all issued and outstanding shares of Class A Common Stock (including the Underlying Class A Shares):

- (i) any Change of Control as defined in the Charter (except for clause (E) thereof);
- (ii) any acquisition or disposition of assets of the Company or any of its Subsidiaries where the aggregate consideration for such assets is greater than one hundred million dollars (\$100,000,000) in any single transaction or series of related transactions;
- (iii) any issuance of additional shares of Class A Common Stock, Class B Common Stock, Class C Common Stock or other equity securities of the Company or any of its Subsidiaries after the date hereof, other than any issuance of additional shares of Class A Common Stock or other equity securities of the Company or its Subsidiaries (i) under any stock option or other equity compensation plan of the Company or any of its Subsidiaries approved by the Board or (ii) in connection with any redemption of Common Units as set forth in the Amended and Restated Limited Liability Company Agreement of CWGS LLC, dated as of October 6, 2016, as such agreement may be further amended, restated, amended and restated, supplemented or otherwise modified from time to time;



- (iv) any amendment or modification of the organizational documents of the Company or any of its Subsidiaries; or
- (v) any increase or decrease of the size of the Board.

Section 5. Covenants of the Company.

(a) The Company agrees to take all Necessary Action to cause (i) the Board to be comprised at least of nine (9) Directors or such other greater number of Directors as the Board may determine, subject to the terms of this Agreement; (ii) the individuals designated in accordance with Section 1 to be included in the slate of nominees to be elected to the Board at the next annual or special meeting of stockholders of the Company at which Directors are to be elected, in accordance with the Bylaws, Charter and General Corporation Law of the State of Delaware and at each annual meeting of stockholders of the Company thereafter at which such Director's term expires; (iii) the individuals designated in accordance with Section 2(c) to fill the applicable vacancies on the Board, in accordance with the Bylaws, Charter, Securities Laws, General Corporation Law of the State of Delaware and the New York Stock Exchange; and (iv) a ML Director or the ML RV Director to be the Chairperson of the Board (as defined in the Bylaws).

(b) The ML Related Parties, ML RV Group and Crestview shall comply with the requirements of the Charter and Bylaws and the charter for, and related guidelines of, the Nominating and Corporate Governance Committee when designating and nominating individuals as Directors, in each case, to the extent such requirements are applicable to Directors generally. Notwithstanding anything to the contrary set forth herein, in the event that the Board determines, within sixty (60) days after compliance with the first sentence of this Section 5(b), in good faith, after consultation with outside legal counsel, that its nomination, appointment or election of a particular Director designated in accordance with Section 1 or Section 2, as applicable, would constitute a breach of its fiduciary duties to the Company's stockholders or does not otherwise comply with any requirements of the Charter or Bylaws or the charter for, or related guidelines of, the Nominating and Corporate Governance Committee applicable to Directors generally, then the Board shall inform the ML Related Parties, ML RV Group and/or Crestview, as applicable, of such determination in writing and explain in reasonable detail the basis for such determination and shall, to the fullest extent permitted by law, nominate, appoint or elect another individual designated for nomination, election or appointment to the Board by the ML Related Parties, ML RV Group and/or Crestview, as applicable (subject in each case to this Section 5(b)), and the Board and the Company shall, to the fullest extent permitted by law, take all Necessary Action required by this Article 5 with respect to the election of such substitute designees to the Board.

Section 6. Class C Common Stock Transfer. The Class C Stockholder hereby agrees that at such time as the Class C Stockholder loses all of its voting rights pursuant to the terms of the Charter, such Class C Stockholder shall transfer his or her shares of Class C Common Stock to the Company for no consideration. The Class C Stockholder

hereby irrevocably appoints the officers of the Company as attorney-in-fact and proxy with respect to the shares of Class C Common Stock which are to be transferred by such Class C Stockholder pursuant to this Section 6 with full power and authority to act under this Agreement with respect to such transfer. The Class C Stockholder intends this proxy to be, and it shall be, irrevocable and coupled with an interest sufficient in law to support an irrevocable power, and such Class C Stockholder shall take such further action and execute such further documents and other instruments to effectuate the intent of this proxy and attorney-in-fact. To the extent the shares of Class C Common Stock are certificated, the Class C Stockholder shall deliver to and deposit in custody with the Company a certificate or certificates representing such shares of Class C Common Stock (or, if any such stockholder alleges that any such certificate has been lost, stolen or destroyed, a lost certificate affidavit, together with a bond sufficient to indemnify the Company against any claim that may be made against it on account of the alleged loss, theft or destruction of such certificate).

Section 7. Termination. This Agreement shall terminate upon the earliest to occur of any one of the following events: (a) (i) with respect to each of the ML Related Parties only, at such time as the ML Related Parties no longer have any Director designation rights under Section 1, (ii) with respect to ML RV Group only, at such time as ML RV Group no longer has any Director designation rights under Section 1 and (iii) with respect to Crestview and the Crestview Stockholders only, at such time as Crestview no longer has any Director designation rights under Section 1 and (b) the unanimous written consent of the parties hereto.

Section 8. Definitions. As used in this Agreement, any term that it is not defined herein, shall have the following meanings:

“Board” means the board of directors of the Company.

“Bylaws” means the amended and restated bylaws of the Company, dated as of the date hereof, as the same may be further amended, restated, amended and restated or otherwise modified from time to time.

“Charter” means the amended and restated certificate of incorporation of the Company, effective as of the date hereof, as the same may be further amended, restated, amended and restated or otherwise modified from time to time.

“Director” means a member of the Board.

“Necessary Action” means, with respect to a specified result, all commercially reasonable actions required to cause such result that are within the power of a specified Person, including (i) voting or providing a written consent or proxy with respect to the equity securities owned by the Person obligated to undertake the necessary action, (ii) voting in favor of the adoption of stockholders’ resolutions and amendments to the organizational documents of the Company, (iii) executing agreements and instruments,

and (iv) making, or causing to be made, with governmental, administrative or regulatory authorities, all filings, registrations or similar actions that are required to achieve such result.

“ Nominating and Corporate Governance Committee ” means the nominating and governance committee of the Board or any committee of the Board authorized to perform the function of nominating Directors for the Board.

“ Person ” means any individual, corporation, limited liability company, partnership, trust, joint stock company, business trust, unincorporated association, joint venture, governmental authority or other entity or organization, including a government or any subdivision or agency thereof.

“ Permitted Transferees ” has the meaning set forth in the Charter.

“ Securities Laws ” means the Securities Act of 1933, as amended, and the Securities Exchange Act of 1934, as amended, and the rules promulgated thereunder.

“ Subsidiary ” means with respect to any Person, any corporation, limited liability company, partnership, association, trust or other form of legal entity, of which (a) such first Person directly or indirectly owns or controls at least a majority of the securities or other interests having by their terms voting power to elect a majority of the board of directors or others performing similar functions, or (b) such first Person is a general partner or managing member (excluding partnerships in which such Person or any Subsidiary thereof does not have a majority of the voting interests in such partnership).

“ Underlying Class A Shares ” means any shares of Class A Common Stock issuable upon redemption of Common Units, assuming all such Common Units are redeemed for Class A Common Stock on a one-for-one basis.

Unless the context of this Agreement otherwise requires, (i) words of any gender include each other gender; (ii) words using the singular or plural number also include the plural or singular number, respectively; (iii) the terms “hereof,” “herein,” “hereby” and derivative or similar words refer to this entire Agreement; (iv) the terms “Article” or “Section” refer to the specified Article or Section of this Agreement; (v) the word “including” shall mean “including, without limitation”, (vi) each defined term has its defined meaning throughout this Agreement, whether the definition of such term appears before or after such term is used, and (vii) the word “or” shall be disjunctive but not exclusive. References to agreements and other documents shall be deemed to include all subsequent amendments and other modifications thereto. References to statutes shall include all regulations promulgated thereunder and references to statutes or regulations shall be construed as including all statutory and regulatory provisions consolidating, amending or replacing the statute or regulation.

Section 9. Choice of Law and Venue; Waiver of Right to Jury Trial.

(a) THIS AGREEMENT SHALL BE GOVERNED BY, CONSTRUED, APPLIED AND ENFORCED IN ACCORDANCE WITH THE INTERNAL LAWS OF THE STATE OF DELAWARE. EACH OF THE PARTIES HERETO ACKNOWLEDGES AND AGREES THAT IN THE EVENT OF ANY BREACH OF THIS AGREEMENT, THE NON-BREACHING PARTY WOULD BE IRREPARABLY HARMED AND COULD NOT BE MADE WHOLE BY MONETARY DAMAGES, AND THAT, IN ADDITION TO ANY OTHER REMEDY TO WHICH THEY MAY BE ENTITLED AT LAW OR IN EQUITY, THE PARTIES SHALL BE ENTITLED TO SUCH EQUITABLE OR INJUNCTIVE RELIEF AS MAY BE APPROPRIATE. THE CHOICE OF FORUM SET FORTH IN THIS SECTION SHALL NOT BE DEEMED TO PRECLUDE THE ENFORCEMENT OF ANY JUDGMENT OF A DELAWARE FEDERAL OR STATE COURT, OR THE TAKING OF ANY ACTION UNDER THIS AGREEMENT TO ENFORCE SUCH A JUDGMENT, IN ANY OTHER APPROPRIATE JURISDICTION.

(b) IN THE EVENT ANY PARTY TO THIS AGREEMENT COMMENCES ANY LITIGATION, PROCEEDING OR OTHER LEGAL ACTION IN CONNECTION WITH OR RELATING TO THIS AGREEMENT, ANY RELATED AGREEMENT OR ANY MATTERS DESCRIBED OR CONTEMPLATED HEREIN OR THEREIN, THE PARTIES TO THIS AGREEMENT HEREBY (1) AGREE UNDER ALL CIRCUMSTANCES ABSOLUTELY AND IRREVOCABLY TO INSTITUTE ANY LITIGATION, PROCEEDING OR OTHER LEGAL ACTION IN A COURT OF COMPETENT JURISDICTION LOCATED WITHIN THE STATE OF DELAWARE, WHETHER A STATE OR FEDERAL COURT; (2) AGREE THAT IN THE EVENT OF ANY SUCH LITIGATION, PROCEEDING OR ACTION, SUCH PARTIES WILL CONSENT AND SUBMIT TO THE PERSONAL JURISDICTION OF ANY SUCH COURT DESCRIBED IN CLAUSE (1) OF THIS SECTION AND TO SERVICE OF PROCESS UPON THEM IN ACCORDANCE WITH THE RULES AND STATUTES GOVERNING SERVICE OF PROCESS (IT BEING UNDERSTOOD THAT NOTHING IN THIS SECTION SHALL BE DEEMED TO PREVENT ANY PARTY FROM SEEKING TO REMOVE ANY ACTION TO A FEDERAL COURT IN THE STATE OF DELAWARE); (3) AGREE TO WAIVE TO THE FULL EXTENT PERMITTED BY LAW ANY OBJECTION THAT THEY MAY NOW OR HEREAFTER HAVE TO THE VENUE OF ANY SUCH LITIGATION, PROCEEDING OR ACTION IN ANY SUCH COURT OR THAT ANY SUCH LITIGATION, PROCEEDING OR ACTION WAS BROUGHT IN ANY INCONVENIENT FORUM; (4) AGREE TO WAIVE ANY RIGHTS TO A JURY TRIAL TO RESOLVE ANY DISPUTES OR CLAIMS RELATING TO THIS AGREEMENT; (5) AGREE TO SERVICE OF PROCESS IN ANY LEGAL PROCEEDING BY MAILING OF COPIES THEREOF TO SUCH PARTY AT ITS ADDRESS SET FORTH HEREIN FOR COMMUNICATIONS TO SUCH PARTY; (6) AGREE THAT ANY SERVICE MADE AS PROVIDED HEREIN SHALL BE EFFECTIVE AND BINDING SERVICE IN EVERY RESPECT; AND (7) AGREE THAT NOTHING HEREIN SHALL AFFECT

THE RIGHTS OF ANY PARTY TO EFFECT SERVICE OF PROCESS IN ANY OTHER MANNER PERMITTED BY LAW.

Section 10. Notices. Any notice, request, claim, demand, document and other communication hereunder to any party shall be effective upon receipt (or refusal of receipt) and shall be in writing and delivered personally or sent by facsimile, or by electronic mail, or first class mail, or by Federal Express or other similar courier or other similar means of communication, as follows:

- (a) if to ML Acquisition, addressed as follows:

250 Parkway Drive, Suite 270  
Lincolnshire, IL 60048  
Attn: Marcus Lemonis  
Facsimile: 270.438.4724  
E-mail: MLeomonis@campingworld.com

- (b) if to ML RV Group, addressed as follows:

250 Parkway Drive, Suite 270  
Lincolnshire, IL 60048  
Attention: Marcus Lemonis  
Facsimile: 270.438.4724  
E-mail: MLeomonis@campingworld.com

- (c) if to Crestview Class A Holder, Crestview Class B Holder and Crestview, addressed as follows:

667 Madison Avenue, 10th Floor  
New York, NY 10065  
Attention: Brian Cassidy; Ross Oliver  
Facsimile: 212.906.0793  
E-mail: BCassidy@Crestview.com; ROliver@Crestview.com

- (d) If to the Company, addressed as follows:

250 Parkway Drive, Suite 270  
Lincolnshire, IL 60048  
Attn: Chief Financial Officer  
Facsimile: 805.667.4419  
E-mail: tom.wolfe@goodsam.com

or, in each case, to such other address or email address as such party may designate in writing to each party by written notice given in the manner specified herein. All such communications shall be deemed to have been given, delivered or made when so

delivered by hand or sent by facsimile (with confirmed transmission), on the next business day if sent by overnight courier service (with confirmed delivery) or when received if sent by first class mail, or in the case of notice by electronic mail, when the relevant email enters the recipient's server.

Section 11. Assignment. Except as otherwise provided herein, all of the terms and provisions of this Agreement shall be binding upon, shall inure to the benefit of and shall be enforceable by the respective successors and permitted assigns of the parties hereto. This Agreement may not be assigned (by operation of law or otherwise) without the express prior written consent of the other parties hereto, and any attempted assignment, without such consents, will be null and void; provided, however, that each Class A Stockholder and each Class B Stockholder is permitted to assign this Agreement to any Permitted Transferee of the Class A Common Stock or Class B Common Stock. Each Class A Stockholder and each Class B Stockholder, as applicable, shall cause any Permitted Transferee of the Class A Common Stock or Class B Common Stock, as applicable, to become a party to this Agreement.

Section 12. Amendment and Modification; Waiver of Compliance. This Agreement may not be amended, modified, altered or supplemented except by means of a written instrument executed on behalf of each of the Company, ML Acquisition, ML RV Group and Crestview. Except as otherwise provided in this Agreement, any failure of any of the parties to comply with any obligation, covenant, agreement or condition herein may be waived by the party or parties entitled to the benefits thereof only by a written instrument signed by the party or parties granting such waiver, but such waiver or failure to insist upon strict compliance with such obligation, covenant, agreement or condition shall not operate as a waiver of, or estoppel with respect to, any subsequent or other failure.

Section 13. Waiver. No failure on the part of either party hereto to exercise any power, right, privilege or remedy under this Agreement, and no delay on the part of either party hereto in exercising any power, right, privilege or remedy under this Agreement, shall operate as a waiver thereof; and no single or partial exercise of any such power, right, privilege or remedy shall preclude any other or further exercise thereof or of any other power, right, privilege or remedy.

Section 14. Severability. If any provision of this Agreement, or the application of such provision to any Person or circumstance or in any jurisdiction, shall be held to be invalid or unenforceable to any extent, (i) the remainder of this Agreement shall not be affected thereby, and each other provision hereof shall be valid and enforceable to the fullest extent permitted by law, (ii) as to such Person or circumstance or in such jurisdiction such provision shall be reformed to be valid and enforceable to the fullest extent permitted by law and (iii) the application of such provision to other Persons or circumstances or in other jurisdictions shall not be affected thereby.

Section 15. Counterparts. This Agreement may be executed in any number of counterparts and signatures may be delivered by facsimile, each of which may be executed by less than all parties, each of which shall be enforceable against the parties actually executing such counterparts, and all of which together shall constitute one instrument.

Section 16. Further Assurances. At any time or from time to time after the date hereof, the parties hereto agree to cooperate with each other, and at the request of any other party, to execute and deliver any further instruments or documents and to take all such further action as any other party may reasonably request in order to evidence or effectuate the provisions of this Agreement and to otherwise carry out the intent of the parties hereunder.

Section 17. Titles and Subtitles. The descriptive headings of this Agreement are inserted for convenience only and do not constitute a part of this Agreement.

Section 18. Representations and Warranties.

(a) Each of ML Acquisition, ML RV Group, Crestview Class A Holder, Crestview Class B Holder, Crestview and each Person who becomes a party to this Agreement after the date hereof, severally and not jointly and solely with respect to itself, represents and warrants to the Company as of the time such party becomes a party to this Agreement that (a) it is duly authorized to execute, deliver and perform this Agreement; (b) this Agreement has been duly executed by such party and is a valid and binding agreement of such party, enforceable against such party in accordance with its terms; and (c) the execution, delivery and performance by such party of this Agreement does not violate or conflict with or result in a breach of or constitute (or with notice or lapse of time or both constitute) a default under any agreement to which such party is a party or the organizational documents of such party.

(b) The Company represents and warrants to each other party hereto that (a) the Company is duly authorized to execute, deliver and perform this Agreement; (b) this Agreement has been duly authorized, executed and delivered by the Company and is a valid and binding agreement of the Company, enforceable against the Company in accordance with its terms; and (c) other than as set forth in Section 4(a)(y), the execution, delivery and performance by the Company of this Agreement does not violate or conflict with or result in a breach by the Company of or constitute (or with notice or lapse of time or both constitute) a default by the Company under the Charter or Bylaws, any existing applicable law, rule, regulation, judgment, order, or decree of any governmental authority exercising any statutory or regulatory authority of any of the foregoing, domestic or foreign, having jurisdiction over the Company or any of its Subsidiaries or any of their respective properties or assets, or any agreement or instrument to which the Company or any of its Subsidiaries is a party or by which the Company or any of its Subsidiaries or any of their respective properties or assets may be bound.

Section 19. No Strict Construction. This Agreement shall be deemed to be collectively prepared by the parties hereto, and no ambiguity herein shall be construed for or against any party based upon the identity of the author of this Agreement or any provision hereof.

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IN WITNESS WHEREOF, the parties hereto have caused this Agreement to be executed on the day and year first above written.

**CAMPING WORLD HOLDINGS, INC.**

By: /s/ Brent Moody  
Name: Brent Moody  
Title: Chief Operating & Legal Officer

[SIGNATURE PAGE TO VOTING AGREEMENT]

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**CWGS HOLDING, LLC**

By: /s/ Marcus A. Lemonis

Name: Marcus A. Lemonis

Title: Chief Executive Officer

[SIGNATURE PAGE TO VOTING AGREEMENT]

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**ML RV GROUP, LLC**

By: /s/ Marcus A. Lemonis

Name: Marcus A. Lemonis

Title: Chief Executive Officer

[SIGNATURE PAGE TO VOTING AGREEMENT]

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**CVRV ACQUISITION LLC**

By: /s/ Ross A. Oliver

Name: Ross A. Oliver

Title: General Counsel

[SIGNATURE PAGE TO VOTING AGREEMENT]

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**CVRV ACQUISITION II LLC**

By: /s/ Ross A. Oliver

Name: Ross A. Oliver

Title: General Counsel

[SIGNATURE PAGE TO VOTING AGREEMENT]

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**CRESTVIEW ADVISORS L.L.C.**

By: /s/ Ross A. Oliver

Name: Ross A. Oliver

Title: General Counsel

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[SIGNATURE PAGE TO VOTING AGREEMENT]

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**CAMPING WORLD HOLDINGS, INC.****DIRECTOR STOCK OWNERSHIP POLICY**

as of October 6, 2016

**Purpose**

This Non-Employee Director Stock Ownership Policy (the “Policy”) of Camping World Holdings, Inc. (the “Company”), together with the equity awards granted to certain members of the board of directors of the Company (the “Board”) pursuant to the Company’s Non-Employee Director Compensation Policy, as may be amended from time to time (the “Non-Employee Director Compensation Policy”), is designed to align the interests of members of the Board with the interests of the Company’s Class A common stockholders. This Policy shall become effective as of the day prior to the first date upon which Class A common stock (“Common Stock”) is listed (or approved for listing) on any securities exchange or designated (or approved for designation) as a national market security on an interdealer quotation system (the “Effective Date”), provided if the Company’s initial public offering is not consummated on or prior to March 31, 2017 this policy shall be void *ab initio* .

**Eligibility**

This Policy shall apply to all members of the Board that are not employees of the Company or its subsidiaries (each, a “Non-Employee Director”).

**Share Retention Policy**

Effective as of the fifth anniversary of the later of (i) the Effective Date, (ii) the first date of a Non-Employee Director’s service on the Board, each Non-Employee Director is encouraged to hold, directly or indirectly, shares of Common Stock and/or membership interests in CWGS Enterprises, LLC (“LLC Interests”) and at all times make good faith progress towards holding Qualifying Shareholdings (as defined herein) equal to or in excess of the Non-Employee Director’s ownership threshold, as described under “Ownership Threshold” below, as such threshold may be amended by the Company’s Nominating and Corporate Governance Committee (the “Committee”) from time to time.

**Ownership Threshold**

Each Non-Employee Director’s ownership threshold is an amount equal to five times his or her annual base retainer fee.

The Company uses the closing price per share of the Common Stock on the applicable measurement date to determine the number of Qualifying Shareholdings required to meet the ownership threshold.

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## **Qualifying Shareholdings**

Securities that qualify in determining whether a Non-Employee Director has satisfied the shareholding requirements of this Policy (“Qualifying Shareholdings”) include: (i) issued and outstanding shares of Common Stock held, directly or indirectly, beneficially or of record by the Non-Employee Director that are not subject to transfer or other restrictions; (ii) issued and outstanding LLC Interests held, directly or indirectly, beneficially or of record by the Non-Employee Director; (iii) issued and outstanding shares of Common Stock or LLC Interests held by a Qualifying Trust (as defined below); (iv) issued and outstanding shares of Common Stock or LLC Interests held by a 401(k) or other qualified pension or profit-sharing plan for the benefit of the Non-Employee Director (whether denominated in shares or units); and (v) shares of Common Stock underlying vested Company time-based stock options, restricted stock and restricted stock units; provided that the number of shares of Common Stock underlying stock options, restricted stock or restricted stock units constituting Qualifying Shareholdings shall equal the number of shares of Common Stock that would be deliverable upon exercise or settlement in full of the respective awards, less (A) a number of shares of Common Stock with a value equal to any applicable income and employment taxes, utilizing an assumed tax rate equal to 40% (the “Tax Amount”), and (B) in the case of stock options, a number of shares of Common Stock with a value equal to the exercise price thereof. The Company uses the closing price per share of Common Stock on the applicable measurement date to determine the number of shares needed to satisfy the Tax Amount and the exercise price.

For purposes of the foregoing paragraph, “beneficial ownership” shall mean the ownership or sharing, directly or indirectly, through any contract, arrangement, understanding, relationship, or otherwise, of (i) voting power which includes the power to vote, or to direct the voting of, such security; and/or (ii) investment power which includes the power to dispose, or to direct the disposition, of such security. “Qualifying Trust” means a trust created for the benefit of the Non-Employee Director, the Non-Employee Director’s spouse, or members of the Non-Employee Director’s immediate family.

## **Qualifying Shareholdings Reporting**

Each Non-Employee Director shall report in such Non-Employee Director’s annual Director and Officer Questionnaire (“D&O Questionnaire”) his or her Qualifying Shareholdings as of the date the D&O Questionnaire is completed and, in the case of newly appointed Non-Employee Directors, such information shall also be reported in such Non-Employee Director’s initial D&O Questionnaire.

## **Remedies for Non-Compliance**

The Committee has the authority to review each Non-Employee Director’s compliance (or progress towards compliance) with this Policy from time to time and, in its sole discretion, to impose such conditions, restrictions or limitations on any Non-Employee Director as the Committee determines to be necessary or appropriate in order to achieve the purposes of this Policy. For example, the Committee may mandate that a Non-Employee Director retain (and not transfer) all or a portion of any shares delivered to the Non-Employee Director through the Company’s equity plans or otherwise restrict the Non-Employee Director’s transfer of previously owned shares.



### **Undue Hardship**

There may be instances in which this Policy would place a severe hardship on a Non-Employee Director or prevent the Non-Employee Director from complying with a court order, such as a divorce settlement, or other legal requirement. In these instances, the Non-Employee Director must submit a request in writing to the Committee or its designee that summarizes the circumstances and describes the extent to which an exemption is being requested. The Committee or its designee will make the final decision as to whether an exemption will be granted. If such a request is granted in whole or part, the Committee or its designee will work with the Non-Employee Director to develop an alternative stock ownership plan that reflects both the intention of this Policy and the Non-Employee Director's individual circumstances.

### **Administration**

This Policy is administered and interpreted by the Committee. The Committee retains the authority to make exceptions to or waivers of the Policy based upon changes in circumstances or to otherwise amend or alter the Policy as it may determine appropriate. The Committee will review each Non-Employee Director's compliance efforts with respect to this Policy no less than annually and will review this Policy from time to time as the Committee deems necessary or appropriate.

## CAMPING WORLD HOLDINGS, INC.

EXECUTIVE OFFICER STOCK OWNERSHIP POLICY  
as of October 6, 2016**Purpose**

This Executive Officer Stock Ownership Policy (the “Policy”) of Camping World Holdings, Inc. (“Camping World”) is designed to align the interests of executive officers of Camping World with the interests of Camping World’s common stockholders. This Policy shall become effective as of the day prior to the first date upon which Camping World’s Class A common stock (“Common Stock”) is listed (or approved for listing) on any securities exchange or designated (or approved for designation) as a national market security on an interdealer quotation system (the “Effective Date”) and if the Company’s initial public offering is not consummated on or prior to March 31, 2017 this policy shall be void *ab initio*.

**Eligibility**

This Policy shall apply to certain Executive Officers of Camping World. For purposes of this Policy, “Executive Officer” shall mean the Chief Executive Officer, the Chief Financial Officer, the Chief Operating Officer, and any other executive officer as determined by Camping World’s Board of Directors.

**Share Retention Requirement**

Following the Compliance Date (as defined below), the Executive Officers are encouraged to hold (and not transfer), a pre-defined percentage of all “net settled shares” (as defined below) received from the vesting, delivery or exercise of equity awards granted under the equity award plans of Camping World or CWGS Holdings, LLC (“CWGS Holdings”) or the redemption of membership interests in CWGS Holdings (“LLC Interests”), if the Executive Officer’s total Qualifying Shareholdings (as defined herein) are less in value than the Executive Officer’s applicable ownership threshold, as reflected under “Fixed Dollar Amount or Salary Multiple Used to Determine Ownership Threshold” below. This share retention requirement applies to an Executive Officer only if such Executive Officer has not achieved his or her applicable ownership threshold at any time on or following such Executive Officer’s Compliance Date (as defined below).

For purposes of this Policy, “net settled shares” means those shares of Common Stock or LLC Interests that remain after payment of (i) the exercise price of stock options or purchase price of other awards and all applicable withholding taxes, and (ii) all applicable transaction costs.

The percentage of net settled shares required after the Compliance Date to be held if the Executive Officer’s Qualifying Shareholdings after the Compliance Date is less than his or her applicable ownership threshold is 50%.

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## **Ownership Guidelines**

Effective as of the fifth anniversary of the later of (i) the Effective Date, (ii) the date of an Executive Officer's hire by Camping World and (iii) the date of an employee's internal promotion to an Executive Officer position subject to the Policy (such later date, an Executive Officer's "Compliance Date"), each Executive Officer is encouraged to hold Qualifying Shareholdings that are at least equal in value to the Executive Officer's ownership threshold.

Camping World uses the closing price per share of Common Stock on the applicable measurement date to determine the number of Qualifying Shareholdings required to meet the following thresholds, which are calculated as a fixed dollar amount or multiple of the Executive Officer's base salary in effect from time to time:

<b>Executive</b>	<b>Fixed Dollar Amount or Salary Multiple Used to Determine Ownership Threshold</b>
Chief Executive Officer	\$5,000,000
Executive Officers	3x

Any person who becomes subject to the Policy after the Effective Date will have his or her initial individual threshold established based upon his or her title and base salary in effect at the time he or she becomes subject to the Policy.

Once established, an Executive Officer's fixed dollar amount or salary multiple used to determine the ownership threshold will not change as a result of fluctuations in Common Stock price, and will not change as a result of a change in his or her base salary that is not made in connection with a change in title, but may increase or decrease as a result of a change in title of the Executive Officer in accordance with the chart above; provided that an Executive Officer will not be required to hold the increased number of Qualified Shareholdings required as a result of a promotion until the second anniversary of such promotion.

## **Qualifying Shareholdings**

Securities that qualify in determining whether an Executive Officer has satisfied the shareholding requirements of this Policy ("Qualifying Shareholdings") include: (i) issued and outstanding shares of Common Stock held, directly or indirectly, beneficially or of record by the Executive Officer that are not subject to transfer or other restrictions; (ii) issued and outstanding LLC Interests held, directly or indirectly, beneficially or of record by the Executive Officer; (iii) issued and outstanding shares of Common Stock or LLC Interests held by a Qualifying Trust (as defined below); (iv) issued and outstanding shares of Common Stock or LLC Interests held by a 401(k) or other qualified pension or profit-sharing plan for the benefit of the Executive Officer (whether denominated in shares or units); and (v) shares of Common Stock underlying vested Camping World time-based stock options, restricted stock and restricted stock units; provided that the number of shares of Common Stock underlying stock options, restricted stock or restricted stock units constituting Qualifying Shareholdings shall equal the number of shares of Common Stock that would be deliverable upon exercise or settlement in full of the respective

awards, less (A) a number of shares of Common Stock with a value equal to any applicable withholding taxes, utilizing an assumed tax rate equal to 40% (the “ Tax Withholding Amount ”), and (B) in the case of stock options, a number of shares of Common Stock with a value equal to the exercise price thereof. Camping World uses the closing price per share of Common Stock on the applicable measurement date to determine the number of shares needed to satisfy the Tax Withholding Amount and the exercise price.

For purposes of the foregoing paragraph, “ beneficial ownership ” shall mean the ownership or sharing, directly or indirectly, through any contract, arrangement, understanding, relationship, position, or otherwise, of (i) voting power which includes the power to vote, or to direct the voting of, such security; and/or (ii) investment power which includes the power to dispose, or to direct the disposition, of such security. “ Qualifying Trust ” means a trust created for the benefit of the Executive Officer, the Executive Officer’s spouse, or members of the Executive Officer’s immediate family.

### **Qualifying Shareholdings Reporting**

Each Executive Officer shall report in such Executive Officer’s annual Director and Officer Questionnaire (“ D&O Questionnaire ”) his or her Qualifying Shareholdings as of the date the D&O Questionnaire is completed and, in the case of newly appointed (whether through promotion or new employment) Executive Officers, such information shall also be reported in such Executive Officer’s initial D&O Questionnaire.

### **Remedies for Non-Compliance**

Any Executive Officer who does not comply with this Policy following his or her Compliance Date shall be subject to discipline by Camping World, up to and including termination of employment. In addition, Camping World’s Compensation Committee (the “ Committee ”) has the authority to review each Executive Officer’s compliance (or progress towards compliance) with this Policy from time to time following such Executive Officer’s Compliance Date and, in its sole discretion, to impose such conditions, restrictions or limitations on any Executive Officer as the Committee determines to be necessary or appropriate in order to achieve the purposes of this Policy. For example, the Committee may mandate that an Executive Officer retain (and not transfer) all or a portion of any shares or LLC Interests delivered to the participant through the equity plans of Camping World or CWGS Holdings (or any shares received upon redemption of LLC Interests) or otherwise restrict the Executive Officer’s transfer or redemption of previously owned shares or LLC Interests. With regard to Executive Officers other than the CEO, the Committee may delegate this authority to the CEO as it deems appropriate from time to time.

### **Undue Hardship**

There may be instances in which this Policy would place a severe hardship on an Executive Officer or prevent the Executive Officer from complying with a court order, such as a divorce settlement, or other legal requirement. In these instances, the Executive Officer must submit a request in writing to the Chairman of the Compensation Committee or his or her designee that summarizes the circumstances and describes the extent to which an exemption is being requested. The Chairman of the Compensation Committee or his or her designee will make the final decision as to whether an exemption will be granted. If such a request is granted in whole or part, the Chairman of the Compensation Committee or his or her designee will work with the Executive Officer to develop an alternative stock ownership plan that reflects both the intention of this Policy and the Executive Officer's individual circumstances.

### **Administration**

This Policy is administered and interpreted by the Committee. The Committee retains the authority to make exceptions to or waivers of the Policy based upon changes in circumstances or to otherwise amend or alter the Policy as it may determine appropriate. The Committee will review each Executive Officer's compliance efforts with respect to this Policy no less than annually, and will review this Policy from time to time as the Committee deems necessary or appropriate.

**CWGS ENTERPRISES, LLC**

**AMENDED AND RESTATED  
LIMITED LIABILITY COMPANY AGREEMENT**

Dated as of October 6, 2016

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THE COMPANY INTERESTS REPRESENTED BY THIS AMENDED AND RESTATED LIMITED LIABILITY COMPANY AGREEMENT HAVE NOT BEEN REGISTERED UNDER THE UNITED STATES SECURITIES ACT OF 1933, AS AMENDED, OR UNDER ANY OTHER APPLICABLE SECURITIES LAWS. SUCH COMPANY INTERESTS MAY NOT BE SOLD, ASSIGNED, PLEDGED OR OTHERWISE DISPOSED OF AT ANY TIME WITHOUT EFFECTIVE REGISTRATION UNDER SUCH ACT AND LAWS OR EXEMPTION THEREFROM, AND COMPLIANCE WITH THE OTHER SUBSTANTIAL RESTRICTIONS ON TRANSFERABILITY SET FORTH HEREIN.

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**CWGS ENTERPRISES, LLC**

**AMENDED AND RESTATED  
LIMITED LIABILITY COMPANY AGREEMENT**

This AMENDED AND RESTATED LIMITED LIABILITY COMPANY AGREEMENT (as the same may be amended, restated, amended and restated, supplemented or otherwise modified from time to time, this “*Agreement*”), dated as of October 6, 2016 (the “*Effective Time*”), is entered into by and among CWGS Enterprises, LLC, a Delaware limited liability company (the “*Company*”), and its Members (as defined herein).

**RECITALS**

WHEREAS, unless the context otherwise requires, capitalized terms have the respective meanings ascribed to them in Section 1.1;

WHEREAS, the Company was formed as a limited liability company with the name “CWGS Enterprises, LLC”, pursuant to and in accordance with the Delaware Act by the filing of the Certificate with the Secretary of State of the State of Delaware pursuant to Section 18-201 of the Delaware Act on February 9, 2011;

WHEREAS, the Company entered into a Limited Liability Company Agreement of the Company, dated as of March 2, 2011, as amended by (i) the First Amendment to the Limited Liability Company Agreement of the Company, dated as of August 12, 2013, (ii) the Second Amendment to the Limited Liability Company Agreement of the Company, dated as of September 30, 2014, (iii) the Third Amendment to the Limited Liability Company Agreement, dated as of January 1, 2015 and (iv) the Fourth Amendment to the Limited Liability Company Agreement of the Company, dated as of April 15, 2016 (as amended, restated, amended and restated, supplemented or otherwise modified from time to time, together with all schedules, exhibits and annexes thereto, the “*Initial LLC Agreement*”), which the parties listed on Schedule 1 hereto have executed in their capacity as members (including pursuant to consent and joinders thereto) (collectively, the “*Pre-IPO Members*”);

WHEREAS, the Pre-IPO Members, prior to the date hereof, hold Common Units, Preferred Units and Profits Units (each as defined in Section 3.3 of the Initial LLC Agreement, respectively, the “*Original Common Units*”, the “*Original Preferred Units*” and the “*Original Profit Units*”, and collectively, the “*Original Units*”) of the Company;

WHEREAS, the Company and the Pre-IPO Members desire to have Camping World Holdings, Inc., a Delaware corporation (the “*Corporation*”), effect an initial public offering (the “*IPO*”) of shares of its Class A common stock, par value \$0.01 (the “*Class A Common Stock*”), and in connection therewith, to amend and restate the Initial LLC Agreement as of the Effective Time to reflect (a) a recapitalization of the Company and the associated split in the number of Units then outstanding (the “*Recapitalization*”), (b) the addition of the Corporation as a Member in the Company and its designation as sole Manager of the Company, and (c) the rights and

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obligations of the Members of the Company that are enumerated and agreed upon in the terms of this Agreement effective as of the Effective Time, at which time the Initial LLC Agreement shall be superseded entirely by this Agreement;

WHEREAS, in connection with the Recapitalization and as of the Effective Time, the Original Units of each Pre-IPO Member will be converted into Common Units as set forth herein;

WHEREAS, the parties listed on the Schedule of Members are the Members as of the Effective Time and after giving effect to the Recapitalization and completion of the Blocker Roll Up (as defined below) (the “**Effective Date Members**”);

WHEREAS, (i) prior to the Effective Time (1) Crestview distributed a portion of its Original Preferred Units to the Crestview Equityholders and each of the Crestview Equityholders was admitted as a Substituted Member with respect to the Original Preferred Units it received in such distribution, (2) the Crestview Equityholders in turn distributed the Original Preferred Units so received to the Crestview GP and to the Blocker Corps, and the Crestview GP and each of the Blocker Corps has been admitted each as a Substituted Member with respect to the Common Units, (3) the Crestview Parents contributed all of their respective interests in the Blocker Corps to the Crestview Equityholders and (4) the Crestview Equityholders contributed their respective interests in the Blocker Corps to Crestview II, (ii) immediately after the Effective Time and the recapitalization contemplated hereby, and prior to the IPO, a subsidiary of the Corporation will merge with and into each Blocker Corp, with each Blocker Corp surviving and Crestview II receiving Class A Common Stock in exchange for all of its equity interests in the Blocker Corps, and thereafter each Blocker Corp will merge with and into a wholly-owned limited liability company subsidiary of the Corporation (the “**LLC Holdco**”) pursuant to which the LLC Holdco will survive and will be admitted as a Substitute Member with respect to the Common Units held by the Blocker Corps immediately prior to such merger, in each case, pursuant to an integrated plan that is intended to be treated as a reorganization within the meaning of Section 368(a) of the Code and (iii) immediately after the Effective Time and the recapitalization contemplated hereby, and concurrently with the transactions contemplated in paragraph (ii), the Crestview GP will exchange its Common Units for shares of Class A Common Stock, and will contribute such shares of Class A Common Stock to the Crestview Equityholders, which in turn will contribute such shares of Class A Common Stock to Crestview II (the transactions described in clauses (i), (ii) and (iii), collectively, the “**Blocker Roll Up**”);

WHEREAS, except for the Over-Allotment Option, the Corporation will sell shares of its Class A Common Stock to public investors in the IPO and will use the net proceeds received from the IPO (the “**IPO Net Proceeds**”) to pay for the Common Units from the Company pursuant to the IPO Common Unit Subscription Agreement; and

WHEREAS, the Corporation may issue additional shares of Class A Common Stock in connection with the IPO as a result of the exercise by the underwriters of their over-allotment option (the “**Over-Allotment Option**”) and, if the Over-Allotment Option is exercised in whole or in part, any additional net proceeds (the “**Over-Allotment Option Net Proceeds**”) shall be used by the Corporation to purchase additional newly issued Common Units from the Company pursuant to the IPO Common Unit Subscription Agreement.

NOW, THEREFORE, in consideration of the mutual covenants contained herein and other good and valuable consideration, the receipt and sufficiency of which are hereby acknowledged, the Company and the Members, intending to be legally bound, hereby agree as follows:

## ARTICLE I. DEFINITIONS

The following definitions shall be applied to the terms used in this Agreement for all purposes, unless otherwise clearly indicated to the contrary.

“ **Additional Member** ” has the meaning set forth in Section 12.02.

“ **Adjusted Capital Account Deficit** ” means with respect to the Capital Account of any Member as of the end of any Taxable Year, the amount by which the balance in such Capital Account is less than zero. For this purpose, such Member’s Capital Account balance shall be:

- (a) reduced for any items described in Treasury Regulation Section 1.704-1(b)(2)(ii)(d)(4), (5), and (6); and
- (b) increased for any amount such Member is obligated to contribute or is treated as being obligated to contribute to the Company pursuant to Treasury Regulation Section 1.704-1(b)(2)(ii)(c) (relating to partner liabilities to a partnership) or 1.704-2(g)(1) and 1.704-2(i) (relating to minimum gain).

“ **Admission Date** ” has the meaning set forth in Section 10.06.

“ **Affiliate** ” (and, with a correlative meaning, “ **Affiliated** ”) means, with respect to a specified Person, each other Person that directly, or indirectly through one or more intermediaries, controls or is controlled by, or is under common control with, the Person specified. As used in this definition, “control” (including with correlative meanings, “controlled by” and “under common control with”) means possession, directly or indirectly, of power to direct or cause the direction of management or policies (whether through ownership of voting securities or by contract or other agreement).

“ **Agreement** ” has the meaning set forth in the preamble to this Agreement.

“ **Approved Qualified Transaction** ” has the meaning set forth in Section 10.09(a).

“ **Assignee** ” means a Person to whom a Company Interest has been transferred but who has not become a Member pursuant to Article XII.

“ **Assumed Tax Liability** ” means, with respect to any Member, an amount equal to the excess of (i) the product of (A) the Distribution Tax Rate *multiplied by* (B) the estimated or actual cumulative taxable income or gain of the Company, as determined for federal income tax purposes, allocated to such Member for full or partial Fiscal Years commencing on or after January 1, 2016, *less* prior losses of the Company allocated to such Member for full or partial Fiscal Years commencing on or after January 1, 2016, in each case, as determined by the

Manager *over* (ii) the sum of (A) the cumulative Tax Distributions made to such Member after the closing date of the IPO pursuant to Sections 4.01(b)(i), 4.01(b)(ii) and 4.01(b)(iii) and (B) tax distributions made to such Member (or such Member's predecessor) pursuant to the Initial LLC Agreement with respect to the Fiscal Year commencing on January 1, 2016 (without regard to any adjustments to such tax distributions relating to tax distributions made with respect to any Fiscal Year ending prior the January 1, 2016), including such tax distributions made pursuant to Section 4.01(b)(v); *provided* that, in the case of the Corporation, such Assumed Tax Liability (x) shall be computed without regard to any increases to the tax basis of the Company's property pursuant to Section 743(b) of the Code and (y) shall in no event be less than an amount that will enable the Corporation to meet both its tax obligations and its obligations pursuant to the Tax Receivable Agreement for the relevant Taxable Year.

“**Base Rate**” means, on any date, a variable rate per annum equal to the rate of interest most recently published by The Wall Street Journal as the “prime rate” at large U.S. money center banks.

“**Binding Sale Agreement**” has the meaning set forth in Section 11.01(b).

“**Black-Out Period**” means any “black-out” or similar period under the Corporation's policies covering trading in the Corporation's securities to which the applicable Redeeming Member is subject (or will be subject at such time as it owns Class A Common Stock), which period restricts the ability of such Redeeming Member to immediately resell shares of Class A Common Stock to be delivered to such Redeeming Member in connection with a Share Settlement.

“**Blocker Corps**” means Crestview II CWGS (OS), LLC, Crestview II CWGS (FF OS), LLC, Crestview II CWGS (TE), LLC and Crestview Partners II CWGS (892), LLC, each of them, a Delaware limited liability company.

“**Blocker Roll Up**” has the meaning set forth in the recitals to this Agreement.

“**Book Value**” means, with respect to any Company property, the Company's adjusted basis for U.S. federal income tax purposes, adjusted from time to time to reflect the adjustments required or permitted by Treasury Regulation Section 1.704-1(b)(2)(iv)(d)-(g).

“**Business Day**” means any day other than a Saturday or a Sunday or a day on which banks located in New York City, New York generally are authorized or required by Law to close.

“**Capital Account**” means the capital account maintained for a Member in accordance with Section 5.01.

“**Capital Contribution**” means, with respect to any Member, the amount of any cash, cash equivalents, promissory obligations or the Fair Market Value of other property that such Member contributes (or is deemed to contribute) to the Company pursuant to Article III hereof.

“**Cash Settlement**” means immediately available funds in U.S. dollars in an amount equal to the Redeemed Units Equivalent.

“ **Certificate** ” means the Company’s Certificate of Formation as filed with the Secretary of State of Delaware, as amended or amended and restated from time to time.

“ **Class A Common Stock** ” has the meaning set forth in the recitals to this Agreement.

“ **Class B Common Stock** ” means the shares of Class B Common Stock, par value \$0.01 per share, of the Corporation.

“ **Code** ” means the United States Internal Revenue Code of 1986, as amended.

“ **Common Unit** ” means a Unit representing a fractional part of the Company Interests of the Members and having the rights and obligations specified with respect to the Common Units in this Agreement.

“ **Common Unit Redemption Price** ” means the arithmetic average of the volume weighted average prices for a share of Class A Common Stock (or any class of stock into which it has been converted) on the principal U.S. securities exchange or automated or electronic quotation system on which the Class A Common Stock trades, as reported by Bloomberg, L.P., or its successor, for each of the five (5) consecutive full Trading Days ending on and including the last full Trading Day immediately prior to the Redemption Date, subject to appropriate and equitable adjustment for any stock splits, reverse splits, stock dividends or similar events affecting the Class A Common Stock. If the Class A Common Stock no longer trades on a securities exchange or automated or electronic quotation system, then the Manager shall determine the Common Unit Redemption Price in good faith.

“ **Common Unitholder** ” means a Member who is the registered holder of Common Units.

“ **Company** ” has the meaning set forth in the preamble to this Agreement.

“ **Company Interest** ” means the interest of a Member in Profits, Losses and Distributions.

“ **Contribution Notice** ” has the meaning set forth in Section 11.01(b).

“ **Corporate Board** ” means the Board of Directors of the Corporation.

“ **Corporate Incentive Award Plan** ” means the 2016 Incentive Award Plan, as the same may be amended, restated, amended and restated, supplemented or otherwise modified from time to time.

“ **Corporation** ” has the meaning set forth in the recitals to this Agreement, together with its successors and assigns.

“ **Credit Agreements** ” means any promissory note, mortgage, loan agreement, indenture or similar instrument or agreement to which the Company or any of its Subsidiaries is or becomes a borrower, as such instruments or agreements may be amended, restated, supplemented or otherwise modified from time to time and including any one or more refinancing or replacements thereof, in whole or in part, with any other debt facility or debt

obligation, for as long as the payee or creditor to whom the Company or any of its Subsidiaries owes such obligation is not an Affiliate of the Company.

“ **Crestview** ” means CVRV Acquisition LLC, a Delaware limited liability company, and its Permitted Transferees.

“ **Crestview II** ” means CVRV Acquisition II LLC, a Delaware limited liability company, and its Permitted Transferees.

“ **Crestview Equityholders** ” means Crestview Offshore Holdings II (Cayman), L.P., Crestview Offshore Holdings II (FF Cayman), L.P., Crestview Holdings II (TE 2), L.P. and Crestview Offshore Holdings II (892 Cayman), L.P.

“ **Crestview GP** ” means Crestview Partners II GP, L.P., a Delaware limited partnership.

“ **Crestview Parent** ” means Crestview Partners II CWGS (Cayman), L.P., Crestview Partners II CWGS (FF Cayman), L.P., Crestview Partners II (TE), L.P. and Crestview Partners II (892), L.P.

“ **Delaware Act** ” means the Delaware Limited Liability Company Act, 6 Del.C. § 18-101, *et seq.*, as it may be amended from time to time, and any successor thereto.

“ **Direct Exchange** ” has the meaning set forth in Section 11.03(a).

“ **Distributable Cash** ” means, as of any relevant date on which a determination is being made by the Manager regarding a potential distribution pursuant to Section 4.01(a), the amount of cash that could be distributed by the Company for such purposes in accordance with the Credit Agreements (and without otherwise violating any applicable provisions of any of the Credit Agreements).

“ **Distribution** ” (and, with a correlative meaning, “ **Distribute** ”) means each distribution made by the Company to a Member with respect to such Member’s Units, whether in cash, property or securities of the Company and whether by liquidating distribution or otherwise; *provided, however*, that none of the following shall be a Distribution: (a) any recapitalization that does not result in the distribution of cash or property to Members or any exchange of securities of the Company, and any subdivision (by Unit split or otherwise) or any combination (by reverse Unit split or otherwise) of any outstanding Units or (b) any other payment made by the Company to a Member that is not properly treated as a “distribution” for purposes of Sections 731, 732, or 733 or other applicable provisions of the Code.

“ **Distribution Tax Rate** ” means a rate equal to the highest effective marginal combined federal, state and local income tax rate for a Fiscal Year applicable to corporate or individual taxpayers that may potentially apply to any Member for such Fiscal Year, taking into account the character of the relevant tax items (e.g., ordinary or capital) and the deductibility of state and local income taxes for federal income tax purposes, as reasonably determined by the Manager.

“ **Drag-Along Amount** ” has the meaning set forth in Section 10.09(b).



“ **Drag-Along Notice** ” has the meaning set forth in Section 10.09(b).

“ **Drag-Along Right** ” has the meaning set forth in Section 10.09(a).

“ **Drag Price** ” has the meaning set forth in Section 10.09(a).

“ **Effective Date Members** ” has the meaning set forth in the recitals to this Agreement.

“ **Effective Time** ” has the meaning set forth in the preamble to this Agreement.

“ **Equity Plan** ” means any stock or equity purchase plan, restricted stock or equity plan or other similar equity compensation plan now or hereafter adopted by the Company or the Corporation.

“ **Equity Securities** ” means (a) Units or other equity interests in the Company or any Subsidiary of the Company (including other classes or groups thereof having such relative rights, powers and duties as may from time to time be established by the Manager pursuant to the provisions of this Agreement, including rights, powers and/or duties senior to existing classes and groups of Units and other equity interests in the Company or any Subsidiary of the Company), (b) obligations, evidences of indebtedness or other securities or interests convertible or exchangeable into Units or other equity interests in the Company or any Subsidiary of the Company, and (c) warrants, options or other rights to purchase or otherwise acquire Units or other equity interests in the Company or any Subsidiary of the Company.

“ **Event of Withdrawal** ” means the expulsion, bankruptcy or dissolution of a Member or the occurrence of any other event that terminates the continued membership of a Member in the Company. “Event of Withdrawal” shall not include an event that (a) terminates the existence of a Member for income tax purposes (including, without limitation, (i) a change in entity classification of a Member under Treasury Regulations Section 301.7701-3, (ii) termination of a partnership pursuant to Code Section 708(b)(1)(B), (iii) a sale of assets by, or liquidation of, a Member pursuant to an election under Code Sections 336 or 338, or (iv) merger, severance, or allocation within a trust or among sub-trusts of a trust that is a Member) but that (b) does not terminate the existence of such Member under applicable state law (or, in the case of a trust that is a Member, does not terminate the trusteeship of the fiduciaries under such trust with respect to all the Company Interests of such trust that is a Member).

“ **Exchange Election Notice** ” has the meaning set forth in Section 11.03(b).

“ **Fair Market Value** ” means, with respect to any asset, its fair market value determined according to Article XV.

“ **Fiscal Period** ” means any interim accounting period within a Taxable Year established by the Manager and which is permitted or required by Section 706 of the Code.

“ **Fiscal Year** ” means the Company’s annual accounting period established pursuant to Section 8.02.

“ **Governmental Entity** ” means (a) the United States of America, (b) any other sovereign nation, (c) any state, province, district, territory or other political subdivision of (a) or (b) of this definition, including any county, municipal or other local subdivision of the foregoing, or (d) any entity exercising executive, legislative, judicial, regulatory or administrative functions of government on behalf of (a), (b) or (c) of this definition.

“ **Indemnified Person** ” has the meaning set forth in Section 7.04(a).

“ **Initial LLC Agreement** ” has the meaning set forth in the recitals to this Agreement.

“ **Investment Company Act** ” means the U.S. Investment Company Act of 1940, as amended from time to time.

“ **IPO** ” has the meaning set forth in the recitals to this Agreement.

“ **IPO Common Unit Subscription** ” has the meaning set forth in Section 3.03(b).

“ **IPO Common Unit Subscription Agreement** ” means that certain Common Unit Subscription Agreement, dated as of the date hereof, by and between the Corporation and the Company.

“ **IPO Net Proceeds** ” has the meaning set forth in the recitals to this Agreement.

“ **Joinder** ” means a joinder to this Agreement, in form and substance substantially similar to Exhibit A to this Agreement.

“ **Law** ” means all laws, statutes, ordinances, rules and regulations of the United States, any foreign country and each state, commonwealth, city, county, municipality, regulatory body, agency or other political subdivision thereof.

“ **liquidator** ” has the meaning set forth in Section 14.02.

“ **LLC Employee** ” means an employee of, or other service provider to, the Company or any Subsidiary, in each case acting in such capacity.

“ **LLC Holdco** ” has the meaning set forth in the recitals to this Agreement.

“ **Losses** ” means items of Company loss or deduction determined according to Section 5.01(b).

“ **Manager** ” has the meaning set forth in Section 6.01.

“ **Market Price** ” means, with respect to a share of Class A Common Stock as of a specified date, the last sale price per share of Class A Common Stock, regular way, or if no such sale took place on such day, the average of the closing bid and asked prices per share of Class A Common Stock, regular way, in either case as reported in the principal consolidated transaction reporting system with respect to securities listed or admitted to trading on the Stock Exchange or, if the Class A Common Stock is not listed or admitted to trading on the Stock Exchange, as

reported on the principal consolidated transaction reporting system with respect to securities listed on the principal national securities exchange on which the Class A Common Stock is listed or admitted to trading or, if the Class A Common Stock is not listed or admitted to trading on any national securities exchange, the last quoted price, or, if not so quoted, the average of the high bid and low asked prices in the over-the-counter market, as reported by the National Association of Securities Dealers, Inc. Automated Quotation System or, if such system is no longer in use, the principal other automated quotation system that may then be in use or, if the Class A Common Stock is not quoted by any such system, the average of the closing bid and asked prices as furnished by a professional market maker making a market in shares of Class A Common Stock selected by the Corporate Board or, in the event that no trading price is available for the shares of Class A Common Stock, the fair market value of a share of Class A Common Stock, as determined in good faith by the Corporate Board.

“ **Member** ” means, as of any date of determination, (a) each of the members named on the Schedule of Members and (b) any Person admitted to the Company as a Substituted Member or Additional Member in accordance with Article XII and the Delaware Act, but in each case only so long as such Person is shown on the Company’s books and records as the owner of one or more Units. The Members shall constitute a single class or group of members for purposes of the Delaware Act.

“ **Minimum Gain** ” means “partnership minimum gain” determined pursuant to Treasury Regulation Section 1.704-2(d).

“ **ML Related Parties** ” has the meaning set forth in the Corporation’s certificate of incorporation, as amended.

“ **ML RV Group** ” has the meaning set forth in the Corporation’s certificate of incorporation, as amended.

“ **Net Loss** ” means, with respect to a Fiscal Year, the excess if any, of Losses for such Fiscal Year over Profits for such Fiscal Year (excluding Profits and Losses specially allocated pursuant to Section 5.03 and Section 5.04 ).

“ **Net Profit** ” means, with respect to a Fiscal Year, the excess if any, of Profits for such Fiscal Year over Losses for such Fiscal Year (excluding Profits and Losses specially allocated pursuant to Section 5.03 and Section 5.04 ).

“ **Officer** ” has the meaning set forth in Section 6.01(b).

“ **Optionee** ” means a Person to whom a stock option is granted under any Stock Option Plan.

“ **Original Common Units** ” has the meaning set forth in the recitals to this Agreement.

“ **Original Preferred Units** ” has the meaning set forth in the recitals to this Agreement.

“ **Original Profit Units** ” has the meaning set forth in the recitals to this Agreement.

“ **Original Units** ” has the meaning set forth in the recitals to this Agreement.

“ **Other Agreements** ” has the meaning set forth in Section 10.04 .

“ **Over-Allotment Option** ” has the meaning set forth in the recitals to this Agreement.

“ **Over-Allotment Option Net Proceeds** ” has the meaning set forth in the recitals to this Agreement.

“ **Partnership Representative** ” has the meaning set forth in Section 9.03(b) .

“ **Percentage Interest** ” means, as among an individual class of Units and with respect to a Member at a particular time, such Member’s percentage interest in the Company determined by dividing such Member’s Units of such class by the total Units of all Members of such class at such time. The Percentage Interest of each member shall be calculated to the 4<sup>th</sup> decimal place.

“ **Permitted Transfer** ” has the meaning set forth in Section 10.02 .

“ **Permitted Transferee** ” has the meaning set forth in Section 10.02 .

“ **Person** ” means an individual or any corporation, partnership, limited liability company, trust, unincorporated organization, association, joint venture or any other organization or entity, whether or not a legal entity.

“ **Pre-IPO Members** ” has the meaning set forth in the recitals to this Agreement.

“ **Pro rata** , ” “ **pro rata portion** , ” “ **according to their interests** , ” “ **ratably** , ” “ **proportionately** , ” “ **proportional** , ” “ **in proportion to** , ” “ **based on the number of Units held** , ” “ **based upon the percentage of Units held** , ” “ **based upon the number of Units outstanding** , ” and other terms with similar meanings, when used in the context of a number of Units of the Company relative to other Units, means as amongst an individual class of Units, pro rata based upon the number of such Units within such class of Units.

“ **Profits** ” means items of Company income and gain determined according to Section 5.01(b) .

“ **Qualified Transaction** ” means a bona fide negotiated transaction or series of related transactions pursuant to which the Corporation consolidates with or merges into any other Person or any other Person consolidates with or merges into the Corporation or any tender offer or share issuance or similar business combination transaction involving the Corporation, unless (i) after the consummation of such transaction, the ML Related Parties and the ML RV Group will continue to be entitled to the number of votes necessary such that each of the ML Related Parties, in the aggregate, and the ML RV Group cast forty seven percent (47%) and five percent (5%),

respectively, of the total votes eligible to be cast by all stockholders of the Corporation on all matters presented to a vote of the stockholder of the Corporation generally or (ii) in the event that at the time of the approval of such transaction the ML Related Parties and the ML RV Group are no longer entitled to the number of votes necessary such that each of the ML Related Parties, in the aggregate, and the ML RV Group cast forty seven percent (47%) and five percent (5%), respectively, of the total votes eligible to be cast by all stockholders of the Corporation on all matters presented to a vote of the stockholder of the Corporation generally, holders of shares of Class A Common Stock, Class B Common Stock or any other equity securities issued by the Corporation, immediately before such transaction continue to own, directly or indirectly, at least a majority of the combined voting power of the outstanding voting securities of the Person resulting from such transaction in substantially the same proportion as their ownership of the outstanding securities entitled to vote generally in elections of directors of the Corporation immediately before such transaction.

“ **Quarterly Tax Distribution** ” has the meaning set forth in Section 4.01(b)(i).

“ **Recapitalization** ” has the meaning set forth in the recitals to this Agreement.

“ **Redeemed Units** ” has the meaning set forth in Section 11.01(a).

“ **Redeemed Units Equivalent** ” means the product of (a) the applicable number of Redeemed Units, *times* (b) the Common Unit Redemption Price.

“ **Redeeming Member** ” has the meaning set forth in Section 11.01(a).

“ **Redemption** ” has the meaning set forth in Section 11.01(a).

“ **Redemption Date** ” has the meaning set forth in Section 11.01(a).

“ **Redemption Notice** ” has the meaning set forth in Section 11.01(a).

“ **Redemption Right** ” has the meaning set forth in Section 11.01(a).

“ **Registration Rights Agreement** ” means that certain Registration Rights Agreement, dated as of the date hereof, by and among the Corporation and the Effective Date Members (together with any joinder thereto from time to time by any successor or assign to any party to such agreement).

“ **Required Member** ” has the meaning set forth in Section 10.09.

“ **Retraction Notice** ” has the meaning set forth in Section 11.01(c).

“ **Revised Partnership Audit Provisions** ” means Section 1101 of Title XI (Revenue Provisions Related to Tax Compliance) of the Bipartisan Budget Act of 2015, H.R. 1314, Public Law Number 114-74.

“ **Schedule of Members** ” has the meaning set forth in Section 3.01(b).

“ **SEC** ” means the U.S. Securities and Exchange Commission, including any governmental body or agency succeeding to the functions thereof.

“ **Securities Act** ” means the U.S. Securities Act of 1933, as amended, and applicable rules and regulations thereunder, and any successor to such statute, rules or regulations. Any

reference herein to a specific section, rule or regulation of the Securities Act shall be deemed to include any corresponding provisions of future Law.

“ **Share Settlement** ” means a number of shares of Class A Common Stock equal to the number of Redeemed Units.

“ **Sponsor Person** ” has the meaning set forth in Section 7.04(d).

“ **Stock Exchange** ” means the New York Stock Exchange.

“ **Stock Option Plan** ” means any stock option plan now or hereafter adopted by the Company or by the Corporation, including the Corporate Incentive Award Plan.

“ **Subsidiary** ” means, with respect to any Person, any corporation, limited liability company, partnership, association or business entity of which (a) if a corporation, a majority of the total voting power of shares of stock entitled (without regard to the occurrence of any contingency) to vote in the election of directors, managers or trustees thereof is at the time owned or controlled, directly or indirectly, by that Person or one or more of the other Subsidiaries of that Person or a combination thereof, or (b) if a limited liability company, partnership, association or other business entity (other than a corporation), a majority of the voting interests thereof are at the time owned or controlled, directly or indirectly, by any Person or one or more Subsidiaries of that Person or a combination thereof. For purposes hereof, references to a “Subsidiary” of the Company shall be given effect only at such times that the Company has one or more Subsidiaries, and, unless otherwise indicated, the term “Subsidiary” refers to a Subsidiary of the Company.

“ **Substituted Member** ” means a Person that is admitted as a Member to the Company pursuant to Section 12.01.

“ **Tax Distributions** ” has the meaning set forth in Section 4.01(b)(i).

“ **Tax Matters Partner** ” has the meaning set forth in Section 9.03(a).

“ **Tax Receivable Agreement** ” means that certain Tax Receivable Agreement, dated as the date hereof, by and among the Corporation, on the one hand, and the Effective Date Members, on the other hand (together with any joinder thereto from time to time by any successor or assign to any party to such agreement).

“ **Taxable Year** ” means the Company’s accounting period for U.S. federal income tax purposes determined pursuant to Section 9.02.

“ **Trading Day** ” means a day on which the Stock Exchange or such other principal United States securities exchange on which the Class A Common Stock is listed or admitted to trading is open for the transaction of business (unless such trading shall have been suspended for the entire day).

“ **Transfer** ” (and, with a correlative meaning, “ **Transferring** ”) means any sale, transfer, assignment, redemption, pledge, encumbrance or other disposition of (whether directly or

indirectly, whether with or without consideration and whether voluntarily or involuntarily or by operation of Law) (a) any interest (legal or beneficial) in any Equity Securities or (b) any equity or other interest (legal or beneficial) in any Member if substantially all of the assets of such Member consist solely of Units.

“ **Treasury Regulations** ” means the tax regulations promulgated under the Code and any corresponding provisions of succeeding regulations.

“ **Underwriting Agreement** ” means the Underwriting Agreement, dated as of October 6, 2016, by and among the Corporation, the Company and Goldman, Sachs & Co. and J.P. Morgan Securities LLC, as representative of the several underwriters named therein

“ **Unit** ” means a Company Interest of a Member or a permitted Assignee in the Company representing a fractional part of the Company Interests of all Members and Assignees as may be established by the Manager from time to time in accordance with Section 3.02; *provided, however*, that any class or group of Units issued shall have the relative rights, powers and duties set forth in this Agreement, and the Company Interest represented by such class or group of Units shall be determined in accordance with such relative rights, powers and duties.

“ **Unitholder** ” means a Common Unitholder and any Member who is the registered holder of any other class of Units, if any.

“ **Unvested Corporate Shares** ” means shares of Class A Common Stock issued pursuant to awards granted under the Corporate Incentive Award Plan that are not Vested Corporate Shares.

“ **Value** ” means (a) for any Stock Option Plan, the Market Price for the Trading Day immediately preceding the date of exercise of a stock option under such Stock Option Plan and (b) for any Equity Plan other than a Stock Option Plan, the Market Price for the Trading Day immediately preceding the Vesting Date.

“ **Vested Corporate Shares** ” means the shares of Class A Common Stock issued pursuant to awards granted under the Corporate Incentive Award Plan that are vested pursuant to the terms thereof or any award or similar agreement relating thereto.

“ **Vesting Date** ” has the meaning set forth in Section 3.10(c)(ii).

“ **Voting Agreement** ” has the meaning set forth in Section 3.02.

## ARTICLE II. ORGANIZATIONAL MATTERS

Section 2.01 Formation of Company. The Company was formed on February 9, 2011 pursuant to the provisions of the Delaware Act.

Section 2.02 Amended and Restated Limited Liability Company Agreement. The Members hereby execute this Agreement for the purpose of establishing the affairs of the Company and the conduct of its business in accordance with the provisions of the Delaware Act.

The Members hereby agree that during the term of the Company set forth in Section 2.06 the rights and obligations of the Members with respect to the Company will be determined in accordance with the terms and conditions of this Agreement and the Delaware Act. No provision of this Agreement shall be in violation of the Delaware Act and to the extent any provision of this Agreement is in violation of the Delaware Act, such provision shall be void and of no effect to the extent of such violation without affecting the validity of the other provisions of this Agreement. Neither any Member nor the Manager nor any other Person shall have appraisal rights with respect to any Company Interests (including any Units).

Section 2.03      Name. The name of the Company shall be “CWGS Enterprises, LLC.” The Manager in its sole discretion may change the name of the Company at any time and from time to time. Notification of any such change shall be given to all of the Members and, to the extent practicable, to all of the holders of any Equity Securities then outstanding. The Company’s business may be conducted under its name and/or any other name or names deemed advisable by the Manager.

Section 2.04      Purpose. The primary business and purpose of the Company shall be to engage in such activities as are permitted under the Delaware Act and determined from time to time by the Manager in accordance with the terms and conditions of this Agreement.

Section 2.05      Principal Office; Registered Office. The principal office of the Company shall be at 250 Parkway Drive, Suite 270, Lincolnshire, IL 60069 or such other place as the Manager may from time to time designate. The address of the registered office of the Company in the State of Delaware shall be c/o The Corporation Trust Company, 1209 Orange Street, in the City of Wilmington, County of New Castle, 19801, and the registered agent for service of process on the Company in the State of Delaware at such registered office shall be The Corporation Trust Company. The Manager may from time to time change the Company’s registered agent and registered office in the State of Delaware.

Section 2.06      Term. The term of the Company commenced upon the filing of the Certificate in accordance with the Delaware Act and shall continue in existence until dissolution of the Company in accordance with the provisions of Article XIV.

Section 2.07      No State-Law Partnership. The Members intend that the Company not be a partnership (including, without limitation, a limited partnership) or joint venture, and that no Member be a partner or joint venturer of any other Member by virtue of this Agreement, for any purposes other than as set forth in the last sentence of this Section 2.07, and neither this Agreement nor any other document entered into by the Company or any Member relating to the subject matter hereof shall be construed to suggest otherwise. The Members intend that the Company shall be treated as a partnership for U.S. federal and, if applicable, state or local income tax purposes, and that each Member and the Company shall file all tax returns and shall otherwise take all tax and financial reporting positions in a manner consistent with such treatment.



ARTICLE III.  
MEMBERS; UNITS; CAPITALIZATION

Section 3.01      Members .

(a) At the Effective Time and concurrently with the IPO Common Unit Subscription and the Blocker Roll Up, the Corporation shall be automatically admitted to the Company as a Member.

(b) The Company shall maintain a schedule setting forth: (i) the name and address of each Member; (ii) the aggregate number of outstanding Units and the number and class of Units held by each Member; (iii) the aggregate amount of cash Capital Contributions that has been made by the Members with respect to their Units; and (iv) the Fair Market Value of any property other than cash contributed by the Members with respect to their Units (including, if applicable, a description and the amount of any liability assumed by the Company or to which contributed property is subject) (such schedule, the “ *Schedule of Members* ”). The applicable Schedule of Members in effect as of the Effective Time is set forth as Schedule 2 to this Agreement. The Schedule of Members shall be the definitive record of ownership of each Unit of the Company and all relevant information with respect to each Member. The Company shall be entitled to recognize the exclusive right of a Person registered on its records as the owner of Units for all purposes and shall not be bound to recognize any equitable or other claim to or interest in Units on the part of any other Person, whether or not it shall have express or other notice thereof, except as otherwise provided by the Delaware Act.

(c) No Member shall be required or, except as approved by the Manager pursuant to Section 6.01 and in accordance with the other provisions of this Agreement, permitted to (i) loan any money or property to the Company, (ii) borrow any money or property from the Company or (iii) make any additional Capital Contributions.

Section 3.02      Units . Interests in the Company shall be represented by Units, or such other securities of the Company, in each case as the Manager may establish in its discretion in accordance with the terms and subject to the restrictions hereof. At the Effective Time, the Units will be comprised of a single class of Common Units. To the extent required pursuant to Section 3.04(a) , the Manager may create one or more classes or series of Common Units or preferred Units solely to the extent such new Common Units or preferred Units are in the aggregate substantially equivalent to a class of common stock of the Corporation or class or series of preferred stock of the Corporation; *provided* that as long as there are any Members (other than the Corporation) (i) no such new class or series of Units may deprive such Members of, or dilute or reduce, the allocations and distributions they would have received, and the other rights and benefits to which they would have been entitled, in respect of their Company Interest if such new class or series of Units had not been created and (ii) no such new class or series of Units may be issued, in each case, except to the extent (and solely to the extent) the Company actually receives cash in an aggregate amount, or other property with a Fair Market Value in an aggregate amount, equal to the aggregate distributions that would be made in respect of such new class or series of Units if the Company were liquidated immediately after the issuance of such new class or series of Units. To the extent required pursuant to Section 3.04(a) or Section 3.10 , as applicable, the Manager may amend this Agreement, without the consent of any Member or any other Person, in

connection with the creation and issuance of such classes or series of Units, subject to Sections 16.03(b) and 16.03(d) hereof and Section 4 of that certain voting agreement, dated as of October 6, 2016, by and among the Corporation and the other Persons party thereto (the “*Voting Agreement*”).

Section 3.03      Recapitalization; the Corporation’s Capital Contribution; the Corporation’s Purchase of Common Units; Member Distribution.

(a)      *Recapitalization* . In connection with the Recapitalization, immediately prior to the Effective Time, the number of Original Common Units, Original Preferred Units and Original Profits Units that were issued and outstanding and held by the Pre-IPO Members prior to the execution and effectiveness of this Agreement set forth opposite to the respective Pre-IPO Member in Schedule 1 are hereby converted into the number of Common Units set forth opposite to the respective Effective Date Member on the Schedule of Members, and such Common Units are hereby issued and outstanding as of the Effective Time and the holders of such Common Units hereby continue as Members.

(b)      *The Corporation’s Common Unit Agreements* . Following the Recapitalization, immediately upon the Effective Time, the Corporation will acquire 11,363,636 newly issued Common Units in exchange for a portion of the IPO Net Proceeds payable to the Company upon consummation of the IPO pursuant to the IPO Common Unit Subscription Agreement with the Company (the “*IPO Common Unit Subscription*”). The IPO Common Unit Subscription shall be reflected on the Schedule of Members. In addition, to the extent the underwriters in the IPO exercise the Over-Allotment Option in whole or in part, upon the exercise of the Over-Allotment Option, the Corporation will contribute the Over-Allotment Option Net Proceeds to the Company in exchange for a number of newly issued Common Units equal to the number of shares of Class A Common Stock issued by the Corporation in such exercise of the Over-Allotment Option pursuant to the IPO Common Unit Subscription Agreement, and such issuance of additional Common Units shall be reflected on the Schedule of Members. For the avoidance of doubt, the Corporation shall be admitted as a Member with respect to all Common Units it holds from time to time.

Section 3.04      Authorization and Issuance of Additional Units.

(a)      The Company shall undertake all actions, including, without limitation, an issuance, reclassification, distribution, division or recapitalization, with respect to the Common Units, to maintain at all times a one-to-one ratio between the number of Common Units owned by the Corporation and the number of outstanding shares of Class A Common Stock, disregarding, for purposes of maintaining the one-to-one ratio, (i) Unvested Corporate Shares, (ii) treasury stock or (iii) preferred stock or other debt or equity securities (including without limitation warrants, options or rights) issued by the Corporation that are convertible into or exercisable or exchangeable for Class A Common Stock (except to the extent the net proceeds from such other securities, including any exercise or purchase price payable upon conversion, exercise or exchange thereof, has been contributed by the Corporation to the equity capital of the Company). In the event the Corporation issues, transfers or delivers from treasury stock or repurchases Class A Common Stock in a transaction not contemplated in this Agreement, the Manager shall take all actions such that, after giving effect to all such issuances, transfers,

deliveries or repurchases, the number of outstanding Common Units owned by the Corporation will equal on a one-for-one basis the number of outstanding shares of Class A Common Stock. In the event the Corporation issues, transfers or delivers from treasury stock or repurchases or redeems the Corporation's preferred stock in a transaction not contemplated in this Agreement, the Manager shall have the authority to take all actions such that, after giving effect to all such issuances, transfers, deliveries, repurchases or redemptions, the Corporation holds (in the case of any issuance, transfer or delivery) or ceases to hold (in the case of any repurchase or redemption) equity interests in the Company which (in the good faith determination by the Manager) are in the aggregate substantially equivalent to the outstanding preferred stock of the Corporation so issued, transferred, delivered, repurchased or redeemed. The Company shall not undertake any subdivision (by any Common Unit split, Common Unit distribution, reclassification, recapitalization or similar event) or combination (by reverse Common Unit split, reclassification, recapitalization or similar event) of the Common Units that is not accompanied by an identical subdivision or combination of Class A Common Stock to maintain at all times a one-to-one ratio between the number of Common Units owned by the Corporation and the number of outstanding shares of Class A Common Stock, unless such action is necessary to maintain at all times a one-to-one ratio between the number of Common Units owned by the Corporation and the number of outstanding shares of Class A Common Stock as contemplated by the first sentence of this Section 3.04(a).

(b) The Company shall only be permitted to issue additional Units or other Equity Securities in the Company to the Persons and on the terms and conditions provided for in Section 3.02, this Section 3.04, Section 3.10 and Section 3.11. Subject to the foregoing, the Manager may cause the Company to issue additional Common Units authorized under this Agreement at such times and upon such terms as the Manager shall determine and the Manager shall amend this Agreement as necessary in connection with the issuance of additional Common Units and admission of additional Members under this Section 3.04 without the requirement of any consent or acknowledgement of any other Member.

Section 3.05      Repurchase or Redemption of shares of Class A Common Stock. If, at any time, any shares of Class A Common Stock are repurchased or redeemed (whether by exercise of a put or call, automatically or by means of another arrangement) by the Corporation for cash, then the Manager shall cause the Company, immediately prior to such repurchase or redemption of Class A Common Stock, to redeem a corresponding number of Common Units held by the Corporation, at an aggregate redemption price equal to the aggregate purchase or redemption price of the shares of Class A Common Stock being repurchased or redeemed by the Corporation (plus any expenses related thereto) and upon such other terms as are the same for the shares of Class A Common Stock being repurchased or redeemed by the Corporation. Notwithstanding any provision to the contrary contained in this Agreement, the Company shall not make any repurchase or redemption if such repurchase or redemption would violate any applicable Law.

Section 3.06      Certificates Representing Units; Lost, Stolen or Destroyed Certificates; Registration and Transfer of Units.

(a) Units shall not be certificated unless otherwise determined by the Manager. If the Manager determines that one or more Units shall be certificated, each such certificate shall be

signed by or in the name of the Company, by the Chief Executive Officer and any other officer designated by the Manager, representing the number of Units held by such holder. Such certificate shall be in such form (and shall contain such legends) as the Manager may determine. Any or all of such signatures on any certificate representing one or more Units may be a facsimile, engraved or printed, to the extent permitted by applicable Law. The Manager agrees that it shall not elect to treat any Unit as a “security” within the meaning of Article 8 of the Uniform Commercial Code unless thereafter all Units then outstanding are represented by one or more certificates.

(b) If Units are certificated, the Manager may direct that a new certificate representing one or more Units be issued in place of any certificate theretofore issued by the Company alleged to have been lost, stolen or destroyed, upon delivery to the Manager of an affidavit of the owner or owners of such certificate, setting forth such allegation. The Manager may require the owner of such lost, stolen or destroyed certificate, or such owner’s legal representative, to give the Company a bond sufficient to indemnify it against any claim that may be made against it on account of the alleged loss, theft or destruction of any such certificate or the issuance of any such new certificate.

(c) Upon surrender to the Company or the transfer agent of the Company, if any, of a certificate for one or more Units, duly endorsed or accompanied by appropriate evidence of succession, assignment or authority to transfer, in compliance with the provisions hereof, the Company shall issue a new certificate representing one or more Units to the Person entitled thereto, cancel the old certificate and record the transaction upon its books. Subject to the provisions of this Agreement, the Manager may prescribe such additional rules and regulations as it may deem appropriate relating to the issue, Transfer and registration of Units.

Section 3.07      Negative Capital Accounts. No Member shall be required to pay to any other Member or the Company any deficit or negative balance which may exist from time to time in such Member’s Capital Account (including upon and after dissolution of the Company).

Section 3.08      No Withdrawal. No Person shall be entitled to withdraw any part of such Person’s Capital Contribution or Capital Account or to receive any Distribution from the Company, except as expressly provided in this Agreement.

Section 3.09      Loans From Members. Loans by Members to the Company shall not be considered Capital Contributions. Subject to the provisions of Section 3.01(c), the amount of any such advances shall be a debt of the Company to such Member and shall be payable or collectible in accordance with the terms and conditions upon which such advances are made.

Section 3.10      Corporate Stock Option Plans and Equity Plans.

(a) *Options Granted to Persons other than LLC Employees*. If at any time or from time to time, in connection with any Stock Option Plan, a stock option granted over shares of Class A Common Stock to a Person other than an LLC Employee is duly exercised:

(i) The Corporation shall, as soon as practicable after such exercise, make a Capital Contribution to the Company in an amount equal to the exercise price paid to the

Corporation by such exercising Person in connection with the exercise of such stock option.

(ii) Notwithstanding the amount of the Capital Contribution actually made pursuant to Section 3.10(a)(i), the Corporation shall be deemed to have contributed to the Company as a Capital Contribution, in lieu of the Capital Contribution actually made and in consideration of additional Common Units, an amount equal to the Value of a share of Class A Common Stock as of the date of such exercise multiplied by the number of shares of Class A Common Stock then being issued by the Corporation in connection with the exercise of such stock option.

(iii) The Corporation shall receive in exchange for such Capital Contributions (as deemed made under Section 3.10(a)(ii)), a corresponding number of Units of a class correlative to the class of Equity Securities for which such stock options were granted.

(b) *Options Granted to LLC Employees* . If at any time or from time to time, in connection with any Stock Option Plan, a stock option granted over shares of Class A Common Stock to an LLC Employee is duly exercised:

(i) The Corporation shall sell to the Optionee, and the Optionee shall purchase from the Corporation, for a cash price per share equal to the Value of a share of Class A Common Stock at the time of the exercise, the number of shares of Class A Common Stock equal to the quotient of (x) the exercise price payable by the Optionee in connection with the exercise of such stock option divided by (y) the Value of a share of Class A Common Stock at the time of such exercise.

(ii) The Corporation shall sell to the Company (or if the Optionee is an employee of, or other service provider to, a Subsidiary, the Corporation shall sell to such Subsidiary), and the Company (or such Subsidiary, as applicable) shall purchase from the Corporation, a number of shares of Class A Common Stock equal to the excess of (x) the number of shares of Class A Common Stock as to which such stock option is being exercised over (y) the number of shares of Class A Common Stock sold pursuant to Section 3.10(b)(i) hereof. The purchase price per share of Class A Common Stock for such sale of shares of Class A Common Stock to the Company (or such Subsidiary) shall be the Value of a share of Class A Common Stock as of the date of exercise of such stock option.

(iii) The Company shall transfer to the Optionee (or if the Optionee is an employee of, or other service provider to, a Subsidiary, the Subsidiary shall transfer to the Optionee) at no additional cost to such LLC Employee and as additional compensation (and not a distribution) to such LLC Employee, the number of shares of Class A Common Stock described in Section 3.10(b)(ii).

(iv) The Corporation shall, as soon as practicable after such exercise, make a Capital Contribution to the Company in an amount equal to all proceeds received (from whatever source, but excluding any payment in respect of payroll taxes or other withholdings) by the Corporation in connection with the exercise of such stock option.

The Corporation shall receive for such Capital Contribution, a number of Units equal to the number of shares of Class A Common Stock for which such option was exercised.

(c) *Restricted Stock Granted to LLC Employees* . If at any time or from time to time, in connection with any Equity Plan (other than a Stock Option Plan), any shares of Class A Common Stock are issued to an LLC Employee (including any shares of Class A Common Stock that are subject to forfeiture in the event such LLC Employee terminates his or her employment with the Company or any Subsidiary) in consideration for services performed for the Company or any Subsidiary:

(i) The Corporation shall issue such number of shares of Class A Common Stock as are to be issued to such LLC Employee in accordance with the Equity Plan;

(ii) On the date (such date, the “*Vesting Date*”) that the Value of such shares is includible in taxable income of such LLC Employee, the following events will be deemed to have occurred: (1) the Corporation shall be deemed to have sold such shares of Class A Common Stock to the Company (or if such LLC Employee is an employee of, or other service provider to, a Subsidiary, to such Subsidiary) for a purchase price equal to the Value of such shares of Class A Common Stock, (2) the Company (or such Subsidiary) shall be deemed to have delivered such shares of Class A Common Stock to such LLC Employee, (3) the Corporation shall be deemed to have contributed the purchase price for such shares of Class A Common Stock to the Company as a Capital Contribution, and (4) in the case where such LLC Employee is an employee of a Subsidiary, the Company shall be deemed to have contributed such amount to the capital of the Subsidiary; and

(iii) The Company shall issue to the Corporation on the Vesting Date a number of Units equal to the number of shares of Class A Common Stock issued under Section 3.10(c)(i) in consideration for a Capital Contribution that the Corporation is deemed to make to the Company pursuant to clause (3) of Section 3.10(c)(ii) above.

(d) *Future Stock Incentive Plans* . Nothing in this Agreement shall be construed or applied to preclude or restrain the Corporation from adopting, modifying or terminating stock incentive plans for the benefit of employees, directors or other business associates of the Corporation, the Company or any of their respective Affiliates. The Members acknowledge and agree that, in the event that any such plan is adopted, modified or terminated by the Corporation, amendments to this Section 3.10 may become necessary or advisable and that any approval or consent to any such amendments requested by the Corporation shall be deemed granted by the Manager and the Members, as applicable, without the requirement of any further consent or acknowledgement of any other Member.

(e) *Anti-dilution adjustments*. For all purposes of this Section 3.10, the number of shares of Class A Common Stock and the corresponding number of Common Units shall be determined after giving effect to all anti-dilution or similar adjustments that are applicable, as of the date of exercise or vesting, to the option, warrant, restricted stock or other equity interest that is being exercised or becomes vested under the applicable Stock Option Plan or other Equity Plan and applicable award or grant documentation.

Section 3.11     Dividend Reinvestment Plan, Cash Option Purchase Plan, Stock Incentive Plan or Other Plan

. Except as may otherwise be provided in this Article III, all amounts received or deemed received by the Corporation in respect of any dividend reinvestment plan, cash option purchase plan, stock incentive or other stock or subscription plan or agreement, either (a) shall be utilized by the Corporation to effect open market purchases of shares of Class A Common Stock, or (b) if the Corporation elects instead to issue new shares of Class A Common Stock with respect to such amounts, shall be contributed by the Corporation to the Company in exchange for additional Units. Upon such contribution, the Company will issue to the Corporation a number of Units equal to the number of new shares of Class A Common Stock so issued.

ARTICLE IV.  
DISTRIBUTIONS

Section 4.01     Distributions.

(a)     *Distributable Cash; Other Distributions* . To the extent permitted by applicable Law and hereunder, Distributions to Members may be declared by the Manager out of Distributable Cash or other funds or property legally available therefor in such amounts and on such terms (including the payment dates of such Distributions) as the Manager shall determine using such record date as the Manager may designate; such Distributions shall be made to the Members as of the close of business on such record date on a pro rata basis in accordance with each Member's Percentage Interest (other than, for the avoidance of doubt, any distributions made pursuant to Section 4.01(b)(v)) as of the close of business on such record date; *provided, however*, that the Manager shall have the obligation to make Distributions as set forth in Sections 4.01(b) and 14.02; and *provided further* that, notwithstanding any other provision herein to the contrary, no Distributions shall be made to any Member to the extent such Distribution would render the Company insolvent. For purposes of the foregoing sentence, insolvency means the inability of the Company to meet its payment obligations when due. Promptly following the designation of a record date and the declaration of a Distribution pursuant to this Section 4.01(a), the Manager shall give notice to each Member of the record date, the amount and the terms of the Distribution and the payment date thereof. In furtherance of the foregoing, it is intended that the Manager shall, to the extent permitted by applicable Law and hereunder, have the right in its sole discretion to make Distributions to the Members pursuant to this Section 4.01(a) in such amounts as shall enable the Corporation to pay dividends or to meet its obligations, including its obligations pursuant to the Tax Receivable Agreement (to the extent such obligations are not otherwise able to be satisfied as a result of Tax Distributions required to be made pursuant to Section 4.01(b)).

(b)     *Tax Distributions* .

(i)     With respect to each Fiscal Year, the Company shall, to the extent permitted by applicable Law, make cash distributions (“ ***Tax Distributions*** ”) to each Member in accordance with, and to the extent of, such Member's Assumed Tax Liability. Tax Distributions pursuant to this Section 4.01(b)(i) shall be estimated by the Company on a quarterly basis and, to the extent feasible, shall be distributed to the Members (together with a statement showing the calculation of such Tax Distribution and an estimate of the Company's net taxable income allocable to each Member for such period)

on a quarterly basis on April 15th, June 15th, September 15th and January 15th (of the succeeding year) (or such other dates for which individuals are required to make quarterly estimated tax payments for U.S. federal income tax purposes) (each, a “ **Quarterly Tax Distribution** ”); *provided* that the foregoing shall not restrict the Company from making a Tax Distribution on any other date. Quarterly Tax Distributions shall take into account the estimated taxable income or loss of the Company for the Fiscal Year through the end of the relevant quarterly period. A final accounting for Tax Distributions shall be made for each Fiscal Year after the allocation of the Company's actual net taxable income or loss has been determined and any shortfall in the amount of Tax Distributions a Member received for such Fiscal Year based on such final accounting shall promptly be distributed to such Member. For the avoidance of doubt, any excess Tax Distributions a Member receives with respect to any Fiscal Year shall reduce future Tax Distributions otherwise required to be made to such Member with respect to any subsequent Fiscal Year.

(ii) To the extent a Member otherwise would be entitled to receive less than its Percentage Interest of the aggregate Tax Distributions to be paid pursuant to this Section 4.01(b) (other than any distributions made pursuant to Section 4.01(b)(v)) on any given date, the Tax Distributions to such Member shall be increased to ensure that all Distributions made pursuant to this Section 4.01(b) are made pro rata in accordance with the Members’ respective Percentage Interests. If, on a Tax Distribution Date, there are insufficient funds on hand to distribute to the Members the full amount of the Tax Distributions to which such Members are otherwise entitled, Distributions pursuant to this Section 4.01(b) shall be made to the Members to the extent of available funds in accordance with their Percentage Interests and the Company shall make future Tax Distributions as soon as funds become available sufficient to pay the remaining portion of the Tax Distributions to which such Members are otherwise entitled.

(iii) In the event of any audit by, or similar event with, a taxing authority that affects the calculation of any Member’s Assumed Tax Liability for any taxable year (other than an audit conducted pursuant to the Revised Partnership Audit Provisions for which no election is made pursuant to Section 6226 thereof), or in the event the Company files an amended tax return, each Member’s Assumed Tax Liability with respect to such year shall be recalculated by giving effect to such event (for the avoidance of doubt, taking into account interest or penalties). Any shortfall in the amount of Tax Distributions the Members and former Members received for the relevant taxable years based on such recalculated Assumed Tax Liability promptly shall be distributed to such Members and the successors of such former Members, except, for the avoidance of doubt, to the extent Distributions were made to such Members and former Members pursuant to Section 4.01(a) and this Section 4.01(b) in the relevant taxable years sufficient to cover such shortfall.

(iv) Notwithstanding the foregoing, Tax Distributions pursuant to this Section 4.01(b) (other than, for the avoidance of doubt, any distributions made pursuant to Section 4.01(b)(v)), if any, shall be made to a Member only to the extent all previous Tax Distributions to such Member pursuant to Section 4.01(b) with respect to the Fiscal Year



are less than the Tax Distributions such Member otherwise would have been entitled to receive with respect to such Fiscal Year pursuant to this Section 4.01(b) .

(v) Notwithstanding the foregoing and anything to the contrary in this Agreement, a final accounting for tax distributions under the Initial LLC Agreement in respect of the taxable income of the Company for the portion of the Fiscal Year of the Company that ends on closing date of the IPO shall be made by the Company following the closing date of the IPO and, based on such final accounting, the Company shall make a tax distribution to the Pre-IPO Members (or in the case of any Pre-IPO Member that no longer exists, the successor of such Pre-IPO Member) in accordance with the applicable terms of the Initial LLC Agreement to the extent of any shortfall in the amount of tax distributions the Pre-IPO Members received prior to the closing date of the IPO with respect to taxable income of the Company for such portion of such Fiscal Year that will be allocated to the Pre-IPO Members pursuant to Section 706 of the Code.

ARTICLE V.  
CAPITAL ACCOUNTS; ALLOCATIONS; TAX MATTERS

Section 5.01     Capital Accounts.

(a) The Company shall maintain a separate Capital Account for each Member according to the rules of Treasury Regulation Section 1.704-1(b)(2)(iv). For this purpose, the Company may (in the discretion of the Manager), upon the occurrence of the events specified in Treasury Regulation Section 1.704-1(b)(2)(iv)(f), increase or decrease the Capital Accounts in accordance with the rules of such Treasury Regulation and Treasury Regulation Section 1.704-1(b)(2)(iv)(g) to reflect a revaluation of Company property.

(b) For purposes of computing the amount of any item of Company income, gain, loss or deduction to be allocated pursuant to this Article V and to be reflected in the Capital Accounts of the Members, the determination, recognition and classification of any such item shall be the same as its determination, recognition and classification for U.S. federal income tax purposes (including any method of depreciation, cost recovery or amortization used for this purpose); *provided, however* , that:

(i) The computation of all items of income, gain, loss and deduction shall include those items described in Code Section 705(a)(1)(B) or Code Section 705(a)(2)(B) and Treasury Regulation Section 1.704-1(b)(2)(iv)(i), without regard to the fact that such items are not includable in gross income or are not deductible for U.S. federal income tax purposes.

(ii) If the Book Value of any Company property is adjusted pursuant to Treasury Regulation Section 1.704-1(b)(2)(iv)(e) or (f), the amount of such adjustment shall be taken into account as gain or loss from the disposition of such property.

(iii) Items of income, gain, loss or deduction attributable to the disposition of Company property having a Book Value that differs from its adjusted basis for tax purposes shall be computed by reference to the Book Value of such property.

(iv) Items of depreciation, amortization and other cost recovery deductions with respect to Company property having a Book Value that differs from its adjusted basis for tax purposes shall be computed by reference to the property's Book Value in accordance with Treasury Regulation Section 1.704-1(b)(2)(iv)(g).

(v) To the extent an adjustment to the adjusted tax basis of any Company asset pursuant to Code Sections 732(d), 734(b) or 743(b) is required, pursuant to Treasury Regulation Section 1.704-1(b)(2)(iv)(m), to be taken into account in determining Capital Accounts, the amount of such adjustment to the Capital Accounts shall be treated as an item of gain (if the adjustment increases the basis of the asset) or loss (if the adjustment decreases such basis).

Section 5.02      Allocations. Except as otherwise provided in Section 5.03 and Section 5.04, Net Profits and Net Losses for any Fiscal Year or Fiscal Period shall be allocated among the Capital Accounts of the Members pro rata in accordance with their respective Percentage Interests.

Section 5.03      Regulatory Allocations.

(a) Losses attributable to partner nonrecourse debt (as defined in Treasury Regulation Section 1.704-2(b)(4)) shall be allocated in the manner required by Treasury Regulation Section 1.704-2(i). If there is a net decrease during a Taxable Year in partner nonrecourse debt minimum gain (as defined in Treasury Regulation Section 1.704-2(i)(3)), Profits for such Taxable Year (and, if necessary, for subsequent Taxable Years) shall be allocated to the Members in the amounts and of such character as determined according to Treasury Regulation Section 1.704-2(i)(4).

(b) Nonrecourse deductions (as determined according to Treasury Regulation Section 1.704-2(b)(1)) for any Taxable Year shall be allocated pro rata among the Members in accordance with their Percentage Interests. Except as otherwise provided in Section 4.03(a), if there is a net decrease in the Minimum Gain during any Taxable Year, each Member shall be allocated Profits for such Taxable Year (and, if necessary, for subsequent Taxable Years) in the amounts and of such character as determined according to Treasury Regulation Section 1.704-2(f). This Section 5.03(b) is intended to be a minimum gain chargeback provision that complies with the requirements of Treasury Regulation Section 1.704-2(f), and shall be interpreted in a manner consistent therewith.

(c) If any Member that unexpectedly receives an adjustment, allocation or Distribution described in Treasury Regulation Section 1.704-1(b)(2)(ii)(d)(4), (5) and (6) has an Adjusted Capital Account Deficit as of the end of any Taxable Year, computed after the application of Sections 5.03(a) and 5.03(b) but before the application of any other provision of this Article V, then Profits for such Taxable Year shall be allocated to such Member in proportion to, and to the extent of, such Adjusted Capital Account Deficit. This Section 5.03(c) is intended to be a qualified income offset provision as described in Treasury Regulation Section 1.704-1(b)(2)(ii)(d) and shall be interpreted in a manner consistent therewith.

(d) If the allocation of Net Losses to a Member as provided in Section 5.02 would create or increase an Adjusted Capital Account Deficit, there shall be allocated to such Member only that amount of Losses as will not create or increase an Adjusted Capital Account Deficit. The Net Losses that would, absent the application of the preceding sentence, otherwise be allocated to such Member shall be allocated to the other Members in accordance with their relative Percentage Interests, subject to this Section 5.03(d).

(e) Profits and Losses described in Section 5.01(b)(v) shall be allocated in a manner consistent with the manner that the adjustments to the Capital Accounts are required to be made pursuant to Treasury Regulation Section 1.704-1(b)(2)(iv)(j), (k) and (m).

(f) The allocations set forth in Section 5.03(a) through and including Section 5.03(e) (the “ **Regulatory Allocations** ”) are intended to comply with certain requirements of Sections 1.704-1(b) and 1.704-2 of the Treasury Regulations. The Regulatory Allocations may not be consistent with the manner in which the Members intend to allocate Profit and Loss of the Company or make Distributions. Accordingly, notwithstanding the other provisions of this Article V, but subject to the Regulatory Allocations, income, gain, deduction and loss shall be reallocated among the Members so as to eliminate the effect of the Regulatory Allocations and thereby cause the respective Capital Accounts of the Members to be in the amounts (or as close thereto as possible) they would have been if Profit and Loss (and such other items of income, gain, deduction and loss) had been allocated without reference to the Regulatory Allocations. In general, the Members anticipate that this will be accomplished by specially allocating other Profit and Loss (and such other items of income, gain, deduction and loss) among the Members so that the net amount of the Regulatory Allocations and such special allocations to each such Member is zero. In addition, if in any Fiscal Year or Fiscal Period there is a decrease in partnership minimum gain, or in partner nonrecourse debt minimum gain, and application of the minimum gain chargeback requirements set forth in Section 5.03(a) or Section 5.03(b) would cause a distortion in the economic arrangement among the Members, the Members may, if they do not expect that the Company will have sufficient other income to correct such distortion, request the Internal Revenue Service to waive either or both of such minimum gain chargeback requirements. If such request is granted, this Agreement shall be applied in such instance as if it did not contain such minimum gain chargeback requirement.

Section 5.04 Final Allocations. Notwithstanding any contrary provision in this Agreement except Section 5.03, the Manager shall make appropriate adjustments to allocations of Profits and Losses to (or, if necessary, allocate items of gross income, gain, loss or deduction of the Company among) the Members upon the liquidation of the Company (within the meaning of Section 1.704 1(b)(2)(ii)(g) of the Treasury Regulations), the transfer of substantially all the Units (whether by sale or exchange or merger) or sale of all or substantially all the assets of the Company, such that, to the maximum extent possible, the Capital Accounts of the Members are proportionate to their Percentage Interests. In each case, such adjustments or allocations shall occur, to the maximum extent possible, in the Fiscal Year of the event requiring such adjustments or allocations.

Section 5.05      Tax Allocations .

(a) The income, gains, losses, deductions and credits of the Company will be allocated, for federal, state and local income tax purposes, among the Members in accordance with the allocation of such income, gains, losses, deductions and credits among the Members for computing their Capital Accounts; *provided* that if any such allocation is not permitted by the Code or other applicable Law, the Company's subsequent income, gains, losses, deductions and credits will be allocated among the Members so as to reflect as nearly as possible the allocation set forth herein in computing their Capital Accounts.

(b) Items of Company taxable income, gain, loss and deduction with respect to any property contributed to the capital of the Company shall be allocated among the Members in accordance with Code Section 704(c) so as to take account of any variation between the adjusted basis of such property to the Company for federal income tax purposes and its Book Value using the traditional method, as described in Treasury Regulations Section 1.704-3(b).

(c) If the Book Value of any Company asset is adjusted pursuant to Section 5.01(b), subsequent allocations of items of taxable income, gain, loss and deduction with respect to such asset shall take account of any variation between the adjusted basis of such asset for federal income tax purposes and its Book Value in the same manner as under Code Section 704(c) using the traditional method, as described in Treasury Regulations Section 1.704-3(b).

(d) Allocations of tax credits, tax credit recapture, and any items related thereto shall be allocated to the Members as determined by the Manager taking into account the principles of Treasury Regulation Section 1.704-1(b)(4) (ii).

(e) For purposes of determining a Member's pro rata share of the Company's "excess nonrecourse liabilities" within the meaning of Treasury Regulation Section 1.752-3(a)(3), each Member's interest in income and gain shall be in proportion to the Units held by such Member.

(f) Allocations pursuant to this Section 5.05 are solely for purposes of federal, state and local taxes and shall not affect, or in any way be taken into account in computing, any Member's Capital Account or share of Profits, Losses, Distributions or other Company items pursuant to any provision of this Agreement.

Section 5.06      Indemnification and Reimbursement for Payments on Behalf of a Member . If the Company is obligated to pay any amount to a Governmental Entity (or otherwise makes a payment to a Governmental Entity) that is specifically attributable to a Member or a Member's status as such (including federal income taxes as a result of Company obligations pursuant to the Revised Partnership Audit Provisions, federal withholding taxes, state personal property taxes and state unincorporated business taxes, but excluding payments such as payroll taxes, withholding taxes, benefits or professional association fees and the like required to be made or made voluntarily by the Company on behalf of any Member based upon such Member's status as an employee of the Company), then such Person shall indemnify the Company in full for the entire amount paid (including interest, penalties and related expenses). The Manager may offset Distributions to which a Person is otherwise entitled under this Agreement against such Person's obligation to indemnify the Company under this Section 5.06 . In addition,

notwithstanding anything to the contrary, each Member agrees that any Cash Settlement such Member is entitled to receive pursuant to Article XI may be offset by an amount equal to such Member's obligation to indemnify the Company under this Section 5.06 and that such Member shall be treated as receiving the full amount of such Cash Settlement and paying to the Company an amount equal to such obligation. A Member's obligation to make payments to the Company under this Section 5.06 shall survive the termination, dissolution, liquidation and winding up of the Company. In the event that the Company has been terminated prior to the date such payment is due, such Member shall make such payment to the Manager (or its designee), which shall distribute such funds in accordance with this Agreement. The Company may pursue and enforce all rights and remedies it may have against each Member under this Section 5.06, including instituting a lawsuit to collect such contribution with interest calculated at a rate per annum equal to the sum of the Base Rate plus 300 basis points (but not in excess of the highest rate per annum permitted by Law). Each Member hereby agrees to furnish to the Company such information and forms as required or reasonably requested in order to comply with any Laws and regulations governing withholding of tax or in order to claim any reduced rate of, or exemption from, withholding to which the Member is legally entitled.

## ARTICLE VI. MANAGEMENT

### Section 6.01     Authority of Manager.

(a) Except for situations in which the approval of any Member(s) is specifically required by this Agreement, (i) all management powers over the business and affairs of the Company shall be exclusively vested in the Corporation, as the sole managing member of the Company (the Corporation, in such capacity, the “**Manager**”) and (ii) the Manager shall conduct, direct and exercise full control over all activities of the Company, subject to Sections 2(a) and (b), 4 and 5(a) of Voting Agreement. The Manager shall be the “manager” of the Company for the purposes of the Delaware Act. Except as otherwise expressly provided for herein and subject to the other provisions of this Agreement, the Members hereby consent to the exercise by the Manager of all such powers and rights conferred on the Members by the Delaware Act with respect to the management and control of the Company. Any vacancies in the position of Manager shall be filled in accordance with Section 6.04.

(b) The day-to-day business and operations of the Company shall be overseen and implemented by officers of the Company (each, an “**Officer**” and collectively, the “**Officers**”), subject to the limitations imposed by the Manager. An Officer may, but need not, be a Member. Each Officer shall be appointed by the Manager and shall hold office until his or her successor shall be duly designated and shall qualify or until his or her death or until he shall resign or shall have been removed in the manner hereinafter provided. Any one Person may hold more than one office. Subject to the other provisions in this Agreement (including in Section 6.07 below), the salaries or other compensation, if any, of the Officers of the Company shall be fixed from time to time by the Manager. The authority and responsibility of the Officers shall include, but not be limited to, such duties as the Manager may, from time to time, delegate to them and the carrying out of the Company's business and affairs on a day-to-day basis. The existing Officers of the Company as of the Effective Time shall remain in their respective positions and shall be deemed to have been appointed by the Manager. All Officers shall be, and shall be deemed to

be, officers and employees of the Company. An Officer may also perform one or more roles as an officer of the Manager. Any Officer may be removed at any time, with or without cause, by the Manager.

(c) The Manager shall have the power and authority to effectuate the sale, lease, transfer, exchange or other disposition of any, all or substantially all of the assets of the Company (including the exercise or grant of any conversion, option, privilege or subscription right or any other right available in connection with any assets at any time held by the Company) or the merger, consolidation, reorganization or other combination of the Company with or into another entity, for the avoidance of doubt, without the prior consent of any Member or any other Person being required, subject to Sections 4(b)(i) and (b)(ii) of the Voting Agreement.

Section 6.02      Actions of the Manager. The Manager may act through any Officer or through any other Person or Persons to whom authority and duties have been delegated pursuant to Section 6.07.

Section 6.03      Resignation; No Removal. The Manager may resign at any time by giving written notice to the Members. Unless otherwise specified in the notice, the resignation shall take effect upon receipt thereof by the Members, and the acceptance of the resignation shall not be necessary to make it effective. For the avoidance of doubt, the Members have no right under this Agreement to remove or replace the Manager.

Section 6.04      Vacancies. Vacancies in the position of Manager occurring for any reason shall be filled by the Corporation (or, if the Corporation has ceased to exist without any successor or assign, then by the holders of a majority in interest of the voting capital stock of the Corporation immediately prior to such cessation). For the avoidance of doubt, the Members have no right under this Agreement to fill any vacancy in the position of Manager.

Section 6.05      Transactions Between Company and Manager. The Manager may cause the Company to contract and deal with the Manager, or any Affiliate of the Manager, *provided* such contracts and dealings (other than contracts and dealings between the Company and its Subsidiaries) are on terms comparable to and competitive with those available to the Company from others dealing at arm's length or are approved by the Members and otherwise are permitted by the Credit Agreements. The Members hereby approve each of the contracts or agreements between or among the Manager, the Company and their respective Affiliates entered into on or prior to the date hereof in accordance with the Initial LLC Agreement or that the board of managers has approved in connection with the IPO as of the date hereof, including the IPO Common Unit Subscription Agreement.

Section 6.06      Reimbursement for Expenses. The Manager shall not be compensated for its services as Manager of the Company except as expressly provided in this Agreement. The Members acknowledge and agree that, upon consummation of the IPO, the Manager's Class A Common Stock will be publicly traded and therefore the Manager will have access to the public capital markets and that such status and the services performed by the Manager will inure to the benefit of the Company and all Members; therefore, the Manager shall be reimbursed by the Company for any reasonable out-of-pocket expenses incurred on behalf of the Company, including without limitation all fees, expenses and costs associated with the IPO and all fees,

expenses and costs of being a public company (including without limitation public reporting obligations, proxy statements, stockholder meetings, stock exchange fees, transfer agent fees, SEC and FINRA filing fees and offering expenses) and maintaining its corporate existence. In the event that shares of Class A Common Stock are sold to underwriters in the IPO (or in any subsequent public offering) at a price per share that is lower than the price per share for which such shares of Class A Common Stock are sold to the public in the IPO (or in such subsequent public offering, as applicable) after taking into account underwriters' discounts or commissions and brokers' fees or commissions (such difference, the "**Discount**") (i) the Manager shall be deemed to have contributed to the Company in exchange for newly issued Common Units the full amount for which such shares of Class A Common Stock were sold to the public and (ii) the Company shall be deemed to have paid the Discount as an expense. To the extent practicable, expenses incurred by the Manager on behalf of or for the benefit of the Company shall be billed directly to and paid by the Company and, if and to the extent any reimbursements to the Manager or any of its Affiliates by the Company pursuant to this Section 6.06 constitute gross income to such Person (as opposed to the repayment of advances made by such Person on behalf of the Company), such amounts shall be treated as "guaranteed payments" within the meaning of Code Section 707(c) and shall not be treated as distributions for purposes of computing the Members' Capital Accounts.

Section 6.07      Delegation of Authority. The Manager (a) may, from time to time, delegate to one or more Persons such authority and duties as the Manager may deem advisable, and (b) may assign titles (including, without limitation, chief executive officer, president, chief executive officer, chief financial officers, chief operating officer, vice president, secretary, assistant secretary, treasurer or assistant treasurer) and delegate certain authority and duties to such Persons as the same may be amended, restated or otherwise modified from time to time. Any number of titles may be held by the same individual. The salaries or other compensation, if any, of such agents of the Company shall be fixed from time to time by the Manager, subject to the other provisions in this Agreement.

Section 6.08      Limitation of Liability of Manager.

(a) Except as otherwise provided herein or in an agreement entered into by such Person and the Company, neither the Manager nor any of the Manager's Affiliates or Manager's officers, employees or other agents shall be liable to the Company, to any Member that is not the Manager or to any other Person bound by this Agreement for any act or omission performed or omitted by the Manager in its capacity as the sole managing member of the Company pursuant to authority granted to the Manager by this Agreement; *provided, however*, that, except as otherwise provided herein, such limitation of liability shall not apply to the extent the act or omission was attributable to the Manager's gross negligence, willful misconduct or knowing violation of Law or for any present or future breaches of any representations, warranties or covenants by the Manager or its Affiliates contained herein or in the other agreements with the Company. The Manager may exercise any of the powers granted to it by this Agreement and perform any of the duties imposed upon it hereunder either directly or by or through its agents, and shall not be responsible for any misconduct or negligence on the part of any such agent (so long as such agent was selected in good faith and with reasonable care). The Manager shall be entitled to rely upon the advice of legal counsel, independent public accountants and other experts, including financial advisors, and any act of or failure to act by the Manager in good faith

reliance on such advice shall in no event subject the Manager to liability to the Company or any Member that is not the Manager.

(b) Whenever this Agreement or any other agreement contemplated herein provides that the Manager shall act in a manner which is, or provide terms which are, “fair and reasonable” to the Company or any Member that is not the Manager, the Manager shall determine such appropriate action or provide such terms considering, in each case, the relative interests of each party to such agreement, transaction or situation and the benefits and burdens relating to such interests, any customary or accepted industry practices, and any applicable United States generally accepted accounting practices or principles, notwithstanding any other provision of this Agreement or any duty otherwise existing at Law or in equity.

(c) Whenever in this Agreement or any other agreement contemplated herein, the Manager is permitted or required to take any action or to make a decision in its “sole discretion” or “discretion,” with “complete discretion” or under a grant of similar authority or latitude, the Manager shall be entitled to consider such interests and factors as it desires, including its own interests, and shall, to the fullest extent permitted by applicable Law and notwithstanding any duty otherwise existing at Law or in equity, have no duty or obligation to give any consideration to any interest of or factors affecting the Company, other Members or any other Person.

(d) Whenever in this Agreement the Manager is permitted or required to take any action or to make a decision in its “good faith” or under another express standard, the Manager shall act under such express standard and, to the extent permitted by applicable Law, shall not be subject to any other or different standards imposed by this Agreement or any other agreement contemplated herein, notwithstanding any provision of this Agreement or duty otherwise, existing at Law or in equity, and, notwithstanding anything contained herein to the contrary, so long as the Manager acts in good faith, the resolution, action or terms so made, taken or provided by the Manager shall not constitute a breach of this Agreement or any other agreement contemplated herein or impose liability upon the Manager or any of the Manager’s Affiliates and shall be deemed approved by all Members.

Section 6.09      Investment Company Act. The Manager shall use its best efforts to ensure that the Company shall not be subject to registration as an investment company pursuant to the Investment Company Act.

Section 6.10      Outside Activities of the Manager. The Manager shall not, directly or indirectly, enter into or conduct any business or operations, other than in connection with (a) the ownership, acquisition and disposition of Common Units, (b) the management of the business and affairs of the Company and its Subsidiaries, (c) the operation of the Manager as a reporting company with a class (or classes) of securities registered under Section 12 of the Exchange Act and listed on a securities exchange, (d) the offering, sale, syndication, private placement or public offering of stock, bonds, securities or other interests of the Corporation or the Company or any of its Subsidiaries, (e) financing or refinancing of any type related to the Corporation or the Company, its Subsidiaries or their assets or activities, (f) treasury and treasury management, (g) stock repurchases, and (h) such activities as are incidental to the foregoing; *provided, however*, that, except as otherwise provided herein, the net proceeds of any financing raised by the Manager pursuant to the preceding clauses (d) and (e) shall be made available to the Company,



whether as Capital Contributions, loans or otherwise, as appropriate, and, *provided further*, that the Manager may, in its sole and absolute discretion, from time to time hold or acquire assets in its own name or otherwise other than through the Company and its Subsidiaries so long as the Manager takes commercially reasonable measures to ensure that the economic benefits and burdens of such assets are otherwise vested in the Company or its Subsidiaries, through assignment, mortgage loan or otherwise or, if it is not commercially reasonable to vest such economic interests in the Company or any of its Subsidiaries, the Members shall negotiate in good faith to amend this Agreement to reflect such activities and the direct ownership of assets by the Manager. Nothing contained herein shall be deemed to prohibit the Manager from executing any guarantee of indebtedness of the Company or its Subsidiaries.

ARTICLE VII.  
RIGHTS AND OBLIGATIONS OF MEMBERS AND MANAGER

Section 7.01      Limitation of Liability and Duties of Members.

(a) Except as provided in this Agreement or in the Delaware Act, the debts, obligations and liabilities of the Company, whether arising in contract, tort or otherwise, shall be solely the debts, obligations and liabilities of the Company and no Member (including without limitation, the Manager) shall be obligated personally for any such debts, obligations, contracts or liabilities of the Company solely by reason of being a Member or the Manager (except to the extent and under the circumstances set forth in any non-waivable provision of the Act). Notwithstanding anything contained herein to the contrary, the failure of the Company to observe any formalities or requirements relating to the exercise of its powers or management of its business and affairs under this Agreement or the Delaware Act shall not be grounds for imposing personal liability on the Members for liabilities of the Company.

(b) In accordance with the Delaware Act and the laws of the State of Delaware, a Member may, under certain circumstances, be required to return amounts previously distributed to such Member. It is the intent of the Members that no Distribution to any Member pursuant to Articles IV or XIV shall be deemed a return of money or other property paid or distributed in violation of the Delaware Act. The payment of any such money or Distribution of any such property to a Member shall be deemed to be a compromise within the meaning of Section 18-502(b) of the Delaware Act, and, to the fullest extent permitted by Law, any Member receiving any such money or property shall not be required to return any such money or property to the Company or any other Person, unless such distribution was made by the Company to its Members in clerical error. However, if any court of competent jurisdiction holds that, notwithstanding the provisions of this Agreement, any Member is obligated to make any such payment, such obligation shall be the obligation of such Member and not of any other Member.

(c) Notwithstanding any other provision of this Agreement (subject to Section 6.08 with respect to the Manager), to the extent that, at Law or in equity, any Member (or any Member's Affiliate or any manager, managing member, general partner, director, officer, employee, agent, fiduciary or trustee of any Member or of any Affiliate of a Member) has duties (including fiduciary duties) to the Company, to the Manager, to another Member, to any Person who acquires an interest in a Company Interest or to any other Person bound by this Agreement, all such duties (including fiduciary duties) are hereby eliminated, to the fullest extent permitted

by law, and replaced with the duties or standards expressly set forth herein, if any. The elimination of duties (including fiduciary duties) to the Company, the Manager, each of the Members, each other Person who acquires an interest in a Company Interest and each other Person bound by this Agreement and replacement thereof with the duties or standards expressly set forth herein, if any, are approved by the Company, the Manager, each of the Members, each other Person who acquires an interest in a Company Interest and each other Person bound by this Agreement.

Section 7.02      Lack of Authority. No Member, other than the Manager or a duly appointed Officer, in each case in its capacity as such, has the authority or power to act for or on behalf of the Company, to do any act that would be binding on the Company or to make any expenditure on behalf of the Company. The Members hereby consent to the exercise by the Manager of the powers conferred on them by Law and this Agreement.

Section 7.03      No Right of Partition. No Member, other than the Manager, shall have the right to seek or obtain partition by court decree or operation of Law of any Company property, or the right to own or use particular or individual assets of the Company.

Section 7.04      Indemnification.

(a) Subject to Section 5.06, the Company hereby agrees to indemnify and hold harmless any Person (each an “**Indemnified Person**”) to the fullest extent permitted under the Delaware Act, as the same now exists or may hereafter be amended, substituted or replaced (but, in the case of any such amendment, substitution or replacement only to the extent that such amendment, substitution or replacement permits the Company to provide broader indemnification rights than the Company is providing immediately prior to such amendment), against all expenses, liabilities and losses (including attorneys’ fees, judgments, fines, excise taxes or penalties) reasonably incurred or suffered by such Person (or one or more of such Person’s Affiliates) by reason of the fact that such Person is or was a Member or an Affiliate thereof (other than as a result of an ownership interest in the Corporation) or is or was serving as the Manager or a director, officer, employee or other agent of the Manager, or a director, manager, Officer, employee or other agent of the Company or is or was serving at the request of the Company as a manager, officer, director, principal, member, employee or agent of another corporation, partnership, joint venture, limited liability company, trust or other enterprise; *provided, however*, that no Indemnified Person shall be indemnified for any expenses, liabilities and losses suffered that are attributable to such Indemnified Person’s or its Affiliates’ gross negligence, willful misconduct or knowing violation of Law or for any present or future breaches of any representations, warranties or covenants by such Indemnified Person or its Affiliates contained herein or in the other agreements with the Company. Expenses, including attorneys’ fees, incurred by any such Indemnified Person in defending a proceeding shall be paid by the Company in advance of the final disposition of such proceeding, including any appeal therefrom, upon receipt of an undertaking by or on behalf of such Indemnified Person to repay such amount if it shall ultimately be determined that such Indemnified Person is not entitled to be indemnified by the Company.

(b) The right to indemnification and the advancement of expenses conferred in this Section 7.04 shall not be exclusive of any other right which any Person may have or hereafter acquire under any statute, agreement, bylaw, action by the Manager or otherwise.

(c) The Company shall maintain directors' and officers' liability insurance, or substantially equivalent insurance, at its expense, to protect any Indemnified Person (and the investment funds, if any, they represent) against any expense, liability or loss described in Section 7.04(a) whether or not the Company would have the power to indemnify such Indemnified Person against such expense, liability or loss under the provisions of this Section 7.04. The Company shall use its commercially reasonable efforts to purchase and maintain property, casualty and liability insurance in types and at levels customary for companies of similar size engaged in similar lines of business, as determined in good faith by the Manager, and the Company shall use its commercially reasonable efforts to purchase directors' and officers' liability insurance (including employment practices coverage) with a carrier and in an amount determined necessary or desirable as determined in good faith by the Manager.

(d) Notwithstanding anything contained herein to the contrary (including in this Section 7.04), the Company agrees that any indemnification and advancement of expenses available to any current or former Indemnified Person from (i) Crestview or (ii) any investment fund that is an Affiliate of Crestview or of the Company, in each case, who was appointed to serve as a director of the Company or served as a Member of the Company by virtue of such Person's service as a member, director, partner or employee of any such fund prior to or following the Effective Time (any such Person, a "Sponsor Person") shall be secondary to the indemnification and advancement of expenses to be provided by the Company pursuant to this Section 7.04 which shall be provided out of and to the extent of Company assets only and no Member (unless such Member otherwise agrees in writing or is found in a final decision by a court of competent jurisdiction to have personal liability on account thereof) shall have personal liability on account thereof or shall be required to make additional Capital Contributions to help satisfy such indemnity of the Company and the Company (i) shall be the primary indemnitor of first resort for such Sponsor Person pursuant to this Section 7.04 and (ii) shall be fully responsible for the advancement of all expenses and the payment of all damages or liabilities with respect to such Sponsor Person which are addressed by this Section 7.04.

(e) If this Section 7.04 or any portion hereof shall be invalidated on any ground by any court of competent jurisdiction, then the Company shall nevertheless indemnify and hold harmless each Indemnified Person pursuant to this Section 7.04 to the fullest extent permitted by any applicable portion of this Section 7.04 that shall not have been invalidated and to the fullest extent permitted by applicable Law.

Section 7.05      Members Right to Act. For matters that require the approval of the Members, the Members shall act through meetings and written consents as described in paragraphs (a) and (b) below:

(a) Except as otherwise expressly provided by this Agreement, acts by the Members holding a majority of the Units, voting together as a single class, shall be the acts of the Members. Any Member entitled to vote at a meeting of Members or to express consent or dissent to Company action in writing without a meeting may authorize another person or persons

to act for it by proxy. An electronic mail, telegram, telex, cablegram or similar transmission by the Member, or a photographic, photostatic, facsimile or similar reproduction of a writing executed by the Member shall (if stated thereon) be treated as a proxy executed in writing for purposes of this Section 7.05(a). No proxy shall be voted or acted upon after eleven (11) months from the date thereof, unless the proxy provides for a longer period. A proxy shall be revocable unless the proxy form conspicuously states that the proxy is irrevocable and that the proxy is coupled with an interest. Should a proxy designate two or more Persons to act as proxies, unless that instrument shall provide to the contrary, a majority of such Persons present at any meeting at which their powers thereunder are to be exercised shall have and may exercise all the powers of voting or giving consents thereby conferred, or, if only one be present, then such powers may be exercised by that one; or, if an even number attend and a majority do not agree on any particular issue, the Company shall not be required to recognize such proxy with respect to such issue if such proxy does not specify how the votes that are the subject of such proxy are to be voted with respect to such issue.

(b) The actions by the Members permitted hereunder may be taken at a meeting called by the Manager or by the Members holding a majority of the Units entitled to vote on such matter on at least 120 hours' prior written notice to the other Members entitled to vote, which notice shall state the purpose or purposes for which such meeting is being called. The actions taken by the Members entitled to vote or consent at any meeting (as opposed to by written consent), however called and noticed, shall be as valid as though taken at a meeting duly held after regular call and notice if (but not until), either before, at or after the meeting, the Members entitled to vote or consent as to whom it was improperly held signs a written waiver of notice or a consent to the holding of such meeting or an approval of the minutes thereof. The actions by the Members entitled to vote or consent may be taken by vote of the Members entitled to vote or consent at a meeting or by written consent, so long as such consent is signed by Members having not less than the minimum number of Units that would be necessary to authorize or take such action at a meeting at which all Members entitled to vote thereon were present and voted. Prompt notice of the action so taken, which shall state the purpose or purposes for which such consent is required and may be delivered via email, without a meeting shall be given to those Members entitled to vote or consent who have not consented in writing; *provided, however*, that the failure to give any such notice shall not affect the validity of the action taken by such written consent. Any action taken pursuant to such written consent of the Members shall have the same force and effect as if taken by the Members at a meeting thereof.

Section 7.06      Inspection Rights. The Company shall permit each Member and each of its designated representatives to examine the books and records of the Company or any of its Subsidiaries at the principal office of the Company or such other location as the Manager shall reasonably approve during reasonable business hours for any purpose reasonably related to such Member's Company Interest; *provided* that Manager has a right to keep confidential from the Members certain information in accordance with Section 18-305 of the Delaware Act.

#### ARTICLE VIII.

#### BOOKS, RECORDS, ACCOUNTING AND REPORTS, AFFIRMATIVE COVENANTS

Section 8.01      Records and Accounting. The Company shall keep, or cause to be kept, appropriate books and records with respect to the Company's business, including all books and

records necessary to provide any information, lists and copies of documents required to be provided pursuant to Section 8.03 or pursuant to applicable Laws. All matters concerning (a) the determination of the relative amount of allocations and Distributions among the Members pursuant to Articles III and IV and (b) accounting procedures and determinations, and other determinations not specifically and expressly provided for by the terms of this Agreement, shall be determined by the Manager, whose determination shall be final and conclusive as to all of the Members absent manifest clerical error.

Section 8.02 Fiscal Year. The Fiscal Year of the Company shall end on December 31 of each year or such other date as may be established by the Manager.

## ARTICLE IX. TAX MATTERS

Section 9.01 Preparation of Tax Returns. The Manager shall arrange for the preparation and timely filing of all tax returns required to be filed by the Company. On or before March 15, June 15, September 15, and December 15 of each Fiscal Year, the Company shall send to each Person who was a Member at any time during the prior quarter, an estimate of such Member's state tax apportionment information and allocations to the Members of taxable income, gains, losses, deductions and credits for the prior quarter, which estimate shall have been reviewed by the Company's outside tax accountants. In addition, no later than (i) April 5 following the end of the prior Fiscal Year, the Company shall provide to each Person that was a Member at any time during such Fiscal Year a statement showing an estimate of such Member's state tax apportionment information and such Member's estimated allocations of taxable income, gains, losses, deductions and credits for such Fiscal Year and (ii) July 31 following the end of the prior Fiscal Year, the Company shall send to each Person who was a Member at any time during such Fiscal Year, a statement showing such Member's final state tax apportionment information and allocations to the Members of taxable income, gains, losses, deductions and credits for such Fiscal Year and a completed IRS Schedule K-1. Each Member shall notify the other Members upon receipt of any notice of tax examination of the Company by federal, state or local authorities. Subject to the terms and conditions of this Agreement, in its capacity as Tax Matters Partner, the Corporation shall have the authority to prepare the tax returns of the Company using such permissible methods and elections as it determines in its reasonable discretion, including without limitation the use of any permissible method under Section 706 of the Code for purposes of determining the varying Company Interests of its Members.

Section 9.02 Tax Elections. The Taxable Year shall be the Fiscal Year set forth in Section 8.02. The Company and any eligible Subsidiary shall make an election pursuant to Section 754 of the Code, shall not thereafter revoke such election and shall make a new election pursuant to Section 754 to the extent necessary following any "termination" of the Company or the Subsidiary under Section 708 of the Code. Each Member will upon request supply any information reasonably necessary to give proper effect to any such elections.

Section 9.03 Tax Controversies.

(a) With respect to Tax Years beginning on or before December 31, 2017, the Corporation is hereby designated the Tax Matters Partner of the Company within the meaning

given to such term in Section 6231 of the Code (the Corporation, in such capacity, the “ *Tax Matters Partner* ”) and is authorized and required to represent the Company (at the Company’s expense) in connection with all examinations of the Company’s affairs by tax authorities, including resulting administrative and judicial proceedings, and to expend Company funds for professional services reasonably incurred in connection therewith. Each Member agrees to cooperate with the Company and to do or refrain from doing any or all things reasonably requested by the Company with respect to the conduct of such proceedings. The Tax Matters Partners shall keep all Members reasonably informed of the progress of any examinations, audits or other proceedings, and all Members shall have the right to observe and participate at their sole expense in any tax proceedings. Notwithstanding the foregoing, the Tax Matters Partners shall not settle or otherwise compromise any issue in any such examination, audit or other proceeding without first obtaining approval of the Manager. Nothing set forth in this Agreement shall diminish, limit or restrict the rights of any Member under Subchapter C, Chapter 63, Subtitle F of the Code (Code Sections 6221 et seq.).

(b) With respect to Tax Years beginning after December 31, 2017, pursuant to the Revised Partnership Audit Provisions, the Corporation shall be designated and may, on behalf of the Company, at any time, and without further notice to or consent from any Member, act as the “partnership representative” of the Company (within the meaning given to such term in Section 6223 of the Code) (the “ *Partnership Representative* ”) for purposes of the Code. The Partnership Representative shall have the right and obligation to take all actions authorized and required, respectively, by the Code for the Partnership Representative and is authorized and required to represent the Company (at the Company’s expense) in connection with all examinations of the Company’s affairs by tax authorities, including resulting administrative and judicial proceedings, and to expend Company funds for professional services reasonably incurred in connection therewith. Each Member agrees to cooperate with the Company and to do or refrain from doing any or all things reasonably requested by the Company with respect to the conduct of such proceedings. The Partnership Representative shall keep all Members fully advised on a current basis of any contacts by or discussions with the tax authorities, and the Members shall have the right to observe and participate through representatives of their own choosing (at their sole expense) in any tax proceedings. Nothing herein shall diminish, limit or restrict the rights of any Member under the Revised Partnership Audit Provisions.

ARTICLE X.  
RESTRICTIONS ON TRANSFER OF UNITS; PREEMPTIVE RIGHTS

Section 10.01 Transfers by Members. No holder of Units shall Transfer any interest in any Units, except Transfers (a) pursuant to and in accordance with Sections 10.02 and 10.09 or (b) approved in writing by the Manager, in the case of Transfers by any Member other than the Manager, or (c) in the case of Transfers by the Manager, to any Person who succeeds to the Manager in accordance with Section 6.04. Notwithstanding the foregoing, “Transfer” shall not include an event that terminates the existence of a Member for income tax purposes (including, without limitation, a change in entity classification of a Member under Treasury Regulations Section 301.7701-3, termination of a partnership pursuant to Code Section 708(b)(1)(B), a sale of assets by, or liquidation of, a Member pursuant to an election under Code Sections 336 or 338, or merger, severance, or allocation within a trust or among sub-trusts of a trust that is a Member), but that does not terminate the existence of such Member under applicable state Law (or, in the

case of a trust that is a Member, does not terminate the trusteeship of the fiduciaries under such trust with respect to all the Company Interests of such trust that is a Member).

Section 10.02 Permitted Transfers. The restrictions contained in Section 10.01 shall not apply to any Transfer (each, a “ *Permitted Transfer* ” and each transferee, a “ *Permitted Transferee* ”) pursuant to (i)(A) a Redemption or Exchange in accordance with Article XI hereof or (B) a Transfer by a Member to the Corporation or any of its Subsidiaries, (ii) a Transfer by any Member to such Member’s spouse, any lineal ascendants or descendants or trusts or other entities in which such Member or Member’s spouse, lineal ascendants or descendants hold (and continue to hold while such trusts or other entities hold Units) 50% or more of such entity’s beneficial interests, (iii) pursuant to the Laws of descent and distribution and (iv) a Transfer to a partner, shareholder, member or Affiliated investment fund of such Member (which may include special purpose investment vehicles wholly owned by one or more Affiliated investment funds but shall not include portfolio companies); *provided, however* , that (A) the restrictions contained in this Agreement will continue to apply to Units after any Permitted Transfer of such Units, and (B) in the case of the foregoing clauses (ii), (iii) and (iv), the Permitted Transferees of the Units so Transferred shall agree in writing to be bound by the provisions of this Agreement and, the transferor will deliver a written notice to the Company and the Members, which notice will disclose in reasonable detail the identity of the proposed Permitted Transferee. In the case of a Permitted Transfer of any Common Units by any Effective Date Member that is authorized to hold Class B Common Stock in accordance with the Corporation’s certificate of incorporation to a Permitted Transferee in accordance with this Section 10.02, such Member (or any subsequent Permitted Transferee of such Member) shall be required to also transfer an equal number of shares of Class B Common Stock corresponding to the proportion of such Member’s (or subsequent Permitted Transferee’s) Common Units that were transferred in the transaction to such Permitted Transferee. All Permitted Transfers are subject to the additional limitations set forth in Section 10.07(b).

Section 10.03 Restricted Units Legend. The Units have not been registered under the Securities Act and, therefore, in addition to the other restrictions on Transfer contained in this Agreement, cannot be sold unless subsequently registered under the Securities Act or an exemption from such registration is then available. To the extent such Units have been certificated, each certificate evidencing Units and each certificate issued in exchange for or upon the Transfer of any Units (if such securities remain Units as defined herein after such Transfer) shall be stamped or otherwise imprinted with a legend in substantially the following form:

“THE SECURITIES REPRESENTED BY THIS CERTIFICATE WERE ORIGINALLY ISSUED ON OCTOBER 6, 2016, AND HAVE NOT BEEN REGISTERED UNDER THE SECURITIES ACT OF 1933, AS AMENDED (THE “ACT”), AND MAY NOT BE SOLD OR TRANSFERRED IN THE ABSENCE OF AN EFFECTIVE REGISTRATION STATEMENT UNDER THE ACT OR AN EXEMPTION FROM REGISTRATION THEREUNDER. THE SECURITIES REPRESENTED BY THIS CERTIFICATE ARE ALSO SUBJECT TO ADDITIONAL RESTRICTIONS ON TRANSFER SPECIFIED IN THE AMENDED AND RESTATED LIMITED LIABILITY COMPANY AGREEMENT OF CWGS ENTERPRISES, LLC, AS MAY BE AMENDED AND MODIFIED FROM TIME TO TIME, AND CWGS ENTERPRISES, LLC RESERVES THE RIGHT TO REFUSE THE TRANSFER OF

SUCH SECURITIES UNTIL SUCH CONDITIONS HAVE BEEN FULFILLED WITH RESPECT TO ANY TRANSFER. A COPY OF SUCH CONDITIONS SHALL BE FURNISHED BY CWGS ENTERPRISES, LLC TO THE HOLDER HEREOF UPON WRITTEN REQUEST AND WITHOUT CHARGE.”

The Company shall imprint such legend on certificates (if any) evidencing Units. The legend set forth above shall be removed from the certificates (if any) evidencing any units which cease to be Units in accordance with the definition thereof.

Section 10.04 Transfer. Prior to Transferring any Units (other than pursuant to Section 10.09), the Transferring holder of Units shall cause the prospective Permitted Transferee to be bound by this Agreement as provided in Section 10.02 and any other agreements executed by the holders of Units and relating to such Units in the aggregate (collectively, the “**Other Agreements**”), and shall cause the prospective Permitted Transferee to execute and deliver to the Company and the other holder of Units counterparts of this Agreement and any applicable Other Agreements. Any Transfer or attempted Transfer of any Units in violation of any provision of this Agreement (including any prohibited indirect Transfers) (a) shall be void, and (b) the Company shall not record such Transfer on its books or treat any purported Permitted Transferee of such Units as the owner of such securities for any purpose.

Section 10.05 Assignee’s Rights.

(a) The Transfer of a Company Interest in accordance with this Agreement shall be effective as of the date of its assignment (assuming compliance with all of the conditions to such Transfer set forth herein), and such Transfer shall be shown on the books and records of the Company. Profits, Losses and other Company items shall be allocated between the Transferor and the Assignee according to Code Section 706, using any permissible method as determined in the reasonable discretion of the Manager. Distributions made before the effective date of such Transfer shall be paid to the Transferor, and Distributions made on or after such date shall be paid to the Assignee.

(b) Unless and until an Assignee becomes a Member pursuant to Article XII, the Assignee shall not be entitled to any of the rights granted to a Member hereunder or under applicable Law, other than the rights granted specifically to Assignees pursuant to this Agreement; *provided, however*, that, without relieving the Transferring Member from any such limitations or obligations as more fully described in Section 10.06, such Assignee shall be bound by any limitations and obligations of a Member contained herein that a Member would be bound on account of the Assignee’s Company Interest (including the obligation to make Capital Contributions on account of such Company Interest).

Section 10.06 Assignor’s Rights and Obligations. Any Member who shall Transfer any Company Interest in a manner in accordance with this Agreement shall cease to be a Member with respect to such Units or other interest and shall no longer have any rights or privileges, or, except as set forth in this Section 10.06, duties, liabilities or obligations, of a Member with respect to such Units or other interest (it being understood, however, that the applicable provisions of Sections 6.08 and 7.04 shall continue to inure to such Person’s benefit), except that unless and until the Assignee (if not already a Member) is admitted as a Substituted Member in



accordance with the provisions of Article XII (the “*Admission Date*”), (i) such assigning Member shall retain all of the duties, liabilities and obligations of a Member with respect to such Units or other interest, and (ii) the Manager may, in its sole discretion, reinstate all or any portion of the rights and privileges of such Member with respect to such Units or other interest for any period of time prior to the Admission Date. Nothing contained herein shall relieve any Member who Transfers any Units or other interest in the Company from any liability of such Member to the Company with respect to such Company Interest that may exist on the Admission Date or that is otherwise specified in the Delaware Act and incorporated into this Agreement or for any liability to the Company or any other Person for any materially false statement made by such Member (in its capacity as such) or for any present or future breaches of any representations, warranties or covenants by such Member (in its capacity as such) contained herein or in the other agreements with the Company.

Section 10.07    Overriding Provisions.

(a) Any Transfer in violation of this Article X shall be null and void ab initio, and the provisions of Sections 10.05 and 10.06 shall not apply to any such Transfers. For the avoidance of doubt, any Person to whom a Transfer is made or attempted in violation of this Article X shall not become a Member, shall not be entitled to vote on any matters coming before the Members and shall not have any other rights in or with respect to any rights of a Member of the Company. The approval of any Transfer in any one or more instances shall not limit or waive the requirement for such approval in any other or future instance. The Manager shall promptly amend the Schedule of Members to reflect any Permitted Transfer pursuant to this Article X.

(b) Notwithstanding anything contained herein to the contrary (including, for the avoidance of doubt, the provisions of Section 10.01 and Article XI and Article XII), in no event shall any Member Transfer any Units to the extent such Transfer would:

- (i) result in the violation of the Securities Act, or any other applicable federal, state or foreign Laws;
- (ii) cause an assignment under the Investment Company Act;
- (iii) in the reasonable determination of the Manager, be a violation of or a default (or an event that, with notice or the lapse of time or both, would constitute a default) under, or result in an acceleration of any indebtedness under, any promissory note, mortgage, loan agreement, indenture or similar instrument or agreement to which the Company or the Manager is a party; *provided* that (x) the payee or creditor to whom the Company or the Manager owes such obligation is not an Affiliate of the Company or the Manager and (y) such indebtedness, individually or in the aggregate, has an aggregate principal amount of loans or revolving commitments then outstanding that is greater than \$25,000,000.00;
- (iv) cause the Company to lose its status as a partnership for federal income tax purposes or, without limiting the generality of the foregoing, such Transfer to be effected on or through an “established securities market” or a “secondary market or the

substantial equivalent thereof,” as such terms are used in Section 1.7704-1 of the Treasury Regulations;

(v) be a Transfer to a Person who is not legally competent or who has not achieved his or her majority of age under applicable Law (excluding trusts for the benefit of minors);

(vi) cause the Company to be treated as a “publicly traded partnership” or to be taxed as a corporation pursuant to Section 7704 of the Code or successor provision of the Code; or

(vii) result in the Company having more than one hundred (100) partners, within the meaning of Treasury Regulations Section 1.7704-1(h)(1) (determined pursuant to the rules of Treasury Regulations Section 1.7704-1(h)(3)).

Section 10.08 Spousal Consent. In connection with the execution and delivery of this Agreement, any Member who is a natural person will deliver to the Company an executed consent from such Member’s spouse (if any) in the form of Exhibit B attached hereto. If, at any time subsequent to the date of this Agreement such Member becomes legally married (whether in the first instance or to a different spouse), such Member shall cause his or her spouse to execute and deliver to the Company a consent in the form of Exhibit B attached hereto. Such Member’s non-delivery to the Company of an executed consent in the form of Exhibit B at any time shall constitute such Member’s continuing representation and warranty that such Member is not legally married as of such date.

Section 10.09 Drag-Along Rights.

(a) In the event that the Corporate Board and the holders of a majority of the voting power of all outstanding capital stock of the Corporation approve a Qualified Transaction (the “ **Approved Qualified Transaction** ”), each Member (each, a “ **Required Member** ”) agrees to Transfer all of such Required Member’s Units in connection with such Approved Qualified Transaction (the “ **Drag-Along Right** ”) for an amount of consideration per Unit equal (before taking into account any rights such Required Member may have under the Tax Receivable Agreement) to the amount of consideration to be received per share of Class A Common Stock by the holders thereof (the “ **Drag Price** ”), and otherwise with respect to such Units on the same terms and conditions as apply to the shares of Class A Common Stock in such Approved Qualified Transaction, with such modifications as are appropriate, as determined in good faith by the Manager, to reflect the fact that Units rather than shares of Class A Common Stock will be Transferred in the first instance by such Member. Such Transfer shall be structured in the sole discretion of the Manager and, without limitation to any other structure, the Manager will use its reasonable best efforts expeditiously and in good faith to take all such actions and do all such things as are necessary or desirable to enable and permit the Members to participate in such Approved Qualified Transaction to the same extent or on an economically equivalent basis as the holders of shares of Class A Common Stock without discrimination; *provided* that, without limiting the generality of this sentence, the Manager will use its reasonable best efforts expeditiously and in good faith to ensure that such Members may participate in each such Approved Qualified Transaction without being required to have their Common Units and shares

of Class B Common Stock redeemed (or, if so required, to ensure that any such redemption shall be effective only upon, and shall be conditional upon, the closing of such Approved Qualified Transaction, or, as applicable, to the extent necessary to exchange the number of Common Units being repurchased).

(b) The Corporation shall send written notice (the “**Drag-Along Notice**”) to the Company and the Required Members at least thirty (30) days prior to the closing of the Approved Qualified Transaction notifying them that such Required Members will be required to sell all (but not less than all) of their Units in such sale (the “**Drag-Along Amount**”), and setting forth (i) a copy of the written proposal or agreement pursuant to which the Approved Qualified Transaction will be effected, (ii) the Drag Price, (iii) the terms and conditions of transfer and payment and (iv) the date and location of and procedures for selling the Units. In the event that the information set forth in the Drag-Along Notice changes from that set forth in the initial Drag-Along Notice, a subsequent Drag-Along Notice shall be delivered by the Corporation no less than seven (7) days prior to the closing of the Approved Qualified Transaction. Notwithstanding the foregoing, to the extent that any of the foregoing information to be included in the Drag-Along Notice is publicly available, the Corporation shall not be required to include such information in the Drag-Along Notice or deliver a subsequent Drag-Along Notice. Each Required Member shall thereafter be obligated to sell their Units on the terms set forth in the Drag-Along Notice.

(c) Upon receipt of a Drag-Along Notice, each Required Member receiving such notice shall be obligated to sell all of its Units in the Approved Qualified Transaction as contemplated by the Drag-Along Notice for the Drag Price, on the terms and conditions described in this Section 10.09, including by executing any document containing customary representations, warranties and agreements with respect to itself and its ownership of the Units or shares of Class A Common Stock, as applicable, as requested by the Manager in connection with the Approved Qualified Transaction, which representations, warranties, indemnities and agreements shall be substantially the same as those contained in any letter of transmittal to be executed by the holders of Class A Common Stock with such modifications as are appropriate, as determined in good faith by the Manager, to reflect the fact that Units rather than shares of Class A Common Stock will be transferred by such Required Member. The Company and each Member shall cooperate in good faith in connection with the consummation of the Approved Qualified Transaction.

## ARTICLE XI. REDEMPTION AND EXCHANGE RIGHTS

### Section 11.01    Redemption Right of a Member.

(a) Each Member (other than the Corporation) shall be entitled to cause the Company to redeem (a “**Redemption**”) its Common Units in whole or in part (the “**Redemption Right**”) at any time and from time to time following the expiration of any contractual lock-up period relating to the shares of the Corporation that may be applicable to such Member. A Member desiring to exercise its Redemption Right (each, a “**Redeeming Member**”) shall exercise such right by giving written notice (the “**Redemption Notice**”) to the Company with a copy to the Corporation. The Redemption Notice shall specify the number of Common Units (the “**Redeemed Units**”) that the Redeeming Member intends to have the Company redeem and a

date, not less than seven (7) Business Days nor more than ten (10) Business Days after delivery of such Redemption Notice (unless and to the extent that the Manager in its sole discretion agrees in writing to waive such time periods), on which exercise of the Redemption Right shall be completed (the “**Redemption Date**”); *provided* that the Company, the Corporation and the Redeeming Member may change the number of Redeemed Units and/or the Redemption Date specified in such Redemption Notice to another number and/or date by mutual agreement signed in writing by each of them; *provided, further*, that a Redemption may be conditioned on the closing of an underwritten distribution of the shares of Class A Common Stock that may be issued in connection with such proposed Redemption. Unless the Redeeming Member timely has delivered a Retraction Notice as provided in Section 11.01(c) or has revoked or delayed a Redemption as provided in Section 11.01(b) or ( d), on the Redemption Date (to be effective immediately prior to the close of business on the Redemption Date):

(i) the Redeeming Member shall transfer and surrender, free and clear of all liens and encumbrances (x) the Redeemed Units to the Company, and (y) a number of shares of Class B Common Stock equal to the number of Redeemed Units to the Corporation to the extent applicable;

(ii) the Company shall (x) cancel the Redeemed Units, (y) transfer to the Redeeming Member the consideration to which the Redeeming Member is entitled under Section 11.01(b), and (z) if the Units are certificated, issue to the Redeeming Member a certificate for a number of Common Units equal to the difference (if any) between the number of Common Units evidenced by the certificate surrendered by the Redeeming Member pursuant to clause (i) of this Section 11.01(a) and the Redeemed Units; and

(iii) the Corporation shall cancel for no consideration the shares of Class B Common Stock (and the Corporation shall take all actions necessary to retire such share transferred to the Corporation and such share shall not be re-issued by the Corporation) upon a transfer of such shares of Class B Common Stock that were Transferred pursuant to Section 11.01(a)(i)(y) above.

(b) In exercising its Redemption Right, a Redeeming Member shall, to the fullest extent permitted by applicable Law, be entitled to receive the Share Settlement or the Cash Settlement; *provided* that the Corporation shall have the option (as determined solely by its independent directors (within the meaning of the rules of the New York Stock Exchange) who are disinterested) as provided in Section 11.02 and subject to Section 11.01(e) to select whether the redemption payment is made by means of a Share Settlement or a Cash Settlement; *provided, further*, that the ML Related Parties shall only be entitled to receive the Share Settlement if the ML Related Parties have entered into a valid and binding agreement with a third party for the sale of all (and not less than all) of the shares of Class A Common Stock that the ML Related Parties are entitled to receive pursuant to a Share Settlement and such agreement is subject to customary closing conditions for agreements of this kind and the delivery of the Class A Common Stock by the Corporation to the ML Related Parties (a “**Binding Sale Agreement**”). If the Company has opted for a Share Settlement and the ML Related Parties have not entered into a Binding Sale Agreement, the ML Related Parties shall be deemed to have revoked their Redemption Notice. Within three (3) Business Days of delivery of the Redemption Notice, the Corporation shall give written notice (the “**Contribution Notice**”) to the Company (with a copy

to the Redeeming Member) of its intended settlement method; *provided* that if the Corporation does not timely deliver a Contribution Notice, the Corporation shall be deemed to have elected the Share Settlement method.

(c) If the Corporation elects the Cash Settlement method, the Redeeming Member may retract its Redemption Notice by giving written notice (the “*Retraction Notice*”) to the Company (with a copy to the Corporation) within two (2) Business Days of delivery of the Contribution Notice. The timely delivery of a Retraction Notice shall terminate all of the Redeeming Member’s, Company’s and the Corporation’s rights and obligations under this Section 11.01 arising from the Redemption Notice.

(d) In the event the Corporation elects a Share Settlement in connection with a Redemption, a Redeeming Member shall be entitled to revoke its Redemption Notice or delay the consummation of a Redemption if any of the following conditions exists:

(i) any registration statement pursuant to which the resale of the Class A Common Stock to be registered for such Redeeming Member at or immediately following the consummation of the Redemption shall have ceased to be effective pursuant to any action or inaction by the SEC or no such resale registration statement has yet become effective;

(ii) the Corporation shall have failed to cause any related prospectus to be supplemented by any required prospectus supplement necessary to effect such Redemption;

(iii) the Corporation shall have exercised its right to defer, delay or suspend the filing or effectiveness of a registration statement and such deferral, delay or suspension shall affect the ability of such Redeeming Member to have its Class A Common Stock registered at or immediately following the consummation of the Redemption;

(iv) the Corporation shall have disclosed to such Redeeming Member any material non-public information concerning the Corporation, the receipt of which results in such Redeeming Member being prohibited or restricted from selling Class A Common Stock at or immediately following the Redemption without disclosure of such information (and the Corporation does not permit disclosure);

(v) any stop order relating to the registration statement pursuant to which the Class A Common Stock was to be registered by such Redeeming Member at or immediately following the Redemption shall have been issued by the SEC;

(vi) there shall have occurred a material disruption in the securities markets generally or in the market or markets in which the Class A Common Stock is then traded;

(vii) there shall be in effect an injunction, a restraining order or a decree of any nature of any Governmental Entity that restrains or prohibits the Redemption;

(viii) the Corporation shall have failed to comply in all material respects with its obligations under the Registration Rights Agreement, and such failure shall have affected

the ability of such Redeeming Member to consummate the resale of Class A Common Stock to be received upon such redemption pursuant to an effective registration statement; or

(ix) the Redemption Date would occur three (3) Business Days or less prior to, or during, a Black-Out Period;

If a Redeeming Member delays the consummation of a Redemption pursuant to this Section 11.01(d), the Redemption Date shall occur on the fifth Business Day following the date on which the conditions giving rise to such delay cease to exist (or such earlier day as the Corporation, the Company and such Redeeming Member may agree in writing).

(e) The number of shares of Class A Common Stock or the Redeemed Units Equivalent that a Redeeming Member is entitled to receive under Section 11.01(b) (whether through a Share Settlement or Cash Settlement) shall not be adjusted on account of any Distributions previously made with respect to the Redeemed Units or dividends previously paid with respect to Class A Common Stock; *provided, however*, that if a Redeeming Member causes the Company to redeem Redeemed Units and the Redemption Date occurs subsequent to the record date for any Distribution with respect to the Redeemed Units but prior to payment of such Distribution, the Redeeming Member shall be entitled to receive such Distribution with respect to the Redeemed Units on the date that it is made notwithstanding that the Redeeming Member transferred and surrendered the Redeemed Units to the Company prior to such date.

(f) In the case of a Share Settlement, in the event of a reclassification or other similar transaction as a result of which the shares of Class A Common Stock are converted into another security, then in exercising its Redemption Right a Redeeming Member shall be entitled to receive the amount of such security that the Redeeming Member would have received if such Redemption Right had been exercised and the Redemption Date had occurred immediately prior to the record date of such reclassification or other similar transaction.

Section 11.02 Election and Contribution of the Corporation. In connection with the exercise of a Redeeming Member's Redemption Rights under Section 11.01(a), the Corporation shall contribute to the Company the consideration the Redeeming Member is entitled to receive under Section 11.01(b). The Corporation, at its option (as determined solely by its independent directors (within the meaning of the rules of the New York Stock Exchange) who are disinterested), shall determine whether to contribute, pursuant to Section 11.01(b), the Share Settlement or the Cash Settlement. Unless the Redeeming Member has timely delivered a Retraction Notice as provided in Section 11.01(c), or has revoked or delayed a Redemption as provided in Section 11.01 (b) or ( d ), on the Redemption Date (to be effective immediately prior to the close of business on the Redemption Date) (i) the Corporation shall make its Capital Contribution to the Company (in the form of the Share Settlement or the Cash Settlement) required under this Section 11.02, and (ii) in the event of a Share Settlement, the Company shall issue to the Corporation a number of Common Units equal to the number of Redeemed Units surrendered by the Redeeming Member. Notwithstanding any other provisions of this Agreement to the contrary, in the event that the Corporation elects a Cash Settlement, the Corporation shall only be obligated to contribute to the Company an amount in respect of such Cash Settlement equal to the net proceeds (after deduction of any Discounts) from the sale by

the Corporation of a number of shares of Class A Common Stock equal to the number of Redeemed Units to be redeemed with such Cash Settlement, which in no event shall exceed the amount paid by the Company to the Redeeming Member as Cash Settlement; *provided* that (i) the Discount shall be an expense of the Company as described in Section 6.06 and (ii) for the avoidance of doubt, if the Cash Settlement to which the Redeeming Member is entitled exceeds the amount that is contributed to the Company by the Corporation, the Company shall still be required to pay the Redeeming Member the full amount of the Cash Settlement. The timely delivery of a Retraction Notice shall terminate all of the Company's and the Corporation's rights and obligations under this Section 11.02 arising from the Redemption Notice.

Section 11.03    Exchange Right of the Corporation.

(a) Notwithstanding anything to the contrary in this Article XI, the Corporation may, in its sole and absolute discretion (as determined solely by its independent directors (within the meaning of the rules of the New York Stock Exchange) who are disinterested), elect to effect on the Redemption Date the exchange of Redeemed Units for the Share Settlement or Cash Settlement, as the case may be, through a direct exchange of such Redeemed Units and such consideration between the Redeeming Member and the Corporation (a “ **Direct Exchange** ”). Upon such Direct Exchange pursuant to this Section 11.03, the Corporation shall acquire the Redeemed Units and shall be treated for all purposes of this Agreement as the owner of such Units.

(b) The Corporation may, at any time prior to a Redemption Date, deliver written notice (an “ **Exchange Election Notice** ”) to the Company and the Redeeming Member setting forth its election to exercise its right to consummate a Direct Exchange; *provided* that such election does not prejudice the ability of the parties to consummate a Redemption or Direct Exchange on the Redemption Date. An Exchange Election Notice may be revoked by the Corporation at any time; *provided* that any such revocation does not prejudice the ability of the parties to consummate a Redemption or Direct Exchange on the Redemption Date. The right to consummate a Direct Exchange in all events shall be exercisable for all the Redeemed Units that would have otherwise been subject to a Redemption. Except as otherwise provided by this Section 11.03, a Direct Exchange shall be consummated pursuant to the same timeframe and in the same manner as the relevant Redemption would have been consummated if the Corporation had not delivered an Exchange Election Notice.

Section 11.04    Reservation of shares of Class A Common Stock; Listing; Certificate of the Corporation. At all times the Corporation shall reserve and keep available out of its authorized but unissued Class A Common Stock, solely for the purpose of issuance upon a Redemption or Direct Exchange, such number of shares of Class A Common Stock as shall be issuable upon any such Redemption or Direct Exchange pursuant to Share Settlements; *provided* that nothing contained herein shall be construed to preclude the Corporation from satisfying its obligations in respect of any such Redemption or Direct Exchange by delivery of purchased Class A Common Stock (which may or may not be held in the treasury of the Corporation) or the delivery of cash pursuant to a Cash Settlement. The Corporation shall deliver Class A Common Stock that has been registered under the Securities Act with respect to any Redemption or Direct Exchange to the extent a registration statement is effective and available for such shares. The Corporation shall use its commercially reasonable efforts to list the Class A Common Stock

required to be delivered upon any such Redemption or Direct Exchange prior to such delivery upon each national securities exchange upon which the outstanding shares of Class A Common Stock are listed at the time of such Redemption or Direct Exchange (it being understood that any such shares may be subject to transfer restrictions under applicable securities Laws). The Corporation covenants that all Class A Common Stock issued upon a Redemption or Direct Exchange will, upon issuance, be validly issued, fully paid and non-assessable. The provisions of this Article XI shall be interpreted and applied in a manner consistent with the corresponding provisions of the Corporation's certificate of incorporation.

Section 11.05 Effect of Exercise of Redemption or Exchange Right. This Agreement shall continue notwithstanding the consummation of a Redemption or Direct Exchange and all governance or other rights set forth herein shall be exercised by the remaining Members and the Redeeming Member (to the extent of such Redeeming Member's remaining interest in the Company). No Redemption or Direct Exchange shall relieve such Redeeming Member of any prior breach of this Agreement.

Section 11.06 Tax Treatment. Unless otherwise required by applicable Law, the parties hereto acknowledge and agree a Redemption or a Direct Exchange, as the case may be, shall be treated as a direct exchange between the Corporation and the Redeeming Member for U.S. federal and applicable state and local income tax purposes.

## ARTICLE XII. ADMISSION OF MEMBERS

Section 12.01 Substituted Members. Subject to the provisions of Article X hereof, in connection with the Permitted Transfer of a Company Interest hereunder, the Permitted Transferee shall become a Substituted Member on the effective date of such Transfer, which effective date shall not be earlier than the date of compliance with the conditions to such Transfer, and such admission shall be shown on the books and records of the Company.

Section 12.02 Additional Members. Subject to the provisions of Article X hereof, any Person that is not an Effective Date Member may be admitted to the Company as an additional Member (any such Person, an "***Additional Member***") only upon furnishing to the Manager (a) duly executed Joinder and counterparts to any applicable Other Agreements and (b) such other documents or instruments as may be reasonably necessary or appropriate to effect such Person's admission as a Member (including entering into such documents as may reasonably be requested by the Manager). Such admission shall become effective on the date on which the Manager determines in its sole discretion that such conditions have been satisfied and when any such admission is shown on the books and records of the Company.

## ARTICLE XIII. WITHDRAWAL AND RESIGNATION; TERMINATION OF RIGHTS

Section 13.01 Withdrawal and Resignation of Members. Except in the event of Transfers pursuant to Section 10.06, no Member shall have the power or right to withdraw or otherwise resign as a Member from the Company prior to the dissolution and winding up of the Company pursuant to Article XIV. Any Member, however, that attempts to withdraw or



otherwise resign as a Member from the Company without the prior written consent of the Manager upon or following the dissolution and winding up of the Company pursuant to Article XIV, but prior to such Member receiving the full amount of Distributions from the Company to which such Member is entitled pursuant to Article XIV, shall be liable to the Company for all damages (including all lost profits and special, indirect and consequential damages) directly or indirectly caused by the withdrawal or resignation of such Member. Upon a Transfer of all of a Member's Units in a Transfer permitted by this Agreement, subject to the provisions of Section 10.06, such Member shall cease to be a Member.

#### ARTICLE XIV. DISSOLUTION AND LIQUIDATION

Section 14.01 Dissolution. The Company shall not be dissolved by the admission of Additional Members or Substituted Members or the attempted withdrawal, removal, dissolution, bankruptcy or resignation of a Member. The Company shall dissolve, and its affairs shall be wound up, upon:

- (a) the decision of the Manager together with holders of a majority of the Common Units entitled to vote then outstanding to dissolve the Company;
- (b) a dissolution of the Company under Section 18-801(4) of the Delaware Act, unless the Company is continued without dissolution pursuant thereto; or
- (c) the entry of a decree of judicial dissolution of the Company under Section 18-802 of the Delaware Act.

Except as otherwise set forth in this Article XIV, the Company is intended to have perpetual existence. An Event of Withdrawal shall not in and of itself cause a dissolution of the Company and the Company shall continue in existence subject to the terms and conditions of this Agreement.

Section 14.02 Winding up and Termination. Subject to Section 14.05, on dissolution of the Company, the Manager shall act as liquidating trustee or may appoint one or more Persons as liquidating trustee (each such Person, a "liquidator"). The liquidators shall proceed diligently to wind up the affairs of the Company and make final distributions as provided herein and in the Delaware Act. The costs of liquidation shall be borne as a Company expense. Until final distribution, the liquidators shall continue to operate the Company properties with all of the power and authority of the Manager. The steps to be accomplished by the liquidators are as follows:

- (a) as promptly as possible after dissolution and again after final liquidation, the liquidators shall cause a proper accounting to be made by a recognized firm of certified public accountants of the Company's assets, liabilities and operations through the last day of the calendar month in which the dissolution occurs or the final liquidation is completed, as applicable;
- (b) the liquidators shall pay, satisfy or discharge from Company funds, or otherwise make adequate provision for payment and discharge thereof (including, without limitation, the

establishment of a cash fund for contingent, conditional and unmatured liabilities in such amount and for such term as the liquidators may reasonably determine)all of the debts, liabilities and obligations of the Company; and

(c) all remaining assets of the Company shall be distributed to the Members in accordance with Article IV by the end of the Taxable Year during which the liquidation of the Company occurs (or, if later, by ninety (90) days after the date of the liquidation).

The distribution of cash and/or property to the Members in accordance with the provisions of this Section 14.02 and Section 14.03 below constitutes a complete return to the Members of their Capital Contributions, a complete distribution to the Members of their interest in the Company and all the Company's property and constitutes a compromise to which all Members have consented within the meaning of the Delaware Act. To the extent that a Member returns funds to the Company, it has no claim against any other Member for those funds.

Section 14.03 Deferment; Distribution in Kind. Notwithstanding the provisions of Section 14.02, but subject to the order of priorities set forth therein, if upon dissolution of the Company the liquidators determine that an immediate sale of part or all of the Company's assets would be impractical or would cause undue loss (or would otherwise not be beneficial) to the Members, the liquidators may, in their sole discretion, defer for a reasonable time the liquidation of any assets except those necessary to satisfy Company liabilities (other than loans to the Company by Members) and reserves. Subject to the order of priorities set forth in Section 14.02, the liquidators may, in their sole discretion, distribute to the Members, in lieu of cash, either (a) all or any portion of such remaining Company assets in-kind in accordance with the provisions of Section 14.02(d), (b) as tenants in common and in accordance with the provisions of Section 14.02(d), undivided interests in all or any portion of such Company assets or (c) a combination of the foregoing. Any such Distributions in kind shall be subject to (y) such conditions relating to the disposition and management of such assets as the liquidators deem reasonable and equitable and (z) the terms and conditions of any agreements governing such assets (or the operation thereof or the holders thereof) at such time. Any Company assets distributed in kind will first be written up or down to their Fair Market Value, thus creating Profit or Loss (if any), which shall be allocated in accordance with Article V. The liquidators shall determine the Fair Market Value of any property distributed in accordance with the valuation procedures set forth in Article XV.

Section 14.04 Cancellation of Certificate. On completion of the winding up of the Company as provided herein, the Manager (or such other Person or Persons as the Delaware Act may require or permit) shall file a certificate of cancellation of the Certificate with the Secretary of State of Delaware, cancel any other filings made pursuant to this Agreement that are or should be canceled and take such other actions as may be necessary to terminate the Company. The Company shall continue in existence for all purposes of this Agreement until it is terminated pursuant to this Section 14.04.

Section 14.05 Reasonable Time for Winding Up. A reasonable time shall be allowed for the orderly winding up of the business and affairs of the Company and the liquidation of its assets pursuant to Sections 14.02 and 14.03 in order to minimize any losses otherwise attendant upon such winding up.

Section 14.06      Return of Capital. The liquidators shall not be personally liable for the return of Capital Contributions or any portion thereof to the Members (it being understood that any such return shall be made solely from Company assets).

ARTICLE XV.  
VALUATION

Section 15.01      Determination. “*Fair Market Value*” of a specific Company asset will mean the amount which the Company would receive in an all-cash sale of such asset in an arms-length transaction with a willing unaffiliated third party, with neither party having any compulsion to buy or sell, consummated on the day immediately preceding the date on which the event occurred which necessitated the determination of the Fair Market Value (and after giving effect to any transfer taxes payable in connection with such sale), as such amount is determined by the Manager (or, if pursuant to Section 14.02, the liquidators) in its good faith judgment using all factors, information and data it deems to be pertinent.

ARTICLE XVI.  
GENERAL PROVISIONS

Section 16.01      Power of Attorney.

(a) Each Member who is a natural person hereby constitutes and appoints the Manager (or the liquidator, if applicable) with full power of substitution, as his or her true and lawful agent and attorney-in-fact, with full power and authority in his or her name, place and stead, to:

(i) execute, swear to, acknowledge, deliver, file and record in the appropriate public offices (A) this Agreement, all certificates and other instruments and all amendments thereof which the Manager deems appropriate or necessary to form, qualify, or continue the qualification of, the Company as a limited liability company in the State of Delaware and in all other jurisdictions in which the Company may conduct business or own property; (B) all instruments which the Manager deems appropriate or necessary to reflect any amendment, change, modification or restatement of this Agreement in accordance with its terms; (C) all conveyances and other instruments or documents which the Manager deems appropriate or necessary to reflect the dissolution and winding up of the Company pursuant to the terms of this Agreement, including a certificate of cancellation; and (D) all instruments relating to the admission, withdrawal or substitution of any Member pursuant to Article XII or XIII; and

(ii) sign, execute, swear to and acknowledge all ballots, consents, approvals, waivers, certificates and other instruments appropriate or necessary, in the reasonable judgment of the Manager, to evidence, confirm or ratify any vote, consent, approval, agreement or other action which is made or given by the Members hereunder or is consistent with the terms of this Agreement, in the reasonable judgment of the Manager, to effectuate the terms of this Agreement.

(b) The foregoing power of attorney is irrevocable and coupled with an interest, and shall survive the death, disability, incapacity, dissolution, bankruptcy, insolvency or termination

of any Member and the transfer of all or any portion of his or her Company Interest and shall extend to such Member's heirs, successors, assigns and personal representatives.

Section 16.02 Confidentiality.

(a) Each of the Members agrees to hold the Company's Confidential Information in confidence and may not disclose such information except as otherwise authorized separately in writing by the Manager. “ **Confidential Information** ” as used herein includes all information concerning the Company or its Subsidiaries in the possession of or furnished to any Member, but is not limited to ideas, financial product structuring, business strategies, innovations and materials, all aspects of the Company's business plan, proposed operation and products, corporate structure, financial and organizational information, analyses, proposed partners, software code and system and product designs, employees and their identities, equity ownership, the methods and means by which the Company plans to conduct its business, all trade secrets, trademarks, tradenames and all intellectual property associated with the Company's business. With respect to each Member, Confidential Information does not include information or material that: (a) is rightfully in the possession of such Member at the time of disclosure by the Company; (b) before or after it has been disclosed to such Member by the Company, becomes part of public knowledge, not as a result of any action or inaction of such Member in violation of this Agreement; (c) is approved for release by written authorization of the Chief Executive Officer, Chief Operating and Legal Officer or Chief Financial Officer of the Company or of the Corporation; (d) is disclosed to such Member or their representatives by a third party not, to the knowledge of such Member in violation of any obligation of confidentiality owed to the Company with respect to such information; or (e) is or becomes independently developed by such Member or their respective representatives without use or reference to the Confidential Information.

(b) Each of the Members may disclose Confidential Information to its Subsidiaries, Affiliates, partners, directors, officers, employees, counsel, advisers, consultants, outside contractors and other agents, on the condition that such Persons keep the Confidential Information confidential to the same extent as such disclosing party is required to keep the Confidential Information confidential, solely to the extent it is reasonably necessary or appropriate to fulfill its obligations or to exercise its rights under this Agreement; *provided* that the disclosing party shall remain liable with respect to any breach of this Section 16.02 by any such Subsidiaries, Affiliates, partners, directors, officers, employees, counsel, advisers, consultants, outside contractors and other agents.

(c) Notwithstanding Section 16.02(a) or Section 16.02(b), each of the Members may disclose Confidential Information (i) to the extent that such party is legally compelled (by oral questions, interrogatories, request for information or documents, subpoena, civil investigative demand or similar process) to disclose any of the Confidential Information, (ii) for purposes of reporting to its stockholders and direct and indirect equity holders the performance of the Company and its Subsidiaries and for purposes of including applicable information in its financial statements to the extent required by applicable Law or applicable accounting standards; (iii) to any bona fide prospective purchaser of the equity or assets of a Member, or the Common Units held by such Member, or a prospective merger partner of such Member ( *provided* , that (i) such Persons will be informed by such Member of the confidential nature of such information

and shall agree in writing to keep such information confidential in accordance with the contents of this Agreement and (ii) each Member will be liable for any breaches of this Section 16.02 by any such Persons), or (iv) to the extent required to be disclosed by applicable Law. Notwithstanding any of the foregoing, nothing in this Section 16.02 will restrict in any manner the ability of the Corporation to comply with its disclosure obligations under Law, and the extent to which any Confidential Information is necessary or desirable to disclose.

Section 16.03 Amendments. This Agreement may be amended or modified upon the consent of the Manager and a majority of the Common Units entitled to vote then outstanding, which shall include Crestview so long as Crestview owns seven and a half percent (7.5%) of the Common Units and/or the ML Related Parties so long as the ML Related Parties owns seven and a half percent (7.5%) of the Common Units. Notwithstanding the foregoing, no amendment or modification:

(a) to this Section 16.03 may be made without the prior written consent of the Manager and each of the Members;

(b) to any of the terms and conditions of this Agreement which terms and conditions expressly require the approval or action of certain Persons may be made without obtaining the consent of the requisite number or specified percentage of such Persons who are entitled to approve or take action on such matter;

(c) to any of the terms and conditions of Article VI (and related definitions as used directly or indirectly therein) may be made without the prior written consent of the Manager; and

(d) to any of the terms and conditions of this Agreement which would (A) reduce the amounts distributable to such Member pursuant to Articles IV and XIV in a manner that is not pro rata with respect to all Members, (B) increase the liabilities of such Member hereunder, or (C) otherwise materially and adversely affect a holder of Units in a manner materially different than any other holder of Units of the same class or series (other than amendments, modifications and waivers (x) necessary to implement the provisions of Article XII or (y) relate to the rights and responsibilities of the Manager in its capacity as such under this Agreement) shall be effective against such disparately affected holder of Units without the prior written consent of such holder of Units.

Notwithstanding any of the foregoing, the Manager may make any amendment (i) of an administrative nature that is necessary in order to implement the substantive provisions hereof, without the consent of any other Member; *provided* that any such amendment does not adversely change the rights of the Members hereunder in any respect, or (ii) to reflect any changes to the Class A Common Stock.

Section 16.04 Title to Company Assets. Company assets shall be owned by the Company as an entity, and no Member, individually or collectively, shall have any ownership interest in such Company assets or any portion thereof. The Company shall hold title to all of its property in the name of the Company and not in the name of any Member. All Company assets shall be recorded as the property of the Company on its books and records, irrespective of the name in which legal title to such Company assets is held. The Company's credit and assets shall

be used solely for the benefit of the Company, and no asset of the Company shall be transferred or encumbered for, or in payment of, any individual obligation of any Member.

Section 16.05 Addresses and Notices. Any notice, request, demand or instruction specified or permitted by this Agreement will be in writing and will be either personally delivered, or received by certified mail, return receipt requested, or sent by reputable overnight courier service (charges prepaid) to the Company or by electronic mail at the address set forth below and to any other recipient and to any Member at such address as indicated by the Company's records, or at such address or to the attention of such other person as the recipient party has specified by prior written notice to the sending party. Notices will be deemed to have been given hereunder when delivered personally or sent by telecopier (*provided* confirmation of transmission is received), three (3) days after deposit in the U.S. mail and one (1) day after deposit with a reputable overnight courier service or if sent by electronic mail, upon confirmed receipt. Whenever any notice is required to be given by Law or this Agreement, a written waiver thereof signed by the Person entitled to such notice, whether before or after the time stated at which such notice is required to be given, shall be deemed equivalent to the giving of such notice.

To the Company:

CWGS Enterprises, LLC  
250 Parkway Drive, Suite 270,  
Lincolnshire, IL 60069  
Attn: Thomas F. Wolfe, Chief Financial Officer  
Brent Moody, Chief Operating and Legal Officer  
E-mail: tom.wolfe@goodsam.com  
brent@campingworld.com

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

Latham & Watkins LLP  
885 Third Avenue  
New York, New York 10022  
Attn: Marc Jaffe  
Ian Schuman  
Facsimile: (212) 751-4864  
E-mail: marc.jaffe@lw.com  
ian.schuman@lw.com

Section 16.06 Binding Effect; Intended Beneficiaries. This Agreement shall be binding upon and inure to the benefit of the parties hereto and their heirs, executors, administrators, successors, legal representatives and permitted assigns.

Section 16.07 Creditors. None of the provisions of this Agreement shall be for the benefit of or enforceable by any creditors of the Company or any of its Affiliates, and no creditor who makes a loan to the Company or any of its Affiliates may have or acquire (except pursuant to the terms of a separate agreement executed by the Company in favor of such creditor) at any

time as a result of making the loan any direct or indirect interest in Company Profits, Losses, Distributions, capital or property other than as a secured creditor.

Section 16.08 Waiver. No failure by any party to insist upon the strict performance of any covenant, duty, agreement or condition of this Agreement or to exercise any right or remedy consequent upon a breach thereof shall constitute a waiver of any such breach or any other covenant, duty, agreement or condition.

Section 16.09 Counterparts. This Agreement may be executed in separate counterparts, each of which will be an original and all of which together shall constitute one and the same agreement binding on all the parties hereto.

Section 16.10 Applicable Law. This Agreement shall be governed by, and construed in accordance with, the laws of the State of Delaware, without giving effect to any choice of law or conflict of law rules or provisions (whether of the State of Delaware or any other jurisdiction) that would cause the application of the laws of any jurisdiction other than the State of Delaware. Any suit, dispute, action or proceeding seeking to enforce any provision of, or based on any matter arising out of or in connection with, this Agreement shall be heard in the state or federal courts of the State of Delaware, and the parties hereby consent to the exclusive jurisdiction of such court (and of the appropriate appellate courts) in any such suit, action or proceeding and waives any objection to venue laid therein. PROCESS IN ANY SUCH SUIT, ACTION OR PROCEEDING MAY BE SERVED ON ANY PARTY ANYWHERE IN THE WORLD, WHETHER WITHIN OR WITHOUT THE JURISDICTION OF ANY SUCH COURT (INCLUDING BY PREPAID CERTIFIED MAIL WITH A VALIDATED PROOF OF MAILING RECEIPT) AND SHALL HAVE THE SAME LEGAL FORCE AND EFFECT AS IF SERVED UPON SUCH PARTY PERSONALLY WITHIN THE STATE OF DELAWARE. WITHOUT LIMITING THE FOREGOING, THE PARTIES AGREE THAT SERVICE OF PROCESS UPON SUCH PARTY AT THE ADDRESS REFERRED TO IN SECTION 16.05 (INCLUDING BY PREPAID CERTIFIED MAIL WITH A VALIDATED PROOF OF MAILING RECEIPT), TOGETHER WITH WRITTEN NOTICE OF SUCH SERVICE TO SUCH PARTY, SHALL BE DEEMED EFFECTIVE SERVICE OF PROCESS UPON SUCH PARTY.

Section 16.11 Severability. Whenever possible, each provision of this Agreement will be interpreted in such manner as to be effective and valid under applicable Law, but if any provision of this Agreement is held to be invalid, illegal or unenforceable in any respect under any applicable Law or rule in any jurisdiction, such invalidity, illegality or unenforceability will not affect any other provision or the effectiveness or validity of any provision in any other jurisdiction, and this Agreement will be reformed, construed and enforced in such jurisdiction as if such invalid, illegal or unenforceable provision had never been contained herein.

Section 16.12 Further Action. The parties shall execute and deliver all documents, provide all information and take or refrain from taking such actions as may be necessary or appropriate to achieve the purposes of this Agreement.

Section 16.13 Delivery by Electronic Transmission. This Agreement and any signed agreement or instrument entered into in connection with this Agreement or contemplated hereby,

and any amendments hereto or thereto, to the extent signed and delivered by means of an electronic transmission, including by a facsimile machine or via email, shall be treated in all manner and respects as an original agreement or instrument and shall be considered to have the same binding legal effect as if it were the original signed version thereof delivered in person. At the request of any party hereto or to any such agreement or instrument, each other party hereto or thereto shall re-execute original forms thereof and deliver them to all other parties. No party hereto or to any such agreement or instrument shall raise the use of electronic transmission by a facsimile machine or via email to deliver a signature or the fact that any signature or agreement or instrument was transmitted or communicated through such electronic transmission as a defense to the formation of a contract and each such party forever waives any such defense.

Section 16.14 Right of Offset. Whenever the Company is to pay any sum (other than pursuant to Article IV) to any Member, any amounts that such Member owes to the Company which are not the subject of a good faith dispute may be deducted from that sum before payment. For the avoidance of doubt, the distribution of Units to the Corporation shall not be subject to this Section 16.14.

Section 16.15 Entire Agreement. This Agreement, those documents expressly referred to herein (including the Registration Rights Agreement and the Tax Receivable Agreement), any indemnity agreements entered into in connection with the Initial LLC Agreement with any member of the board of managers at that time and other documents of even date herewith embody the complete agreement and understanding among the parties and supersede and preempt any prior understandings, agreements or representations by or among the parties, written or oral, which may have related to the subject matter hereof in any way. For the avoidance of doubt, the Initial LLC Agreement is superseded by this Agreement as of the Effective Time and shall be of no further force and effect thereafter.

Section 16.16 Remedies. Each Member shall have all rights and remedies set forth in this Agreement and all rights and remedies which such Person has been granted at any time under any other agreement or contract and all of the rights which such Person has under any Law. Any Person having any rights under any provision of this Agreement or any other agreements contemplated hereby shall be entitled to enforce such rights specifically (without posting a bond or other security), to recover damages by reason of any breach of any provision of this Agreement and to exercise all other rights granted by Law.

Section 16.17 Descriptive Headings; Interpretation. The descriptive headings of this Agreement are inserted for convenience only and do not constitute a substantive part of this Agreement. Whenever required by the context, any pronoun used in this Agreement shall include the corresponding masculine, feminine or neuter forms, and the singular form of nouns, pronouns and verbs shall include the plural and vice versa. The use of the word “including” in this Agreement shall be by way of example rather than by limitation. Reference to any agreement, document or instrument means such agreement, document or instrument as amended or otherwise modified from time to time in accordance with the terms thereof, and if applicable hereof. Without limiting the generality of the immediately preceding sentence, no amendment or other modification to any agreement, document or instrument that requires the consent of any Person pursuant to the terms of this Agreement or any other agreement will be given effect hereunder unless such Person has consented in writing to such amendment or modification.



Wherever required by the context, references to a Fiscal Year shall refer to a portion thereof. The use of the words “or,” “either” and “any” shall not be exclusive. The parties hereto have participated jointly in the negotiation and drafting of this Agreement. In the event an ambiguity or question of intent or interpretation arises, this Agreement shall be construed as if drafted jointly by the parties hereto, and no presumption or burden of proof shall arise favoring or disfavoring any party by virtue of the authorship of any of the provisions of this Agreement.

IN WITNESS WHEREOF, the undersigned have executed or caused to be executed on their behalf this Amended and Restated Limited Liability Company Agreement as of the date first written above.

**COMPANY:**

**CWGS ENTERPRISES, LLC**

By: /s/ Brent Moody

Name: Brent Moody

Title: Chief Operating & Legal Officer

*[Signature Page to Amended and Restated Operating Agreement]*

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**MEMBER:**

**CWGS HOLDING, LLC**

By: /s/ Marcus A. Lemonis

Name: Marcus A. Lemonis

Title: Chief Executive Officer

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*[Signature Page to Amended and Restated Operating Agreement]*

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**MEMBER:**

**CVRV ACQUISITION LLC**

By: /s/ Ross A. Oliver

Name: Ross A. Oliver

Title: General Counsel

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*[Signature Page to Amended and Restated Operating Agreement]*

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**MEMBER:**

**Andris A. Baltins**

By: /s/ Andris A. Baltins

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*[Signature Page to Amended and Restated Operating Agreement]*

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**MEMBER:**

**K. Dillon Schickli**

By: /s/ K. Dillon Schickli

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*[Signature Page to Amended and Restated Operating Agreement]*

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**MEMBER:**

**Thomas F. Wolfe**

By: /s/ Thomas F. Wolfe

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*[Signature Page to Amended and Restated Operating Agreement]*

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**MEMBER:**

**Brent L. Moody**

By: /s/ Brent L. Moody

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*[Signature Page to Amended and Restated Operating Agreement]*

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**MEMBER:**

**Roger L. Nuttall**

By: /s/ Roger L. Nuttall

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*[Signature Page to Amended and Restated Operating Agreement]*

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**MEMBER:**

**Mark J. Boggess**

By: /s/ Mark J. Boggess

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*[Signature Page to Amended and Restated Operating Agreement]*

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**MEMBER:**

**Matthew Baden**

By: /s/ Matthew Baden

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*[Signature Page to Amended and Restated Operating Agreement]*

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**MEMBER:**

**John Sirpilla**

By: /s/ John Sirpilla

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*[Signature Page to Amended and Restated Operating Agreement]*

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**MEMBER:**

**Prabhuling Patel**

By: /s/ Prabhuling Patel

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*[Signature Page to Amended and Restated Operating Agreement]*

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**MEMBER:**

**Tamara Ward**

By: /s/ Tamara Ward

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*[Signature Page to Amended and Restated Operating Agreement]*

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**MEMBER:**

**Mike Siemens**

By: /s/ Mike Siemens

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*[Signature Page to Amended and Restated Operating Agreement]*

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**MEMBER:**

**Steve Hedlund**

By: /s/ Steve M. Hedlund

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*[Signature Page to Amended and Restated Operating Agreement]*

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**MEMBER:**

**Brock Whinnery**

By: /s/ Brock Whinnery

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*[Signature Page to Amended and Restated Operating Agreement]*

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**MEMBER:**

**Ann Jackson**

By: /s/ Ann Jackson

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*[Signature Page to Amended and Restated Operating Agreement]*

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**MEMBER:**

**Lisa L. Marshall Revocable Living Trust**

By: /s/ Lisa L. Marshall, Trustee

Name: Lisa L. Marshall

Title: Trustee

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*[Signature Page to Amended and Restated Operating Agreement]*

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**MEMBER:**

**Dale Hendrix**

By: /s/ Dale Hendrix

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*[Signature Page to Amended and Restated Operating Agreement]*

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**MEMBER:**

**Karin Bell**

By: /s/ Karin Bell

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*[Signature Page to Amended and Restated Operating Agreement]*

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**MEMBER:**

**Seth Rosenberg**

By: /s/ Seth Rosenberg

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*[Signature Page to Amended and Restated Operating Agreement]*

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**SCHEDULE 1**

**SCHEDULE OF PRE-IPO MEMBERS**

<b>Member</b>	<b>Original Common Units</b>	<b>Original Preferred Units</b>	<b>Original Profit Units</b>
CWGS Holding, LLC	<b>70,003.00</b>		
CVRV Acquisition LLC		<b>70,000.00</b>	
Marcus Lemonis			<b>7,144.25</b>
Brent Moody			<b>1,285.00</b>
Matthew Baden			<b>600.00</b>
Tom Wolfe			<b>650.00</b>
Roger Nuttall			<b>1,000.00</b>
John Sirpilla			<b>700.00</b>
Prabhuling Patel			<b>100.00</b>
Tamara Ward			<b>200.00</b>
Mike Siemens			<b>200.00</b>
Steve Hedlund			<b>31.25</b>
Brock Whinnery			<b>95.00</b>
Andris Baltins			<b>750.00</b>
Ann Jackson			<b>50.00</b>
Kent Dillon Schickli			<b>200.00</b>
Lisa L. Marshall Revocable Living Trust (formerly Kenneth Marshall – Deceased)			<b>37.50</b>
Dale Hendrix			<b>100.00</b>
Karin Bell			<b>100.00</b>
Mark Boggess			<b>350.00</b>
Seth Rosenberg			<b>200.00</b>
<b>Total</b>	<b>70,003.00</b>	<b>70,000.00</b>	<b>13,793.00</b>

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**SCHEDULE 2 \***

**SCHEDULE OF EFFECTIVE DATE MEMBERS**

<b>Member</b>	<b>Common Units</b>
1. CWGS Holding, LLC	36,056,094
2. CVRV Acquisition LLC	25,946,635
3. CWH BR, LLC	7,063,716
4. Camping World Holdings, Inc.	11,363,636
5. Andris A. Baltins	319,592
6. K. Dillon Schickli	85,225
7. Thomas F. Wolfe	276,980
8. Brent L. Moody	547,568
9. Roger L. Nuttall	426,123
10. Mark J. Boggess	149,143
11. Matthew Baden	255,674
12. John Sirpilla	298,285
13. Prabhuling Patel	42,612
14. Tamara Ward	85,225
15. Mike Siemens	85,225
16. Steve Hedlund	13,316
17. Brock Whinnery	40,482
18. Ann Jackson	21,306
19. Lisa L. Marshall Revocable Living Trust	15,980
20. Dale Hendrix	42,612

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<b>Member</b>	<b>Common Units</b>
21. Karin Bell	42,612
22. Seth Rosenberg	85,225
<b>Total</b>	<b>83,263,266</b>

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\* This Schedule of Members shall be updated from time to time to reflect any adjustment with respect to any subdivision (by Unit split or otherwise) or any combination (by reverse Unit split or otherwise) of any outstanding Common Units, or to reflect any additional issuances of Common Units pursuant to this Agreement.

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**FORM OF JOINDER AGREEMENT**

This JOINDER AGREEMENT, dated as of \_\_\_\_\_, 20\_\_ (this “Joinder”), is delivered pursuant to that certain Amended and Restated Limited Liability Company Agreement, dated as of October 6, 2016 (as amended, restated, amended and restated, supplemented or otherwise modified from time to time, the “LLC Agreement”) by and among CWGS Enterprises, LLC, a Delaware limited liability company (the “Company”), Camping World Holdings, Inc., a Delaware corporation and the managing member of the Company (“Holdings”), and each of the Members from time to time party thereto. Capitalized terms used but not otherwise defined herein have the respective meanings set forth in the LLC Agreement.

1. Joinder to the LLC Agreement. Upon the execution of this Joinder by the undersigned and delivery hereof to Holdings, the undersigned hereby is and hereafter will be a Member under the LLC Agreement and a party thereto, with all the rights, privileges and responsibilities of a Member thereunder. The undersigned hereby agrees that it shall comply with and be fully bound by the terms of the LLC Agreement as if it had been a signatory thereto as of the date thereof.
2. Incorporation by Reference. All terms and conditions of the LLC Agreement are hereby incorporated by reference in this Joinder as if set forth herein in full.
3. Address. All notices under the LLC Agreement to the undersigned shall be direct to:

[Name]  
[Address]  
[City, State, Zip Code]  
Attn:  
Facsimile:  
E-mail:

IN WITNESS WHEREOF, the undersigned has duly executed and delivered this Joinder as of the day and year first above written.

**[NAME OF NEW MEMBER]**

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

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Acknowledged and agreed  
as of the date first set forth above:

**CWGS ENTERPRISES, LLC**

By: CAMPING WORLD HOLDINGS, INC., its Managing Member

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

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**REGISTRATION RIGHTS AGREEMENT**

This REGISTRATION RIGHTS AGREEMENT (this “*Agreement*”) is made as of October 6, 2016 by and among Camping World Holdings, Inc., a Delaware corporation (the “*Corporation*”), and each Person identified on the Schedule of Investors attached hereto as of the date hereof (such Persons, collectively, the “*Original Equity Owners*”).

**RECITALS**

WHEREAS, the Corporation is contemplating an offer and sale of its shares of Class A common stock, par value \$0.01 per share (the “*Class A Common Stock*” and such shares, the “*Shares*”), to the public in an underwritten initial public offering (the “*IPO*”);

WHEREAS, the Corporation desires to use a portion of the net proceeds from the IPO to purchase Common Units (as defined below) of CWGS Enterprises, LLC, a Delaware limited liability company (the “*Company*”), and the Company desires to issue its Common Units to the Corporation in exchange for such portion of the net proceeds from the IPO;

WHEREAS, immediately prior to the consummation of the issuance of Common Units by the Company to the Corporation, the Original Equity Owners are the sole members of the Company;

WHEREAS, immediately prior to or simultaneous with the purchase by the Corporation of the Common Units, the Corporation, the Company and the Original Equity Owners will enter into that certain Amended and Restated Limited Liability Company Agreement of the Company (such agreement, as it may be amended, restated, amended and restated, supplemented or otherwise modified from time to time, the “*LLC Agreement*”);

WHEREAS, in connection with the closing of the IPO, (i) the Corporation will become the sole managing member of the Company, (ii) under the LLC Agreement the membership interests of the Original Equity Owners will be cancelled and Common Units will be issued, (iii) each Person identified on the Schedule of Investors attached hereto as a “Former Equity Owner” (such Persons, collectively, the “*Former Equity Owners*”) will exchange their indirect interest in the Common Units for shares of Class A Common Stock, (iv) each Person identified on the Schedule of Investors attached hereto as a “Continuing Equity Owner” (such Persons, collectively, the “*Continuing Equity Owners*”) will become a non-managing member of the Company, but otherwise retain their Common Units in the Company, and (iv) in consideration of the Corporation acquiring the Common Units and becoming the managing member of the Company and for other good consideration, the Company has provided the Continuing Equity Owners with a redemption right pursuant to which the Continuing Equity Owners may be able to require redemption of their Common Units and the Corporation may, at the Corporation’s option, redeem or exchange their Common Units for shares of Class A Common Stock or in cash on the terms set forth in the LLC Agreement; and

WHEREAS, in connection with the IPO and the transactions described above, the Corporation has agreed to grant to the Holders (as defined below) certain rights with respect to the registration of the Registrable Securities (as defined below) on the terms and conditions set forth herein.

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

Section 1. Definitions. For purposes of this Agreement, the following terms shall have the meanings specified in this Section 1:

“*Acquired Common*” has the meaning set forth in Section 9.

“*Additional Investor*” has the meaning set forth in Section 9, and shall be deemed to include each such Person’s Affiliates, immediate family members, heirs, successors and assigns who may succeed to such Person as a Holder hereunder.

“*Affiliate*” of any Person means any other Person controlled by, controlling or under common control with such Person; *provided* that the Corporation and its Subsidiaries shall not be deemed to be Affiliates of any Holder. As used in this definition, “control” (including, with its correlative meanings, “controlling,” “controlled by” and “under common control with”) shall mean possession, directly or indirectly, of power to direct or cause the direction of management or policies (whether through ownership of securities, by contract or otherwise).

“*Agreement*” has the meaning set forth in the preamble.

“*Automatic Shelf Registration Statement*” has the meaning set forth in Section 2(a).

“*Business Day*” means any day of the year on which national banking institutions in New York are open to the public for conducting business and are not required or authorized to close.

“*Capital Stock*” means (i) with respect to any Person that is a corporation, any and all shares, interests or equivalents in capital stock of such corporation (whether voting or nonvoting and whether common or preferred), (ii) with respect to any Person that is not a corporation, individual or governmental entity, any and all partnership, membership, limited liability company or other equity interests of such Person that confer on the holder thereof the right to receive a share of the profits and losses of, or the distribution of assets of the issuing Person, and (iii) any and all warrants, rights (including conversion and exchange rights) and options to purchase any security described in the clause (i) or (ii) above.

“*Class A Common Stock*” has the meaning set forth in the recitals.

“*Class B Common Stock*” means the Corporation’s Class B common stock, par value \$0.0001 per share.

“*Common Units*” means the “Common Units” of the Company as defined in the LLC Agreement.

“*Company*” has the meaning set forth in the recitals.

“ **Continuing Equity Owners** ” has the meaning set forth in the recitals, and shall be deemed to include their respective Affiliates, immediate family members, heirs, successors and assigns who may succeed to such Person as a Holder hereunder.

“ **Controlling Holder** ” means each of the Controlling Holders as identified on the Schedule of Investors, so long as such Holders continue to hold Registrable Securities.

“ **Corporation** ” has the meaning set forth in the preamble.

“ **Demand Registrations** ” has the meaning set forth in Section 2(a).

“ **End of Suspension Notice** ” has the meaning set forth in Section 2(f)(ii).

“ **Exchange Act** ” means the U.S. Securities Exchange Act of 1934, as amended from time to time, or any successor federal law then in force, together with all rules and regulations promulgated thereunder.

“ **FINRA** ” means the Financial Industry Regulatory Authority.

“ **Follow-On Holdback Period** ” has the meaning set forth in Section 4(a)(ii).

“ **Former Equity Owners** ” has the meaning set forth in the recitals, and shall be deemed to include their respective Affiliates, immediate family members, heirs, successors and assigns who may succeed to such Person as a Holder hereunder.

“ **Free Writing Prospectus** ” means a free-writing prospectus, as defined in Rule 405.

“ **Holdback Period** ” has the meaning set forth in Section 4(a)(i).

“ **Holder** ” means any Person that is a party to this Agreement from time to time, as set forth on the signature pages hereto.

“ **Holder Indemnified Parties** ” has the meaning set forth in Section 7(a).

“ **IPO** ” has the meaning set forth in the recitals.

“ **Joinder** ” has the meaning set forth in Section 9.

“ **LLC Agreement** ” has the meaning set forth in the recitals.

“ **Long-Form Registrations** ” has the meaning set forth in Section 2(a).

“ **MNPI** ” means material non-public information within the meaning of Regulation FD promulgated under the Exchange Act.

“ **Original Equity Owners** ” has the meaning set forth in the preamble, and shall be deemed to include their respective Affiliates, immediate family members, heirs, successors and assigns who may succeed to such Person as a Holder hereunder.

“ **Person** ” means an individual, a partnership, a corporation, a limited liability company, an association, a joint stock company, a trust, a joint venture, an unincorporated organization and a governmental entity or any department, agency or political subdivision thereof.

“ **Piggyback Registrations** ” has the meaning set forth in Section 3(a).

“ **Public Offering** ” means any sale or distribution to the public of Capital Stock of the Corporation pursuant to an offering registered under the Securities Act, whether by the Corporation, by Holders and/or by any other holders of the Corporation’s Capital Stock.

“ **Registrable Securities** ” means (i) any Class A Common Stock (A) issued by the Corporation in connection with the IPO in exchange for the Common Units of the Former Equity Owners or (B) issued by the Corporation in a Share Settlement in connection with (x) the redemption by the Company of Common Units owned by any Continuing Equity Owner or (y) at the election of the Corporation, in a direct exchange for Common Units owned by any Continuing Equity Owner, in each case in accordance with the terms of the LLC Agreement, (ii) any common Capital Stock of the Corporation or of any Subsidiary of the Corporation issued or issuable with respect to the securities referred to in clause (i) above by way of dividend, distribution, split or combination of securities, or any recapitalization, merger, consolidation or other reorganization, and (iii) any other Shares owned, directly or indirectly, by Holders. As to any particular Registrable Securities owned by any Person, such securities shall cease to be Registrable Securities on the date such securities (a) have been sold or distributed pursuant to a Public Offering, (b) have been sold in compliance with Rule 144 following the consummation of the IPO, (c) have been repurchased by the Corporation or a Subsidiary of the Corporation or (d) may be disposed of pursuant to Rule 144 under the Securities Act in a single transaction without volume limitation or other restrictions on transfer thereunder. For purposes of this Agreement, a Person shall be deemed to be a Holder, and the Registrable Securities shall be deemed to be in existence, whenever such Person has the right to acquire, directly or indirectly, such Registrable Securities (upon conversion or exercise in connection with a transfer of securities or otherwise, but disregarding any restrictions or limitations upon the exercise of such right), whether or not such acquisition has actually been effected, and such Person shall be entitled to exercise the rights of a holder of Registrable Securities hereunder; *provided* a holder of Registrable Securities may only request that Registrable Securities in the form of Capital Stock of the Corporation that is registered or to be registered as a class under Section 12 of the Exchange Act be registered pursuant to this Agreement. For the avoidance of doubt, while Common Units and/or shares of Class B Common Stock may constitute Registrable Securities, under no circumstances shall the Corporation be obligated to register Common Units or shares of Class B Common Stock, and only Shares issuable upon redemption or exchange of Common Units will be registered.

“ **Registration Expenses** ” has the meaning set forth in Section 6(a).

“ **Rule 144** ,” “ **Rule 158** ,” “ **Rule 405** ” and “ **Rule 415** ” mean, in each case, such rule promulgated under the Securities Act (or any successor provision) by the Securities and Exchange Commission, as the same shall be amended from time to time, or any successor rule then in force.

“ **Sale Transaction** ” has the meaning set forth in Section 4(a)(i).

“**Schedule of Investors**” means the schedule attached to this Agreement entitled “Schedule of Investors,” which shall reflect each Holder from time to time party to this Agreement.

“**Securities**” has the meaning set forth in Section 4(a)(i).

“**Securities Act**” means the U.S. Securities Act of 1933, as amended from time to time, or any successor federal law then in force, together with all rules and regulations promulgated thereunder.

“**Share Settlement**” means “Share Settlement” as defined in the LLC Agreement.

“**Shares**” has the meaning set forth in the recitals.

“**Shelf Offering**” has the meaning set forth in Section 2(d)(ii).

“**Shelf Offering Notice**” has the meaning set forth in Section 2(d)(ii).

“**Shelf Offering Request**” has the meaning set forth in Section 2(d)(ii).

“**Shelf Registrable Securities**” has the meaning set forth in Section 2(d)(ii).

“**Shelf Registration**” has the meaning set forth in Section 2(a).

“**Shelf Registration Statement**” has the meaning set forth in Section 2(d)(i).

“**Short-Form Registrations**” has the meaning set forth in Section 2(a).

“**Subsidiary**” means, with respect to the Corporation, any corporation, limited liability company, partnership, association or other business entity of which (i) if a corporation, a majority of the total voting power of Capital Stock of such Person entitled (without regard to the occurrence of any contingency) to vote in the election of directors is at the time owned or controlled, directly or indirectly, by the Corporation, or (ii) if a limited liability company, partnership, association or other business entity, either (x) a majority of the Capital Stock of such Person entitled (without regard to the occurrence of any contingency) to vote in the election of managers, general partners or other oversight board vested with the authority to direct management of such Person is at the time owned or controlled, directly or indirectly, by the Corporation or (y) the Corporation or one of its Subsidiaries is the sole manager or general partner of such Person.

“**Suspension Event**” has the meaning set forth in Section 2(f)(ii).

“**Suspension Notice**” has the meaning set forth in Section 2(f)(ii).

“**Suspension Period**” has the meaning set forth in Section 2(f)(i).

“**Underwritten Takedown**” has the meaning set forth in Section 2(d)(ii).

“**Violation**” has the meaning set forth in Section 7(a).



“ **WKSI** ” means a “well-known seasoned issuer” as defined under Rule 405.

Section 2. Demand Registrations .

(a) Requests for Registration . Subject to the terms and conditions of this Agreement, at any time from and after 180 days following the IPO, each Controlling Holder may request registration under the Securities Act of all or any portion of their Registrable Securities on Form S-1 or any similar long-form registration (“ **Long-Form Registrations** ”), and each Controlling Holder may request registration under the Securities Act of all or any portion of their Registrable Securities on Form S-3 or any similar short-form registration (“ **Short-Form Registrations** ”) if available; *provided* that the Company shall not be obligated to file registration statements relating to any Long-Form Registration or Short-Form Registration under this Section 2(a) unless the anticipated aggregate offering price of the Registrable Securities to be sold in such offering, net of underwriting discounts and commissions, is reasonably expected to exceed \$10 million. All registrations requested pursuant to this Section 2(a) are referred to herein as “ **Demand Registrations** .” The Controlling Holder making a Demand Registration may request that the registration be made pursuant to Rule 415 under the Securities Act (a “ **Shelf Registration** ”) and, if the Corporation is a WKSI at the time any request for a Demand Registration is submitted to the Corporation, that such Shelf Registration be an automatic shelf registration statement (as defined in Rule 405 under the Securities Act) (an “ **Automatic Shelf Registration Statement** ”). Except to the extent that Section 2(d) applies, upon receipt of the request for the Demand Registration, the Corporation shall as promptly as reasonably practicable (but in no event later than two Business Days after receipt of the request for the Demand Registration) give written notice of the Demand Registration to all other Holders and, subject to the terms of Section 2(e) , shall include in such Demand Registration (and in all related registrations and qualifications under state blue sky laws and in any related underwriting) all Registrable Securities with respect to which the Corporation has received written requests for inclusion therein within ten Business Days after the receipt of the Corporation’s notice; *provided* that the Corporation shall provide notice of the Demand Registration to all other Holders prior to the filing of the registration statement with respect to the Demand Registration. Each Holder agrees that such Holder shall treat as confidential the receipt of the notice of Demand Registration and shall not disclose or use the information contained in such notice of Demand Registration without the prior written consent of the Corporation or until such time as the information contained therein is or becomes available to the public generally, other than as a result of disclosure by the Holder in breach of the terms of this Agreement. Notwithstanding the foregoing, the Corporation shall not be required to take any action that would otherwise be required under this Section 2 if such action would violate Section 4(a) hereof or any similar provision contained in the underwriting agreement entered into in connection with any underwritten Public Offering.

(b) Long-Form Registrations . Each Controlling Holder shall be entitled to three Long-Form Registrations in which the Corporation shall pay all Registration Expenses, regardless of whether any registration statement is filed or any such Demand Registration is consummated. All Long-Form Registrations shall be underwritten registrations unless otherwise approved by the applicable Controlling Holder.

(c) Short-Form Registrations . In addition to the Long-Form Registrations described in Section 2(b) , each Controlling Holder shall be entitled to request an unlimited number of

Short-Form Registrations in which the Corporation shall pay all Registration Expenses, regardless of whether any registration statement is filed or any such Demand Registration is consummated. Demand Registrations shall be Short-Form Registrations whenever the Corporation is permitted to use any applicable short form and if the managing underwriters (if any) agree to the use of a Short-Form Registration. After the Corporation has become subject to the reporting requirements of the Exchange Act, the Corporation shall use its reasonable best efforts to make Short-Form Registrations available for the sale of Registrable Securities.

(d) Shelf Registrations.

(i) Subject to the availability of required financial information, as promptly as practicable after the Corporation receives written notice of a request for a Shelf Registration, the Corporation shall file with the Securities and Exchange Commission a registration statement under the Securities Act for the Shelf Registration (a “***Shelf Registration Statement***”). The Corporation shall use its reasonable best efforts to cause any Shelf Registration Statement to be declared effective under the Securities Act as soon as practicable after the initial filing of such Shelf Registration Statement, and once effective, the Corporation shall cause such Shelf Registration Statement to remain continuously effective for such time period as is specified in the request by the Holders, but for no time period longer than the period ending on the earliest of (A) the third anniversary of the initial effective date of such Shelf Registration Statement, (B) the date on which all Registrable Securities covered by such Shelf Registration Statement have been sold pursuant to the Shelf Registration Statement, and (C) the date as of which there are no longer any Registrable Securities covered by such Shelf Registration Statement in existence. Without limiting the generality of the foregoing, the Corporation shall use its reasonable best efforts to prepare a Shelf Registration Statement with respect to all of the Registrable Securities owned by or issuable to the Original Equity Owners in accordance with the terms of the LLC Agreement (or such other number of Registrable Securities specified in writing by the Holder with respect to the Registrable Securities owned by or issuable to such Holder) to enable and cause such Shelf Registration Statement to be filed and maintained with the Securities and Exchange Commission as soon as practicable after the later to occur of (i) the expiration of the Holdback Period and (ii) the Corporation becoming eligible to file a Shelf Registration Statement for a Short-Form Registration; *provided* that any of the Original Equity Owners may, with respect to itself, instruct the Corporation in writing not to include in such Shelf Registration Statement the Registrable Securities owned by or issuable to such Holder. In order for any of the Original Equity Owners to be named as a selling securityholder in such Shelf Registration Statement, the Corporation may require such Holder to deliver all information about such Holder that is required to be included in such Shelf Registration Statement in accordance with applicable law, including Item 507 of Regulation S-K promulgated under the Securities Act, as amended from time to time, or any similar successor rule thereto. Notwithstanding anything to the contrary in Section 2(d)(ii), any Holder that is named as a selling securityholder in such Shelf Registration Statement may make a secondary resale under such Shelf Registration Statement without the consent of the Holders representing a majority of the Registrable Securities or any other Holder if such resale does not require a supplement to the Shelf Registration Statement.

(ii) In the event that a Shelf Registration Statement is effective, Holders representing the Registrable Securities with a market value of at least \$10 million shall have the right at any time or from time to time to elect to sell pursuant to an offering (including an underwritten offering (an “**Underwritten Takedown**”)) Registrable Securities available for sale pursuant to such registration statement (“**Shelf Registrable Securities**”), so long as the Shelf Registration Statement remains in effect, and the Corporation shall pay all Registration Expenses in connection therewith; *provided* that each Controlling Holder shall have the right at any time and from time to time to elect to sell pursuant to an offering (including an Underwritten Takedown) pursuant to a Shelf Offering Request (as defined below) made by such Controlling Holder so long as the anticipated aggregate offering price of the Registrable Securities to be sold in such offering, net of underwriting discounts and commissions, is reasonably expected to exceed \$10 million. The applicable Holders shall make such election by delivering to the Corporation a written request (a “**Shelf Offering Request**”) for such offering specifying the number of Shelf Registrable Securities that such Holders desire to sell pursuant to such offering (the “**Shelf Offering**”). In the case of an Underwritten Takedown, as promptly as practicable, but no later than two Business Days after receipt of a Shelf Offering Request, the Corporation shall give written notice (the “**Shelf Offering Notice**”) of such Shelf Offering Request to all other holders of Shelf Registrable Securities. The Corporation, subject to Sections 2(e) and 8 hereof, shall include in such Shelf Offering the Shelf Registrable Securities of any other Holder that shall have made a written request to the Corporation for inclusion in such Shelf Offering (which request shall specify the maximum number of Shelf Registrable Securities intended to be sold by such Holder) within five days after the receipt of the Shelf Offering Notice. The Corporation shall, as expeditiously as possible (and in any event within ten Business Days after the receipt of a Shelf Offering Request, unless a longer period is agreed to by the Holders representing a majority of the Registrable Securities that made the Shelf Offering Request), use its reasonable best efforts to facilitate such Shelf Offering. Each Holder agrees that such Holder shall treat as confidential the receipt of the Shelf Offering Notice and shall not disclose or use the information contained in such Shelf Offering Notice without the prior written consent of the Corporation or until such time as the information contained therein is or becomes available to the public generally, other than as a result of disclosure by the Holder in breach of the terms of this Agreement.

(iii) Notwithstanding the foregoing, if any Holder desires to effect a sale of Shelf Registrable Securities that does not constitute an Underwritten Takedown, the Holder shall deliver to the Corporation a Shelf Offering Request no later than two Business Days prior to the expected date of the sale of such Shelf Registrable Securities, and subject to the limitations set forth in Section 2(d)(i), the Corporation shall file and effect an amendment or supplement to its Shelf Registration Statement for such purpose as soon as reasonably practicable.

(iv) Notwithstanding the foregoing, if a Controlling Holder wishes to engage in an underwritten block trade off of a Shelf Registration Statement (either through filing an Automatic Shelf Registration Statement or through a take-down from an existing Shelf Registration Statement), then notwithstanding the foregoing time periods, such Holders only need to notify the Corporation of the block trade Shelf Offering three Business Days

prior to the day such offering is to commence (unless a longer period is agreed to by Holders representing a majority of the Registrable Securities wishing to engage in the underwritten block trade) and the Corporation shall promptly notify other Holders and such other Holders must elect whether or not to participate by the next Business Day (i.e., two Business Days prior to the day such offering is to commence) (unless a longer period is agreed to by the Holders representing a majority of the Registrable Securities wishing to engage in the underwritten block trade) and the Corporation shall as expeditiously as possible use its reasonable best efforts to facilitate such offering (which may close as early as three Business Days after the date it commences); *provided* that Holders representing a majority of the Registrable Securities wishing to engage in the underwritten block trade shall use commercially reasonable efforts to work with the Corporation and the underwriters prior to making such request in order to facilitate preparation of the registration statement, prospectus and other offering documentation related to the underwritten block trade.

(v) The Corporation shall, at the request of Holders representing a majority of the Registrable Securities covered by a Shelf Registration Statement, file any prospectus supplement or, if the applicable Shelf Registration Statement is an Automatic Shelf Registration Statement, any post-effective amendments and otherwise take any action necessary to include therein all disclosure and language deemed necessary or advisable by such Holders to effect such Shelf Offering.

(e) Priority on Demand Registrations and Shelf Offerings. The Corporation shall not include in any Demand Registration or Shelf Offering any securities that are not Registrable Securities without the prior written consent of Holders representing a majority of the Registrable Securities included in such registration or offering. If a Demand Registration or a Shelf Offering is an underwritten offering and the managing underwriters advise the Corporation in writing that in their opinion the number of Registrable Securities and, if permitted hereunder, other securities requested to be included in such offering exceeds the number of Registrable Securities and other securities, if any, that can be sold therein without adversely affecting the marketability, proposed offering price, timing or method of distribution of the offering, the Corporation shall include in such registration or offering, as applicable, (i) first, the Registrable Securities of Holders requested to be included in such registration which, in the opinion of the underwriters, can be sold without any such adverse effect, pro rata among the such Holders on the basis of the number of Registrable Securities owned by each such Holder that such Holder of Registrable Securities shall have requested to be included therein, (ii) second, other securities requested to be included in such registration which, in the opinion of the underwriters, can be sold without any such adverse effect, and (iii) third, securities the Corporation requested to be included in such registration for its own account which, in the opinion of the underwriters, can be sold without any such adverse effect. Alternatively, if the number of Registrable Securities which can be included on a Shelf Registration Statement is otherwise limited by Instruction I.B.6 to Form S-3 (or any successor provision thereto), the Corporation shall include in such registration or offering prior to the inclusion of any securities which are not Registrable Securities the number of Registrable Securities requested to be included which can be included on such Shelf Registration Statement in accordance with the requirements of Form S-3, pro rata among the respective Holders thereof on the basis of the amount of Registrable Securities owned by each such Holder that such Holder of Registrable Securities shall have requested to be included therein.

(f) Restrictions on Demand Registration and Shelf Offerings.

(i) The Corporation shall not be obligated to effect any Demand Registration within 90 days after the effective date of a previous Demand Registration or a previous registration in which Registrable Securities were included pursuant to Section 3. The Corporation may postpone, for up to 60 days from the date of the request, the filing or the effectiveness of a registration statement for a Demand Registration or suspend the use of a prospectus that is part of a Shelf Registration Statement for up to 60 days from the date of the Suspension Notice (as defined below) and therefore suspend sales of the Shelf Registrable Securities (such period, the “**Suspension Period**”) by providing written notice to the Holders if (A) the Corporation’s board of directors determines in its reasonable good faith judgment that the offer or sale of Registrable Securities would reasonably be expected to have a material adverse effect on any proposal or plan by the Corporation or any Subsidiary to engage in any material acquisition of assets or stock (other than in the ordinary course of business) or any material merger, consolidation, tender offer, recapitalization, reorganization or other transaction involving the Corporation or any Subsidiary, (B) upon advice of counsel, the sale of Registrable Securities pursuant to the registration statement would require disclosure of MNPI not otherwise required to be disclosed under applicable law, and (C) either (x) the Corporation has a bona fide business purpose for preserving the confidentiality of such transaction or (y) disclosure of such MNPI would have a material adverse effect on the Corporation or the Corporation’s ability to consummate such transaction; *provided* that in such event, the Holders shall be entitled to withdraw such request for a Demand Registration or underwritten Shelf Offering and the Corporation shall pay all Registration Expenses in connection with such Demand Registration or Shelf Offering. The Corporation may delay a Demand Registration hereunder only twice in any twelve-month period, except with the consent of each Controlling Holder. The Corporation also may extend the Suspension Period with the consent of each Controlling Holder.

(ii) In the case of an event that causes the Corporation to suspend the use of a Shelf Registration Statement as set forth in paragraph (f)(i) above or pursuant to applicable subsections of Section 5(a)(vi) (a “**Suspension Event**”), the Corporation shall give a notice to the Holders of Registrable Securities registered pursuant to such Shelf Registration Statement (a “**Suspension Notice**”) to suspend sales of the Registrable Securities and such notice shall state generally the basis for the notice and that such suspension shall continue only for so long as the Suspension Event or its effect is continuing. If the basis of such suspension is nondisclosure of MNPI, the Corporation shall not be required to disclose the subject matter of such MNPI to Holders. A Holder shall not effect any sales of the Registrable Securities pursuant to such Shelf Registration Statement (or such filings) at any time after it has received a Suspension Notice from the Corporation and prior to receipt of an End of Suspension Notice (as defined below). Each Holder agrees that such Holder shall treat as confidential the receipt of the Suspension Notice and shall not disclose or use the information contained in such Suspension Notice without the prior written consent of the Corporation or until such time as the information contained therein is or becomes available to the public generally, other than as a result of disclosure by the Holder in breach of the terms of this Agreement. Holders may recommence effecting sales of the Registrable Securities pursuant to the

Shelf Registration Statement (or such filings) following further written notice to such effect (an “*End of Suspension Notice*”) from the Corporation, which End of Suspension Notice shall be given by the Corporation to the Holders and their counsel, if any, promptly following the conclusion of any Suspension Event; *provided* that in no event shall an End of Suspension Notice be given after the end of the Suspension Period unless with the consent of each Controlling Holder.

(iii) Notwithstanding any provision herein to the contrary, if the Corporation gives a Suspension Notice with respect to any Shelf Registration Statement pursuant to this Section 2(f), the Corporation agrees that it shall (A) extend the period of time during which such Shelf Registration Statement shall be maintained effective pursuant to this Agreement by the number of days during the period from the date of receipt by the Holders of the Suspension Notice to and including the date of receipt by the Holders of the End of Suspension Notice, and (B) provide copies of any supplemented or amended prospectus necessary to resume sales, with respect to each Suspension Event; *provided* that such period of time shall not be extended beyond the date that there are no longer Registrable Securities covered by such Shelf Registration Statement.

(g) Selection of Underwriters. Controlling Holder(s) initiating any Demand Registration representing a majority of the Registrable Securities included in such Demand Registration shall have the right to select the investment banker(s) and manager(s) to administer the offering (including assignment of titles), subject to the Corporation’s approval not be unreasonably withheld, conditioned or delayed. If any Shelf Offering is an Underwritten Takedown, the Holders representing a majority of the Registrable Securities participating in such Underwritten Takedown shall have the right to select the investment banker(s) and manager(s) to administer the offering relating to such Shelf Offering (including assignment of titles), subject to the Corporation’s approval not to be unreasonably withheld, conditioned or delayed.

(h) Fulfillment of Registration Obligations. Notwithstanding any other provision of this Agreement, a registration requested pursuant to this Section 2 shall not be deemed to have been effected and the Holder that made the Demand Registration shall not be deemed to have used one of its Demand Registrations for purposes of Section 2(b): (i) if the number of Registrable Securities requested to be included in a Long-Form Registration by the initiating Controlling Holder is cut back by the managing underwriters pursuant to Section 2(e) by more than twenty percent (20%); (ii) if the registration statement is withdrawn without becoming effective in accordance with Section 2(f) or otherwise without the consent of the initiating Controlling Holder; (iii) if after it has become effective such registration is interfered with by any stop order, injunction or other order or requirement of the Securities and Exchange Commission or any other governmental authority for any reason other than a misrepresentation or an omission by the Holder making such Demand Registration, or an Affiliate of such Holder (other than the Corporation and its controlled Affiliates), and, as a result thereof, the Registrable Securities requested to be registered cannot be completely distributed in accordance with the plan of distribution set forth in the related registration statement; (iv) if the registration does not contemplate an underwritten offering, if it does not remain effective for at least 180 days (or such shorter period as will terminate when all securities covered by such registration statement have been sold or withdrawn); or if such registration statement contemplates an underwritten offering, if it does not remain effective for at least 180 days plus such longer period as, in the

opinion of counsel for the underwriter or underwriters, a prospectus is required by applicable law to be delivered in connection with the sale of Registrable Securities by an underwriter or dealer; or (v) in the event of an underwritten offering, if the conditions to closing (including any condition relating to an overallotment option) specified in the purchase agreement or underwriting agreement entered into in connection with such registration are not satisfied or waived other than by reason of some wrongful act or omission by the Holder that made the Demand Registration, or an Affiliate of such Holder.

(i) Other Registration Rights. The Corporation represents and warrants that it is not a party to, or otherwise subject to, any other agreement granting registration rights to any other Person with respect to any securities of the Corporation. Except as provided in this Agreement, the Corporation shall not grant to any Persons the right to request the Corporation or any Subsidiary to register any Capital Stock of the Corporation or of any Subsidiary, or any securities convertible or exchangeable into or exercisable for such securities, without the prior written consent of the applicable Controlling Holder.

### Section 3. Piggyback Registrations.

(a) Right to Piggyback. Following the IPO, whenever the Corporation proposes to register any of its securities under the Securities Act (other than (i) pursuant to a Demand Registration, (ii) in connection with registrations on Form S-4 or S-8 promulgated by the Securities and Exchange Commission or any successor or similar forms or (iii) a registration on any form that does not include substantially the same information as would be required to be included in a registration statement covering the sale of Registrable Securities) and the registration form to be used may be used for the registration of Registrable Securities (a “**Piggyback Registration**”), the Corporation shall give prompt written notice (in any event within three Business Days after its receipt of notice of any request for registration on behalf of holders of the Company’s securities (other than under the Holders) to all Holders of its intention to effect such Piggyback Registration and, subject to the terms of Section 3(c), shall include in such Piggyback Registration (and in all related registrations or qualifications under blue sky laws and in any related underwriting) all Registrable Securities with respect to which the Corporation has received written requests for inclusion therein within ten days after delivery of the Corporation’s notice.

(b) Piggyback Expenses. The Registration Expenses of the Holders shall be paid by the Corporation in all Piggyback Registrations, whether or not any such registration became effective.

(c) Priority on Primary Registrations. If a Piggyback Registration is an underwritten primary registration on behalf of the Corporation, and the managing underwriters advise the Corporation in writing that in their opinion the number of securities requested to be included in such registration exceeds the number which can be sold in such offering without adversely affecting the marketability, proposed offering price, timing or method of distribution of the offering, the Corporation shall include in such registration (i) first, the securities the Corporation proposes to sell, (ii) second, the Registrable Securities requested to be included in such registration which, in the opinion of the underwriters, can be sold without any such adverse effect, pro rata among the Holders on the basis of the number of Registrable Securities owned by

each such Holder that such Holder of Registrable Securities shall have requested to be included therein, and (iii) third, other securities requested to be included in such registration which, in the opinion of the underwriters, can be sold without any such adverse effect.

(d) Selection of Underwriters. If any Piggyback Registration is an underwritten offering, the selection of investment banker(s) and manager(s) for the offering shall be at the election of the Corporation (in the case of a primary registration) or at the election of the holders of other Corporation securities requesting such registration (in the case of a secondary registration); *provided* that Holders representing a majority of the Registrable Securities included in such Piggyback Registration may request that one or more investment banker(s) or manager(s) be included in such offering (such request not to be binding on the Corporation or such other initiating holders of Corporation securities).

(e) Right to Terminate Registration. The Corporation shall have the right to terminate or withdraw any registration initiated by it under this Section 3 whether or not any Holder has elected to include securities in such registration. The Registration Expenses of such withdrawn registration shall be borne by the Corporation in accordance with Section 6.

#### Section 4. Holdback Agreements.

(a) Holders of Registrable Securities. If requested by the Corporation or the managing underwriter(s), each Holder participating in an underwritten Public Offering shall enter into customary lock-up agreements with the managing underwriter(s) of such Public Offering. In the absence of any such lock-up agreement, each Holder agrees as follows:

(i) in connection with the IPO, such Holder shall not (A) offer, sell, pledge, contract to sell or grant any option to purchase, or otherwise transfer or dispose of (including sales pursuant to Rule 144), directly or indirectly, any shares of Capital Stock of the Corporation (including Capital Stock of the Corporation that may be deemed to be owned beneficially by such Holder in accordance with the rules and regulations of the Securities and Exchange Commission) (collectively, “**Securities**”), (B) enter into a transaction which would have the same effect as described in clause (A) above, (C) enter into any swap, hedge or other arrangement that transfers, in whole or in part, any of the economic consequences of ownership of any Securities, whether such transaction is to be settled by delivery of such Securities, in cash or otherwise (each of (A), (B) and (C) above, a “**Sale Transaction**”), or (D) publicly disclose the intention to enter into any Sale Transaction, commencing on the earlier of the date on which the Corporation gives notice to the Holders that a preliminary prospectus has been circulated for the IPO or the “pricing” of such offering and continuing to the date that is 180 days following the date of the final prospectus for the IPO (the “**Holdback Period**”), unless the underwriters managing the IPO otherwise agree in writing; *provided, however*, that if the Holdback Period is shortened or terminated early for any Holder that together with its Affiliates holds one percent (1%) or more of the outstanding Registrable Securities, the Holdback period for each other Holder also shall be shortened or terminated to the same extent;

(ii) in connection with all underwritten Public Offerings (other than the IPO), such Holder shall not effect any Sale Transaction commencing on the earlier of the date



on which the Corporation gives notice to the Holders of the circulation of a preliminary or final prospectus for such Public Offering or the “pricing” of such offering and continuing to the date that is 90 days following the date of the final prospectus for such Public Offering (a “*Follow-On Holdback Period*”), unless, if an underwritten Public Offering, the underwriters managing the Public Offering otherwise agree in writing; and

(iii) The foregoing clauses (i) through (ii) shall not apply to (A) the sale of Capital Stock pursuant to the terms of the underwriting agreement entered into in connection with such underwritten Public Offering, or (B) transactions relating to shares of Capital Stock or other securities acquired in open market transactions after the completion of the Public Offering, *provided* that no filing under Section 16(a) of the Exchange Act shall be required or shall be voluntarily made in connection with transfers or dispositions of such shares of Capital Stock or other securities acquired in such open market transactions (other than a filing on Form 5 made after the expiration of the Holdback Period), or (C) transfers of Capital Stock or any security convertible into Capital Stock to the spouse, domestic partner, parent, sibling, child or grandchild (each an “*immediate family member*”) of such Holder or to a trust formed for the benefit of such Holder or of an immediate family member of a Holder, or (D) transfers of Capital Stock or any security convertible into Capital Stock as a bona fide gift, or (E) distributions of shares of Capital Stock or any security convertible into Capital Stock to limited partners, members, stockholders or affiliates of a Holder or to any investment fund or other entity controlled or managed by, or under common control or management with, such holder, or (F) as a distribution by a trust to its beneficiaries, provided that in the case of any transfer or distribution pursuant to clause (C), (D), (E) or (F), (1) each donee or distributee shall sign and deliver a lock-up agreement substantially in the form of the lock-up agreement entered into by such Holder and (2) no such transfer or distribution in (C), (D), (E) or (F) shall be permitted if it shall require a filing under Section 16(a) or Section 13(d) of the Exchange Act, reporting a reduction in beneficial ownership of shares of Capital Stock, and no such filing under Section 16(a) or Section 13(d) of the Exchange Act shall be voluntarily made during the Holdback Period, or (G) the receipt by a Holder from the Corporation of Capital Stock upon a vesting event of Capital Stock or rights to acquire Capital stock pursuant to the Corporation’s equity incentive plans or the exercise by such Holder of options to purchase Capital Stock issued pursuant to the Corporation’s equity incentive plans (including, in each case, by way of net exercise, but for the avoidance of doubt, excluding all manners of exercise that would involve a sale of any securities relating to such options, whether to cover the applicable aggregate exercise price, withholding tax obligations or otherwise), provided that (1) any securities received upon such vesting event or exercise will also be subject to the terms of such holder’s lock-up agreement and (2) no such vesting event or exercise shall be permitted if it shall require a filing under Section 16(a) or Section 13(d) of the Exchange Act, reporting a reduction in beneficial ownership of shares of Capital Stock, and no such filing under Section 16(a) or Section 13(d) of the Exchange Act shall be voluntarily made during the Holdback Period in connection with such vesting event or exercise, or (H) transfers of Capital Stock or any securities convertible into or exercisable or exchangeable for Capital Stock to the Corporation, pursuant to agreements under which the Corporation has the option to repurchase such shares or securities or a right of first refusal with respect to transfers of such shares or securities, provided that unless such

transfers are pursuant to the Corporation's option to repurchase in the event such holder is terminated or resigns as an employee of the Corporation, no transfer shall be permitted if it shall require a filing under Section 16(a) or Section 13(d) of the Exchange Act, reporting a reduction in beneficial ownership of shares of Capital Stock, and no such filing under Section 16(a) or Section 13(d) of the Exchange Act shall be voluntarily made during the Holdback Period in connection with such transfer (other than a filing on Form 5 pursuant to Rule 10b5-1 under the Exchange Act for the transfer of shares of Capital Stock, provided that (1) such plan does not provide for the transfer of Capital Stock during the Holdback Period and (2) to the extent a public announcement or filing under the Exchange Act, if any, is required of or voluntarily made by or on behalf of such holder or the Corporation regarding the establishment of such plan, such announcement or filing shall include a statement to the effect that no transfer of Capital Stock may be made under such plan during the Holdback Period).

The Corporation may impose stop-transfer instructions with respect to the shares of Capital Stock (or other securities) subject to the restrictions set forth in this Section 4(a) until the end of such period.

(b) Exceptions. The foregoing holdback agreements in Section 4(a) shall not apply to a registration in connection with an employee benefit plan or in connection with any registration on form S-4 or similar form in connection with any type of acquisition transaction or exchange offer.

#### Section 5. Registration Procedures.

(a) Whenever the Holders have requested that any Registrable Securities be registered pursuant to this Agreement or have initiated a Shelf Offering, (i) such Holders shall, if applicable, cause such Registrable Securities to be exchanged into shares of Class A Common Stock in accordance with the terms of the LLC Agreement prior to sale of such Registrable Securities and (ii) the Corporation shall use its reasonable best efforts to effect the registration and the sale of such Registrable Securities in accordance with the intended method of disposition thereof, and pursuant thereto the Corporation shall as expeditiously as possible:

(i) in accordance with the Securities Act and all applicable rules and regulations promulgated thereunder, prepare and file with the Securities and Exchange Commission a registration statement, and all amendments and supplements thereto and related prospectuses, with respect to such Registrable Securities and use its reasonable best efforts to cause such registration statement to become effective (provided that before filing a registration statement or prospectus or any amendments or supplements thereto, the Corporation shall furnish to the counsel selected by the Controlling Holder(s) initiating a Demand Registration or, in all other cases, the Holders representing a majority of the Registrable Securities covered by such registration statement copies of all such documents proposed to be filed, which documents shall be subject to the review and comment of such counsel);

(ii) notify each holder of Registrable Securities of (A) the issuance by the Securities and Exchange Commission of any stop order suspending the effectiveness of

any registration statement or the initiation of any proceedings for that purpose, (B) the receipt by the Corporation or its counsel of any notification with respect to the suspension of the qualification of the Registrable Securities for sale in any jurisdiction or the initiation or threatening of any proceeding for such purpose and (C) the effectiveness of each registration statement filed hereunder;

(iii) prepare and file with the Securities and Exchange Commission such amendments and supplements to such registration statement and the prospectus used in connection therewith as may be necessary to keep such registration statement effective for a period ending when all of the securities covered by such registration statement have been disposed of in accordance with the intended methods of distribution by the sellers thereof set forth in such registration statement (but in any event not before the expiration of any longer period required under the Securities Act or, if such registration statement relates to an underwritten Public Offering, such longer period as in the opinion of counsel for the underwriters a prospectus is required by law to be delivered in connection with sale of Registrable Securities by an underwriter or dealer) and comply with the provisions of the Securities Act with respect to the disposition of all securities covered by such registration statement during such period in accordance with the intended methods of disposition by the sellers thereof set forth in such registration statement;

(iv) furnish to each seller of Registrable Securities thereunder such number of copies of such registration statement, each amendment and supplement thereto, the prospectus included in such registration statement (including each preliminary prospectus), each Free Writing Prospectus and such other documents as such seller may reasonably request in order to facilitate the disposition of the Registrable Securities owned by such seller;

(v) use its reasonable best efforts to register or qualify such Registrable Securities under such other securities or blue sky laws of such jurisdictions as any seller reasonably requests and do any and all other acts and things which may be reasonably necessary or advisable to enable such seller to consummate the disposition in such jurisdictions of the Registrable Securities owned by such seller (provided that the Corporation shall not be required to (A) qualify generally to do business in any jurisdiction where it would not otherwise be required to qualify but for this subparagraph, (B) consent to general service of process in any such jurisdiction or (C) subject itself to taxation in any such jurisdiction);

(vi) notify each seller of such Registrable Securities (A) promptly after it receives notice thereof, of the date and time when such registration statement and each post-effective amendment thereto has become effective or a prospectus or supplement to any prospectus relating to a registration statement has been filed and when any registration or qualification has become effective under a state securities or blue sky law or any exemption thereunder has been obtained, (B) promptly after receipt thereof, of any request by the Securities and Exchange Commission for the amendment or supplementing of such registration statement or prospectus or for additional information and (C) at any time when a prospectus relating thereto is required to be delivered under the Securities Act, of the happening of any event as a result of which the prospectus

included in such registration statement contains an untrue statement of a material fact or omits any fact necessary to make the statements therein not misleading, and, subject to Section 2(f), at the request of any such seller, the Corporation shall prepare a supplement or amendment to such prospectus so that, as thereafter delivered to the purchasers of such Registrable Securities, such prospectus shall not contain an untrue statement of a material fact or omit to state any fact necessary to make the statements therein not misleading;

(vii) use reasonable best efforts to cause all such Registrable Securities to be listed on each securities exchange on which similar securities issued by the Corporation are then listed and, if not so listed, to be listed on a securities exchange and, without limiting the generality of the foregoing, to arrange for at least two market makers to register as such with respect to such Registrable Securities with FINRA;

(viii) use reasonable efforts to provide a transfer agent and registrar for all such Registrable Securities not later than the effective date of such registration statement;

(ix) enter into and perform such customary agreements (including underwriting agreements in customary form) and take all such other actions as the Holders representing a majority of the Registrable Securities being sold or the underwriters, if any, reasonably request in order to expedite or facilitate the disposition of such Registrable Securities (including, without limitation, effecting a stock split, combination of shares, recapitalization or reorganization);

(x) make available for inspection by any seller of Registrable Securities, any underwriter participating in any disposition pursuant to such registration statement and any attorney, accountant or other agent retained by any such seller or underwriter, all financial and other records, pertinent corporate and business documents and properties of the Corporation as shall be necessary to enable them to exercise their due diligence responsibility, and cause the Corporation's officers, directors, employees, agents, representatives and independent accountants to supply all information reasonably requested by any such seller, underwriter, attorney, accountant or agent in connection with such registration statement;

(xi) take all reasonable actions to ensure that any Free-Writing Prospectus utilized in connection with any Demand Registration or Piggyback Registration hereunder complies in all material respects with the Securities Act, is filed in accordance with the Securities Act to the extent required thereby, is retained in accordance with the Securities Act to the extent required thereby and, when taken together with the related prospectus, shall not contain any untrue statement of a material fact or omit to state a material fact necessary to make the statements therein, in light of the circumstances under which they were made, not misleading;

(xii) otherwise use its reasonable best efforts to comply with all applicable rules and regulations of the Securities and Exchange Commission, and make available to its security holders, as soon as reasonably practicable, an earnings statement covering the period of at least twelve months beginning with the first day of the Corporation's first full

calendar quarter after the effective date of the registration statement, which earnings statement shall satisfy the provisions of Section 11(a) of the Securities Act and Rule 158;

(xiii) to the extent that a Holder, in its sole and exclusive judgment, might be deemed to be an underwriter of any Registrable Securities or a controlling person of the Corporation, permit such Holder to participate in the preparation of such registration or comparable statement and allow such Holder to provide language for insertion therein, in form and substance satisfactory to the Corporation, which in the reasonable judgment of such Holder and its counsel should be included;

(xiv) in the event of the issuance of any stop order suspending the effectiveness of a registration statement, or the issuance of any order suspending or preventing the use of any related prospectus or suspending the qualification of any Class A Common Stock included in such registration statement for sale in any jurisdiction use reasonable efforts promptly to obtain the withdrawal of such order;

(xv) use its reasonable best efforts to cause such Registrable Securities covered by such registration statement to be registered with or approved by such other governmental agencies or authorities as may be necessary to enable the sellers thereof to consummate the disposition of such Registrable Securities;

(xvi) cooperate with the Holders of Registrable Securities covered by the registration statement and the managing underwriter or agent, if any, to facilitate the timely preparation and delivery of certificates (not bearing any restrictive legends) representing securities to be sold under the registration statement and enable such securities to be in such denominations and registered in such names as the managing underwriter, or agent, if any, or such Holders may request;

(xvii) cooperate with each Holder of Registrable Securities covered by the registration statement and each underwriter or agent participating in the disposition of such Registrable Securities and their respective counsel in connection with any filings required to be made with FINRA;

(xviii) use its reasonable best efforts to make available the executive officers of the Corporation to participate with the Holders of Registrable Securities covered by the registration statement and any underwriters in any "road shows" or other selling efforts that may be reasonably requested by the Holders in connection with the methods of distribution for the Registrable Securities;

(xix) in the case of any underwritten Public Offering, use its reasonable best efforts to obtain one or more cold comfort letters from the Corporation's independent public accountants in customary form and covering such matters of the type customarily covered by cold comfort letters as the Holders representing a majority of the Registrable Securities being sold reasonably request;

(xx) in the case of any underwritten Public Offering, use its reasonable best efforts to provide a legal opinion of the Corporation's outside counsel, dated the closing date of the Public Offering, in customary form and covering such matters of the type

customarily covered by legal opinions of such nature, which opinion shall be addressed to the underwriters and the Holders of such Registrable Securities being sold;

(xxi) if the Corporation files an Automatic Shelf Registration Statement covering any Registrable Securities, use its reasonable best efforts to remain a WKSI (and not become an ineligible issuer (as defined in Rule 405 under the Securities Act)) during the period during which such Automatic Shelf Registration Statement is required to remain effective;

(xxii) if the Corporation does not pay the filing fee covering the Registrable Securities at the time an Automatic Shelf Registration Statement is filed, pay such fee at such time or times as the Registrable Securities are to be sold; and

(xxiii) if the Automatic Shelf Registration Statement has been outstanding for at least three (3) years, at the end of the third year, file a new Automatic Shelf Registration Statement covering the Registrable Securities, and, if at any time when the Corporation is required to re-evaluate its WKSI status the Corporation determines that it is not a WKSI, use its reasonable efforts to refile the Shelf Registration Statement on Form S-3 and, if such form is not available, Form S-1 and keep such registration statement effective during the period during which such registration statement is required to be kept effective.

(b) Any officer of the Corporation who is a Holder agrees that if and for so long as he or she is employed by the Corporation or any Subsidiary thereof, he or she shall participate fully in the sale process in a manner customary and reasonable for persons in like positions and consistent with his or her other duties with the Corporation and in accordance with applicable law, including the preparation of the registration statement and the preparation and presentation of any road shows.

(c) The Corporation may require each Holder requesting, or electing to participate in, any registration to furnish the Corporation such information regarding such Holder and the distribution of such Registrable Securities as the Corporation may from time to time reasonably request in writing.

(d) If the Original Equity Owners or any of their respective Affiliates seek to effectuate an in-kind distribution of all or part of their respective Registrable Securities to their respective direct or indirect equityholders, the Corporation shall, subject to any applicable lock-ups, work with the foregoing persons to facilitate such in-kind distribution in the manner reasonably requested and such distributees shall have the right to become a party to this Agreement by the joinder in the form of Exhibit A hereto and thereby have all of the rights of such Original Equity Owners under this Agreement, other than the Demand Registration rights of a Controlling Holder.

#### Section 6. Registration Expenses.

(a) The Corporation's Obligation. All expenses incident to the Corporation's performance of or compliance with this Agreement (including, without limitation, all registration, qualification and filing fees, fees and expenses of compliance with securities or blue

sky laws, printing expenses, messenger and delivery expenses, fees and disbursements of custodians, and fees and disbursements of counsel for the Corporation and all independent certified public accountants, underwriters (excluding underwriting discounts and commissions) and other Persons retained by the Corporation) (all such expenses being herein called “ **Registration Expenses** ”), shall be borne as provided in this Agreement, except that the Corporation shall, in any event, pay its internal expenses (including, without limitation, all salaries and expenses of its officers and employees performing legal or accounting duties), the expense of any annual audit or quarterly review, the expense of any liability insurance and the expenses and fees for listing the securities to be registered on each securities exchange on which similar securities issued by the Corporation are then listed. Each Person that sells securities pursuant to a Demand Registration or Piggyback Registration hereunder shall bear and pay all underwriting discounts and commissions applicable to the securities sold for such Person’s account.

(b) Counsel Fees and Disbursements. In connection with each Demand Registration, each Piggyback Registration and each Shelf Offering, the Corporation shall reimburse the Holders of Registrable Securities included in such registration for the reasonable fees and disbursements of one counsel of each Controlling Holder participating in the registration.

#### Section 7. Indemnification and Contribution.

(a) By the Corporation. The Corporation shall indemnify and hold harmless, to the extent permitted by law, each Holder, such Holder’s officers, directors, managers, employees, partners, stockholders, members, trustees, Affiliates, agents and representatives, and each Person who controls such Holder (within the meaning of the Securities Act) (the “ **Holder Indemnified Parties** ”) against all losses, claims, actions, damages, liabilities and expenses (including with respect to actions or proceedings, whether commenced or threatened, and including reasonable attorney fees and expenses) caused by, resulting from, arising out of, based upon or related to any of the following statements, omissions or violations (each a “ **Violation** ”) by the Corporation: (i) any untrue or alleged untrue statement of material fact contained in (A) any registration statement, prospectus, preliminary prospectus or Free-Writing Prospectus, or any amendment thereof or supplement thereto or (B) any application or other document or communication (in this Section 7, collectively called an “ **application** ”) executed by or on behalf of the Corporation or based upon written information furnished by or on behalf of the Corporation filed in any jurisdiction in order to qualify any securities covered by such registration under the securities laws thereof, (ii) any omission or alleged omission of a material fact required to be stated therein or necessary to make the statements therein not misleading or (iii) any violation or alleged violation by the Corporation of the Securities Act or any other similar federal or state securities laws or any rule or regulation promulgated thereunder applicable to the Corporation and relating to action or inaction required of the Corporation in connection with any such registration, qualification or compliance. In addition, the Corporation will reimburse such Holder Indemnified Party for any legal or any other expenses reasonably incurred by them in connection with investigating or defending any such losses. Notwithstanding the foregoing, the Corporation shall not be liable in any such case to the extent that any such losses result from, arise out of, are based upon, or relate to an untrue statement or alleged untrue statement, or omission or alleged omission, made in such registration statement, any such prospectus, preliminary prospectus or Free-Writing Prospectus or any amendment or supplement thereto, or in any application, in

reliance upon, and in conformity with, written information prepared and furnished in writing to the Corporation by such Holder Indemnified Party expressly for use therein or by such Holder Indemnified Party's failure to deliver a copy of the registration statement or prospectus or any amendments or supplements thereto after the Corporation has furnished such Holder Indemnified Party with a sufficient number of copies of the same. In connection with an underwritten offering, the Corporation shall indemnify such underwriters, their officers and directors, and each Person who controls such underwriters (within the meaning of the Securities Act) to the same extent as provided above with respect to the indemnification of the Holder Indemnified Parties.

(b) By Each Holder. In connection with any registration statement in which a Holder is participating, each such Holder shall furnish to the Corporation in writing such information and affidavits as the Corporation reasonably requests for use in connection with any such registration statement or prospectus and, to the extent permitted by law, shall indemnify the Corporation, its officers, directors, managers, employees, agents and representatives, and each Person who controls the Corporation (within the meaning of the Securities Act) against any losses, claims, damages, liabilities and expenses resulting from any untrue or alleged untrue statement of material fact contained in the registration statement, prospectus or preliminary prospectus or any amendment thereof or supplement thereto or any omission or alleged omission of a material fact required to be stated therein or necessary to make the statements therein not misleading, but only to the extent that such untrue statement or omission is contained in any information or affidavit so furnished in writing by such Holder; *provided* that the obligation to indemnify shall be individual, not joint and several, for each Holder and shall be limited to the net amount of proceeds received by such Holder from the sale of Registrable Securities pursuant to such registration statement.

(c) Claim Procedure. Any Person entitled to indemnification hereunder shall (i) give prompt written notice to the indemnifying party of any claim with respect to which it seeks indemnification (provided that the failure to give prompt notice shall impair any Person's right to indemnification hereunder only to the extent such failure has prejudiced the indemnifying party) and (ii) unless in such indemnified party's reasonable judgment a conflict of interest between such indemnified and indemnifying parties may exist with respect to such claim, permit such indemnifying party to assume the defense of such claim with counsel reasonably satisfactory to the indemnified party. If such defense is assumed, the indemnifying party shall not be subject to any liability for any settlement made by the indemnified party without its consent (but such consent shall not be unreasonably withheld, conditioned or delayed). An indemnifying party who is not entitled to, or elects not to, assume the defense of a claim shall not be obligated to pay the fees and expenses of more than one counsel for all parties indemnified by such indemnifying party with respect to such claim, unless in the reasonable judgment of any indemnified party a conflict of interest may exist between such indemnified party and any other of such indemnified parties with respect to such claim. In such instance, the conflicted indemnified parties shall have a right to retain one separate counsel, chosen by the Holders representing a majority of the Registrable Securities included in the registration if such Holders are indemnified parties, at the expense of the indemnifying party.

(d) Contribution. If the indemnification provided for in this Section 7 is held by a court of competent jurisdiction to be unavailable to, or is insufficient to hold harmless, an



indemnified party or is otherwise unenforceable with respect to any loss, claim, damage, liability or action referred to herein, then the indemnifying party shall contribute to the amounts paid or payable by such indemnified party as a result of such loss, claim, damage, liability or action in such proportion as is appropriate to reflect the relative fault of the indemnifying party on the one hand and of the indemnified party on the other hand in connection with the statements or omissions which resulted in such loss, claim, damage, liability or action as well as any other relevant equitable considerations; provided that the maximum amount of liability in respect of such contribution shall be limited, in the case of each seller of Registrable Securities, to an amount equal to the net proceeds actually received by such seller from the sale of Registrable Securities effected pursuant to such registration. The relative fault of the indemnifying party and of the indemnified party shall be determined by reference to, among other things, whether the untrue or alleged untrue statement of a material fact or the omission to state a material fact relates to information supplied by the indemnifying party or by the indemnified party and the parties' relative intent, knowledge, access to information and opportunity to correct or prevent such statement or omission. The parties hereto agree that it would not be just or equitable if the contribution pursuant to this Section 7(d) were to be determined by pro rata allocation or by any other method of allocation that does not take into account such equitable considerations. The amount paid or payable by an indemnified party as a result of the losses, claims, damages, liabilities or expenses referred to herein shall be deemed to include any legal or other expenses reasonably incurred by such indemnified party in connection with investigating or defending against any action or claim which is the subject hereof. No person guilty of fraudulent misrepresentation (within the meaning of Section 11(t) of the Securities Act) shall be entitled to contribution from any Person who is not guilty of such fraudulent misrepresentation.

(e) Release. No indemnifying party shall, except with the consent of the indemnified party, consent to the entry of any judgment or enter into any settlement that does not include as an unconditional term thereof giving by the claimant or plaintiff to such indemnified party of a release from all liability in respect to such claim or litigation. Notwithstanding anything to the contrary in this Section 7, an indemnifying party shall not be liable for any amounts paid in settlement of any loss, claim, damage, liability, or action if such settlement is effected without the consent of the indemnifying party, such consent not to be unreasonably withheld, conditioned or delayed.

(f) Non-exclusive Remedy; Survival. The indemnification and contribution provided for under this Agreement shall be in addition to any other rights to indemnification or contribution that any indemnified party may have pursuant to law or contract and shall remain in full force and effect regardless of any investigation made by or on behalf of the indemnified party or any officer, director or controlling Person of such indemnified party and shall survive the transfer of Registrable Securities and the termination or expiration of this Agreement. Notwithstanding the foregoing, to the extent that the provisions on indemnification and contribution contained in the underwriting agreement entered into in connection with the underwritten public offering are in conflict with the foregoing provisions, the provisions in the underwriting agreement shall control.

Section 8. Underwritten Registrations.

(a) Participation. No Person may participate in any Public Offering hereunder which is underwritten unless such Person (i) agrees to sell such Person's securities on the basis provided in any underwriting arrangements approved by the Person or Persons entitled hereunder to approve such arrangements (including, without limitation, pursuant to any over-allotment or "green shoe" option requested by the underwriters; provided that no Holder shall be required to sell more than the number of Registrable Securities such Holder has requested to include) and (ii) completes and executes all questionnaires, powers of attorney, indemnities, underwriting agreements, custody agreements and other documents required under the terms of such underwriting arrangements. Each Holder shall execute and deliver such other agreements as may be reasonably requested by the Corporation and the lead managing underwriter(s) that are consistent with such Holder's obligations under Section 4, Section 5 and this Section 8(a) or that are necessary to give further effect thereto. To the extent that any such agreement is entered into pursuant to, and consistent with, Section 4 and this Section 8(a), the respective rights and obligations created under such agreement shall supersede the respective rights and obligations of the Holders, the Corporation and the underwriters created pursuant to this Section 8(a).

(b) Price and Underwriting Discounts. In the case of an underwritten Demand Registration or Underwritten Takedown requested by Holders pursuant to this Agreement, the price, underwriting discount and other financial terms of the related underwriting agreement for the Registrable Securities shall be determined by the Holders representing a majority of the Registrable Securities included in such underwritten offering.

(c) Suspended Distributions. Each Person that is participating in any registration under this Agreement, upon receipt of any notice from the Corporation of the happening of any event of the kind described in Section 5(a)(vi) (B) or (C), shall immediately discontinue the disposition of its Registrable Securities pursuant to the registration statement until such Person's receipt of the copies of a supplemented or amended prospectus as contemplated by Section 5(a)(vi). In the event the Corporation has given any such notice, the applicable time period set forth in Section 5(a)(iii) during which a Registration Statement is to remain effective shall be extended by the number of days during the period from and including the date of the giving of such notice pursuant to this Section 8(c) to and including the date when each seller of Registrable Securities covered by such registration statement shall have received the copies of the supplemented or amended prospectus contemplated by Section 5(a)(vi).

Section 9. Additional Parties; Joinder. Subject to the prior written consent of each Controlling Holder, the Corporation may make any Person who acquires Class A Common Stock or rights to acquire Class A Common Stock from the Corporation after the date hereof (including without limitation any Person who acquires Common Units) a party to this Agreement (each such Person, an "**Additional Investor**") and to succeed to all of the rights and obligations of a Holder under this Agreement by obtaining an executed joinder to this Agreement from such Additional Investor in the form of Exhibit A attached hereto (a "**Joinder**"). Upon the execution and delivery of a Joinder by such Additional Investor, the Class A Common Stock of the Corporation acquired by such Additional Investor or issuable upon redemption or exchange of Common Units acquired by such Additional Investor (the "**Acquired Common**") shall be Registrable Securities to the extent provided herein, such Additional Investor shall be a Holder under this Agreement with respect to the Acquired Common, and the Corporation shall add such

Additional Investor's name and address to the Schedule of Investors and circulate such information to the parties to this Agreement.

Section 10. Current Public Information. At all times after the Corporation has filed a registration statement with the Securities and Exchange Commission pursuant to the requirements of either the Securities Act or the Exchange Act, the Corporation shall file all reports required to be filed by it under the Securities Act and the Exchange Act and shall take such further action as any Holder may reasonably request, all to the extent required to enable such Holders to sell Registrable Securities pursuant to Rule 144. Upon request, the Corporation shall deliver to any Holder a written statement as to whether it has complied with such requirements.

Section 11. Subsidiary Public Offering. If, after an initial Public Offering of the Capital Stock of one of its Subsidiaries (including the Company), the Corporation distributes securities of such Subsidiary to its equityholders, then the rights and obligations of the Corporation pursuant to this Agreement shall apply, *mutatis mutandis*, to such Subsidiary, and the Corporation shall cause such Subsidiary to comply with such Subsidiary's obligations under this Agreement.

Section 12. Transfer of Registrable Securities. Notwithstanding anything to the contrary contained herein, except in the case of (i) a transfer to the Corporation, (ii) a transfer by any Original Equity Owners or any of its Affiliates to its respective equityholders, (iii) a Public Offering, (iv) a sale pursuant to Rule 144 after the completion of the IPO or (v) a transfer in connection with a sale of the Corporation, prior to transferring any Registrable Securities to any Person (including, without limitation, by operation of law), the transferring Holder shall cause the prospective transferee to execute and deliver to the Corporation a Joinder agreeing to be bound by the terms of this Agreement. Any transfer or attempted transfer of any Registrable Securities in violation of any provision of this Agreement shall be void, and the Corporation shall not record such transfer on its books or treat any purported transferee of such Registrable Securities as the owner thereof for any purpose.

Section 13. MNPI Provisions.

(a) Each Holder acknowledges that the provisions of this Agreement that require communications by the Corporation or other Holders to such Holder may result in such Holder and its Representatives (as defined below) acquiring MNPI (which may include, solely by way of illustration, the fact that an offering of the Corporation's securities is pending or the number of Corporation securities or the identity of the selling Holders).

(b) Each Holder agrees that it will maintain the confidentiality of such MNPI and, to the extent such Holder is not a natural person, such confidential treatment shall be in accordance with procedures adopted by it in good faith to protect confidential information of third parties delivered to such Holder ("**Policies**"); *provided* that a holder may deliver or disclose MNPI to (i) its directors, officers, employees, agents, attorneys, affiliates and financial and other advisors (collectively, the "**Representatives**"), but solely to the extent such disclosure reasonably relates to its evaluation of exercise of its rights under this Agreement and the sale of any Registrable Securities in connection with the subject of the notice, (ii) any federal or state regulatory

authority having jurisdiction over such Holder, (iii) any Person if necessary to effect compliance with any law, rule, regulation or order applicable to such Holder, (iv) in response to any subpoena or other legal process, or (v) in connection with any litigation to which such Holder is a party; *provided further*, that in the case of clause (i), the recipients of such MNPI are subject to the Policies or agree to hold confidential the MNPI in a manner substantially consistent with the terms of Section 13 and that in the case of clauses (ii) through (v), such disclosure is required by law and such Holder shall promptly notify the Corporation of such disclosure to the extent such Holder is legally permitted to give such notice.

(c) Each Holder shall have the right, at any time and from time to time (including after receiving information regarding any potential Public Offering), to elect to not receive any notice that the Corporation or any other Holders otherwise are required to deliver pursuant to this Agreement by delivering to the Corporation a written statement signed by such Holder that it does not want to receive any notices hereunder (an “*Opt-Out Request*”); in which case and notwithstanding anything to the contrary in this Agreement the Corporation and other Holders shall not be required to, and shall not, deliver any notice or other information required to be provided to Holders hereunder to the extent that the Corporation or such other Holders reasonably expect would result in a Holder acquiring MNPI. An Opt-Out Request may state a date on which it expires or, if no such date is specified, shall remain in effect indefinitely. A Holder who previously has given the Corporation an Opt-Out Request may revoke such request at any time, and there shall be no limit on the ability of a Holder to issue and revoke subsequent Opt-Out Requests; *provided* that each Holder shall use commercially reasonable efforts to minimize the administrative burden on the Corporation arising in connection with any such Opt-Out Requests.

#### Section 14. General Provisions.

(a) Amendments and Waivers. Except as otherwise provided herein, the provisions of this Agreement may be amended, modified or waived only with the prior written consent of the Corporation and each Controlling Holder; *provided* that no such amendment, modification or waiver that would materially and adversely affect a Holder in a manner materially different than any other Holder (*provided* that the accession by Additional Investors to this Agreement pursuant to Section 9 shall not be deemed to adversely affect any Holder), shall be effective against such Holder without the consent of such Holder that is materially and adversely affected thereby. The failure or delay of any Person to enforce any of the provisions of this Agreement shall in no way be construed as a waiver of such provisions and shall not affect the right of such Person thereafter to enforce each and every provision of this Agreement in accordance with its terms. A waiver or consent to or of any breach or default by any Person in the performance by that Person of his, her or its obligations under this Agreement shall not be deemed to be a consent or waiver to or of any other breach or default in the performance by that Person of the same or any other obligations of that Person under this Agreement.

(b) Remedies. The parties to this Agreement shall be entitled to enforce their rights under this Agreement specifically (without posting a bond or other security), to recover damages caused by reason of any breach of any provision of this Agreement and to exercise all other rights existing in their favor. The parties hereto agree and acknowledge that a breach of this Agreement would cause irreparable harm and money damages would not be an adequate remedy

for any such breach and that, in addition to any other rights and remedies existing hereunder, any party shall be entitled to specific performance and/or other injunctive relief from any court of law or equity of competent jurisdiction (without posting any bond or other security) in order to enforce or prevent violation of the provisions of this Agreement.

(c) Severability. Whenever possible, each provision of this Agreement shall be interpreted in such manner as to be effective and valid under applicable law, but if any provision of this Agreement is held to be prohibited, invalid, illegal or unenforceable in any respect under any applicable law or regulation in any jurisdiction, such prohibition, invalidity, illegality or unenforceability shall not affect the validity, legality or enforceability of any other provision of this Agreement in such jurisdiction or in any other jurisdiction, but this Agreement shall be reformed, construed and enforced in such jurisdiction as if such prohibited, invalid, illegal or unenforceable provision had never been contained herein.

(d) Entire Agreement. Except as otherwise provided herein, this Agreement contains the complete agreement and understanding among the parties hereto with respect to the subject matter hereof and supersedes and preempts any prior understandings, agreements or representations by or among the parties hereto, written or oral, which may have related to the subject matter hereof in any way.

(e) Successors and Assigns. This Agreement shall bind and inure to the benefit and be enforceable by the Corporation and its successors and assigns and the Holders and their respective successors and assigns (whether so expressed or not). In addition, whether or not any express assignment has been made, the provisions of this Agreement which are for the benefit Holders are also for the benefit of, and enforceable by, any subsequent or successor Holder.

(f) Notices. Any notice, demand or other communication to be given under or by reason of the provisions of this Agreement shall be in writing and shall be deemed to have been given (i) when delivered personally to the recipient, (ii) when sent by confirmed electronic mail or facsimile if sent during normal business hours of the recipient but; if not, then on the next Business Day, (iii) one Business Day after it is sent to the recipient by reputable overnight courier service (charges prepaid) or (iv) three Business Days after it is mailed to the recipient by first class mail, return receipt requested. Such notices, demands and other communications shall be sent to the Corporation at the address specified below and to any Original Equity Owner or to any other party subject to this Agreement at such address as indicated on the Schedule of Investors, or at such address or to the attention of such other Person as the recipient party has specified by prior written notice to the sending party. Any party may change such party's address for receipt of notice by providing prior written notice of the change to the sending party as provided herein. The Corporation's address is:

Camping World Holdings, Inc.  
250 Parkway Drive, Suite 270  
Lincolnshire, IL 60069  
Attn: General Counsel

With a copy to:

Latham & Watkins LLP  
885 Third Avenue  
New York, New York 10022  
Attn: Marc D. Jaffe, Esq.  
Facsimile: (212) 751-4864

or to such other address or to the attention of such other Person as the recipient party has specified by prior written notice to the sending party.

(g) Business Days. If any time period for giving notice or taking action hereunder expires on a day that is not a Business Day, the time period shall automatically be extended to the immediately following Business Day.

(h) Governing Law. The corporate law of the State of Delaware shall govern all issues and questions concerning the relative rights of the Corporation and its stockholders. All other issues and questions concerning the construction, validity, interpretation and enforcement of this Agreement and the exhibits and schedules hereto shall be governed by, and construed in accordance with, the laws of the State of New York, without giving effect to any choice of law or conflict of law rules or provisions (whether of the State of New York or any other jurisdiction) that would cause the application of the laws of any jurisdiction other than the State of New York.

(i) MUTUAL WAIVER OF JURY TRIAL. AS A SPECIFICALLY BARGAINED FOR INDUCEMENT FOR EACH OF THE PARTIES HERETO TO ENTER INTO THIS AGREEMENT (AFTER HAVING THE OPPORTUNITY TO CONSULT WITH COUNSEL), EACH PARTY HERETO EXPRESSLY WAIVES THE RIGHT TO TRIAL BY JURY IN ANY LAWSUIT OR PROCEEDING RELATING TO OR ARISING IN ANY WAY FROM THIS AGREEMENT OR THE MATTERS CONTEMPLATED HEREBY.

(j) CONSENT TO JURISDICTION AND SERVICE OF PROCESS. EACH OF THE PARTIES IRREVOCABLY SUBMITS TO THE NON-EXCLUSIVE JURISDICTION OF THE FEDERAL COURTS OF THE UNITED STATES OF AMERICA LOCATED IN THE CITY AND COUNTY OF NEW YORK BOROUGH OF MANHATTAN, FOR THE PURPOSES OF ANY SUIT, ACTION OR OTHER PROCEEDING ARISING OUT OF THIS AGREEMENT, ANY RELATED AGREEMENT OR ANY TRANSACTION CONTEMPLATED HEREBY OR THEREBY. EACH OF THE PARTIES HERETO FURTHER AGREES THAT SERVICE OF ANY PROCESS, SUMMONS, NOTICE OR DOCUMENT BY U.S. REGISTERED MAIL TO SUCH PARTY'S RESPECTIVE ADDRESS SET FORTH ABOVE SHALL BE EFFECTIVE SERVICE OF PROCESS FOR ANY ACTION, SUIT OR PROCEEDING WITH RESPECT TO ANY MATTERS TO WHICH IT HAS SUBMITTED TO JURISDICTION IN THIS PARAGRAPH. EACH OF THE PARTIES HERETO IRREVOCABLY AND UNCONDITIONALLY WAIVES ANY OBJECTION TO THE LAYING OF VENUE OF ANY ACTION, SUIT OR PROCEEDING ARISING OUT OF THIS AGREEMENT, ANY RELATED DOCUMENT OR THE TRANSACTIONS CONTEMPLATED HEREBY AND THEREBY IN THE UNITED STATES DISTRICT COURT FOR THE DISTRICT OF DELAWARE, AND HEREBY AND THEREBY FURTHER IRREVOCABLY AND UNCONDITIONALLY WAIVES AND AGREES NOT TO PLEAD OR CLAIM IN ANY SUCH COURT THAT ANY SUCH ACTION, SUIT OR PROCEEDING

BROUGHT IN ANY SUCH COURT HAS BEEN BROUGHT IN AN INCONVENIENT FORUM.

(k) No Recourse. Notwithstanding anything to the contrary in this Agreement, the Corporation and each Holder agrees and acknowledges that no recourse under this Agreement or any documents or instruments delivered in connection with this Agreement, shall be had against any current or future director, officer, employee, general or limited partner or member of any Holder or of any Affiliate or assignee thereof, whether by the enforcement of any assessment or by any legal or equitable proceeding, or by virtue of any statute, regulation or other applicable law, it being expressly agreed and acknowledged that no personal liability whatsoever shall attach to, be imposed on or otherwise be incurred by any current or future officer, agent or employee of any Holder or any current or future member of any Holder or any current or future director, officer, employee, partner or member of any Holder or of any Affiliate or assignee thereof, as such for any obligation of any Holder under this Agreement or any documents or instruments delivered in connection with this Agreement for any claim based on, in respect of or by reason of such obligations or their creation.

(l) Descriptive Headings; Interpretation. The descriptive headings of this Agreement are inserted for convenience only and do not constitute a part of this Agreement. The use of the word “including” in this Agreement shall be by way of example rather than by limitation.

(m) No Strict Construction. The language used in this Agreement shall be deemed to be the language chosen by the parties hereto to express their mutual intent, and no rule of strict construction shall be applied against any party.

(n) Counterparts. This Agreement may be executed in multiple counterparts, any one of which need not contain the signature of more than one party, but all such counterparts taken together shall constitute one and the same agreement.

(o) Electronic Delivery. This Agreement, the agreements referred to herein, and each other agreement or instrument entered into in connection herewith or therewith or contemplated hereby or thereby, and any amendments hereto or thereto, to the extent executed and delivered by means of a photographic, photostatic, facsimile or similar reproduction of such signed writing using a facsimile machine or electronic mail shall be treated in all manner and respects as an original agreement or instrument and shall be considered to have the same binding legal effect as if it were the original signed version thereof delivered in person. At the request of any party hereto or to any such agreement or instrument, each other party hereto or thereto shall re-execute original forms thereof and deliver them to all other parties. No party hereto or to any such agreement or instrument shall raise the use of a facsimile machine or electronic mail to deliver a signature or the fact that any signature or agreement or instrument was transmitted or communicated through the use of a facsimile machine or electronic mail as a defense to the formation or enforceability of a contract and each such party forever waives any such defense.

(p) Further Assurances. In connection with this Agreement and the transactions contemplated hereby, each Holder shall execute and deliver any additional documents and instruments and perform any additional acts that may be necessary or appropriate to effectuate and perform the provisions of this Agreement and the transactions contemplated hereby.

(q) No Inconsistent Agreements. The Corporation shall not hereafter enter into any agreement with respect to its securities which is inconsistent with or violates the rights granted to the Holders in this Agreement.

\* \* \* \* \*



IN WITNESS WHEREOF, the parties have executed this Registration Rights Agreement as of the date first written above.

**CAMPING WORLD HOLDINGS, INC.**

By: /s/ Marcus A. Lemonis

Name: Marcus A. Lemonis

Title: Chief Executive Officer

[ *Signature Page to Registration Rights Agreement* ]

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**CWGS HOLDING, LLC**

By: /s/ Marcus A. Lemonis

Name: Marcus A. Lemonis

Title: Chief Executive Officer

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[ *Signature Page to Registration Rights Agreement* ]

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**CVRV ACQUISITION LLC**

By: /s/ Ross A. Oliver

Name: Ross A. Oliver

Title: General Counsel

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[ *Signature Page to Registration Rights Agreement* ]

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**CVRV ACQUISITION II LLC**

By: /s/ Ross A. Oliver

Name: Ross A. Oliver

Title: General Counsel

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[ *Signature Page to Registration Rights Agreement* ]

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**Andris A. Baltins**

By: /s/ Andris A. Baltins

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**K. Dillon Schickli**

By: /s/ K. Dillon Schickli

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[ *Signature Page to Registration Rights Agreement* ]

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**Thomas F. Wolfe**

By: /s/ Thomas F. Wolfe

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[ *Signature Page to Registration Rights Agreement* ]

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**Brent L. Moody**

By: /s/ Brent L. Moody

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[ *Signature Page to Registration Rights Agreement* ]

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**Roger L. Nuttall**

By: /s/ Roger L. Nuttall

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**Mark J. Boggess**

By: /s/ Mark J. Boggess

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**Matthew Baden**

By: /s/ Matthew Baden

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**John Sirpilla**

By: /s/ John Sirpilla

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[ *Signature Page to Registration Rights Agreement* ]

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**Prabhuling Patel**

By: /s/ Prabhuling Patel

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[ *Signature Page to Registration Rights Agreement* ]

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**Tamara Ward**

By: /s/ Tamara Ward

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[ *Signature Page to Registration Rights Agreement* ]

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**Mike Siemens**

By: /s/ Mike Siemens

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[ *Signature Page to Registration Rights Agreement* ]

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**Steve Hedlund**

By: /s/ Steve Hedlund

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[ *Signature Page to Registration Rights Agreement* ]

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**Brock Whinnery**

By: /s/ Brock Whinnery

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[ *Signature Page to Registration Rights Agreement* ]

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**Ann Jackson**

By: /s/ Ann Jackson

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**Lisa L. Marshall Revocable Living Trust**

By: /s/ Lisa L. Marshall

Name:

Title:

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[ *Signature Page to Registration Rights Agreement* ]

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**Dale Hendrix**

By: /s/ Dale Hendrix

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**Karin Bell**

By: /s/ Karin Bell

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**Seth Rosenberg**

By: /s/ Seth Rosenberg

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[ *Signature Page to Registration Rights Agreement* ]

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## SCHEDULE OF INVESTORS

<b>Holder</b>	<b>Controlling Holder?</b>	<b>Continuing Equity Owner/ Former Equity Owner</b>
CWGS Holding, LLC	Yes	Continuing Equity Owner
CVRV Acquisition LLC	Yes	Continuing Equity Owner
CVRV Acquisition II LLC	Yes	Former Equity Owner
Andris A. Baltins	No	Continuing Equity Owner
K. Dillon Schickli	No	Continuing Equity Owner
Thomas F. Wolfe	No	Continuing Equity Owner
Brent L. Moody	No	Continuing Equity Owner
Roger L. Nuttall	No	Continuing Equity Owner
Mark J. Boggess	No	Continuing Equity Owner
Matthew Baden	No	Continuing Equity Owner
John Sirpilla	No	Continuing Equity Owner
Prabhuling Patel	No	Continuing Equity Owner
Tamara Ward	No	Continuing Equity Owner
Mike Siemens	No	Continuing Equity Owner
Steve Hedlund	No	Continuing Equity Owner
Brock Whinnery	No	Continuing Equity Owner
Ann Jackson	No	Continuing Equity Owner
Lisa L. Marshall Revocable Living Trust	No	Continuing Equity Owner
Dale Hendrix	No	Continuing Equity Owner
Karin Bell	No	Continuing Equity Owner
Seth Rosenberg	No	Continuing Equity Owner

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**REGISTRATION RIGHTS AGREEMENT JOINDER**

The undersigned is executing and delivering this Joinder pursuant to the Registration Rights Agreement dated as of [●], 2016 (as the same may hereafter be amended, the “*Registration Rights Agreement*”), among Camping World Holdings, Inc., a Delaware corporation (the “*Corporation*”), and the other person named as parties therein.

By executing and delivering this Joinder to the Corporation, and upon acceptance hereof by the Corporation upon the execution of a counterpart hereof, the undersigned hereby agrees to become a party to, to be bound by, and to comply with the provisions of the Registration Rights Agreement as a Holder of Registrable Securities in the same manner as if the undersigned were an original signatory to the Registration Rights Agreement, and the undersigned’s shares of Class A Common Stock shall be included as Registrable Securities under the Registration Rights Agreement to the extent provided therein. The Corporation is directed to add the address below the undersigned’s signature on this Joinder to the Schedule of Investors attached to the Registration Rights Agreement.

Accordingly, the undersigned has executed and delivered this Joinder as of the \_\_\_\_\_ day of \_\_\_\_\_, 20\_\_.

\_\_\_\_\_  
Signature of Stockholder

\_\_\_\_\_  
Print Name of Stockholder  
Its:

Address: \_\_\_\_\_  
\_\_\_\_\_  
\_\_\_\_\_

Agreed and Accepted as of  
\_\_\_\_\_, 20\_\_

**Camping World Holdings, Inc.**

By: \_\_\_\_\_  
Name:  
Its:

\_\_\_\_\_



<b>Legal Name</b>	<b>State of Incorporation</b>
Affinity Brokerage, LLC	Delaware
Affinity Group Holding, LLC	Delaware
Affinity Guest Services, LLC	Delaware
Affinity Road and Travel Club, LLC	Texas
AGI Intermediate Holdco, LLC	Delaware
AGI Productions, LLC	Delaware
American RV Centers, LLC	Minnesota
Americas Road and Travel Club, Inc.	Texas
Arizona RV Centers, LLC	Minnesota
Atlantic RV Centers, LLC	Minnesota
Blaine Jensen RV Centers, LLC	Minnesota
Bodily RV II, Inc.	Idaho
Bodily RV, Inc.	Idaho
Burnside Brokers, LLC	Minnesota
Burnside Finance, LLC	Minnesota
Burnside RV Centers, LLC	Minnesota
Camp Coast to Coast, LLC	Delaware
Camping Time RV Centers, LLC	Minnesota
Camping World Card Services, Inc.	Ohio
Camping World Insurance Services of Kentucky, Inc.	Kentucky
Camping World Insurance Services of Nevada, Inc.	Nevada
Camping World Insurance Services of Texas, Inc.	Texas
Camping World Leasing Company, LLC	Minnesota
Camping World RV Sales, LLC	Minnesota
Camping World, Inc.	Kentucky
Coast to Coast Marketing Group, LLC	Delaware
CW Michigan, Inc.	Delaware
CWFR Capital Corp.	Delaware
CWGS Enterprises, LLC	Delaware
CWGS Group, LLC	Delaware
CWH BR, LLC	Delaware
CWI, Inc.	Kentucky
Dusty's Camper World, LLC	Minnesota
Ehlert Publishing Group, LLC	Delaware
Emerald Cost RV Center, LLC	Minnesota
F2 Creative, LLC	Minnesota
Foley RV Center, LLC	Minnesota
FreedomCare Insurance Services, LLC	Minnesota
FreedomRoads Finance Company, LLC	Minnesota
FreedomRoads Holding Company, LLC	Minnesota
FreedomRoads Intermediate Holdco, LLC	Minnesota
FreedomRoads Operations Company, LLC	Minnesota
FreedomRoads Property Company, LLC	Minnesota
FreedomRoads RV, Inc.	Delaware

<b>Legal Name</b>	<b>State of Incorporation</b>
FreedomRoads, LLC	Minnesota
FRHP Lincolnshire, LLC	Minnesota
FRI, LLC	Minnesota
Gary's RV Centers, LLC	Minnesota
Golf Card International, LLC	Delaware
Golf Card Resort Service, LLC	Delaware
Good Sam Enterprises, LLC	Delaware
GSS Enterprises, LLC	Delaware
Hart City RV Center, LLC	Minnesota
Holiday Kamper Company of Columbia, LLC	Minnesota
ITM Holding Company #2, LLC	Minnesota
ITM Holding Company, LLC	Minnesota
K&C RV Centers, LLC	Minnesota
Meyer's RV Centers, LLC	Minnesota
Northwest RV Centers, LLC	Minnesota
Olinger RV Centers, LLC	Minnesota
Outdoor Buys, Inc.	Kentucky
Power Sports Media, LLC	Delaware
RV World, LLC	Minnesota
RV'S.com, LLC	Minnesota
Shipp's RV Centers, LLC	Minnesota
Sirpilla RV Centers, LLC	Minnesota
Southwest RV Centers, LLC	Minnesota
Stier's RV Centers, LLC	Minnesota
Stout's RV Center, LLC	Minnesota
TL Enterprises, LLC	Delaware
Tom Johnson Camping Center Charlotte, Inc.	North Carolina
Tom Johnson Camping Center, Inc.	North Carolina
VBI, LLC	Delaware
Venture Out RV Center, Inc.	California
Wheeler RV Las Vegas, LLC	Minnesota

**Consent of Independent Registered Public Accounting Firm**

We consent to the incorporation by reference in the Registration Statement on Form S-8 (No. 333-214040) pertaining to the Camping World Holdings, Inc. 2016 Incentive Award Plan of our report dated March 13, 2017, with respect to the consolidated financial statements and schedules of Camping World Holdings, Inc. included in this Annual Report (Form 10-K) of Camping World Holdings, Inc. for the year ended December 31, 2016.

/s/ Ernst & Young LLP

Los Angeles, California  
March 13, 2017

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## POWER OF ATTORNEY

KNOW ALL MEN BY THESE PRESENTS, that CAMPING WORLD HOLDINGS, INC., a Delaware corporation (the "Company"), and each of the undersigned directors of the Company, hereby constitutes and appoints Marcus A. Lemonis and Thomas F. Wolfe, and each of them (with full power to each of them to act alone), his true and lawful attorney-in-fact and agent, with full power of substitution and resubstitution, for him and on his behalf in his name, place and stead, in any and all capacities to sign, execute, affix his seal thereto and file, or cause such actions to be taken with regards to, the Company's Annual Report on Form 10-K for the year ended December 31, 2016 under the Securities Exchange Act of 1934, as amended, including any amendment or amendments thereto, with all exhibits and any all documents required to be filed with respect thereto with any regulatory authority.

There is hereby granted to said attorneys-in-fact and agents, and each of them, full power and authority to do and perform each and every act and thing, requisite and necessary to be done in respect of the foregoing as fully as he or himself might or could do if personally present, thereby ratifying and confirming all that said attorneys-in-fact and agents, or their substitute or substitutes may lawfully do or cause to be done by virtue hereof.

This Power of Attorney may be executed in any number of counterparts, each of which shall be an original, but all of which taken together shall constitute one and the same instrument and any of the undersigned directors may execute this Power of Attorney by signing any such counterpart.

Signature	Title	Date
<u>/s/ Stephen Adams</u> Stephen Adams	Director	<u>March 13, 2017</u>
<u>/s/ Andris A. Baltins</u> Andris A. Baltins	Director	<u>March 13, 2017</u>
<u>/s/ Brian P. Cassidy</u> Brian P. Cassidy	Director	<u>March 13, 2017</u>
<u>/s/ Mary J. George</u> Mary J. George	Director	<u>March 13, 2017</u>
<u>/s/ Daniel G. Kilpatrick</u> Daniel G. Kilpatrick	Director	<u>March 13, 2017</u>
<u>/s/ Jeffrey A. Marcus</u> Jeffrey A. Marcus	Director	<u>March 13, 2017</u>
<u>/s/ K. Dillon Schickli</u> K. Dillon Schickli	Director	<u>March 13, 2017</u>

## CERTIFICATIONS

I, Marcus A. Lemonis, certify that:

1. I have reviewed this Annual Report on Form 10-K of Camping World Holdings, Inc.;
2. Based on my knowledge, this report does not contain any untrue statement of a material fact or omit to state a material fact necessary to make the statements made, in light of the circumstances under which such statements were made, not misleading with respect to the period covered by this report;
3. Based on my knowledge, the financial statements, and other financial information included in this report, fairly present in all material respects the financial condition, results of operations and cash flows of the registrant as of, and for, the periods presented in this report;
4. The registrant's other certifying officer 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)) 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) [Omitted]
  - (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: March 13, 2017

By: /s/ Marcus A. Lemonis

Marcus A. Lemonis  
Chairman and Chief Executive Officer  
(Principal Executive Officer)

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## CERTIFICATIONS

I, Thomas F. Wolfe, certify that:

1. I have reviewed this Annual Report on Form 10-K of Camping World Holdings, Inc.;
2. Based on my knowledge, this report does not contain any untrue statement of a material fact or omit to state a material fact necessary to make the statements made, in light of the circumstances under which such statements were made, not misleading with respect to the period covered by this report;
3. Based on my knowledge, the financial statements, and other financial information included in this report, fairly present in all material respects the financial condition, results of operations and cash flows of the registrant as of, and for, the periods presented in this report;
4. The registrant's other certifying officer 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)) 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) [Omitted]
  - (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: March 13, 2017

By: /s/ Thomas F. Wolfe

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Thomas F. Wolfe  
Chief Financial Officer and Secretary  
(Principal Financial Officer)

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**CERTIFICATION PURSUANT TO  
18 U.S.C. SECTION 1350,  
AS ADOPTED PURSUANT TO  
SECTION 906 OF THE SARBANES-OXLEY ACT OF 2002**

In connection with the Annual Report on Form 10-K of Camping World Holdings, Inc. (the "Company") for the period ended December 31, 2016, as filed with the U.S. Securities and Exchange Commission on the date hereof (the "Report"), I, Marcus A. Lemonis, Chairman and Chief Executive Officer of the Company, hereby certify, pursuant to 18 U.S.C. Section 1350, as adopted pursuant to Section 906 of the Sarbanes-Oxley Act of 2002, that, to my knowledge:

(1) the Report fully complies with the requirements of Section 13(a) or 15(d) of the Securities Exchange Act of 1934, as amended; and

(2) the information contained in the Report fairly presents, in all material respects, the financial condition and results of operations of the Company.

Date: March 13, 2017

By: /s/ Marcus A. Lemonis

Marcus A. Lemonis

Chairman and Chief Executive Officer

(Principal Executive Officer)

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**CERTIFICATION PURSUANT TO  
18 U.S.C. SECTION 1350,  
AS ADOPTED PURSUANT TO  
SECTION 906 OF THE SARBANES-OXLEY ACT OF 2002**

In connection with the Annual Report on Form 10-K of Camping World Holdings, Inc. (the "Company") for the period ended December 31, 2016, as filed with the U.S. Securities and Exchange Commission on the date hereof (the "Report"), I, Thomas F. Wolfe, Chief Financial Officer and Secretary of the Company, hereby certify, pursuant to 18 U.S.C. Section 1350, as adopted pursuant to Section 906 of the Sarbanes-Oxley Act of 2002, that, to my knowledge:

(1) the Report fully complies with the requirements of Section 13(a) or 15(d) of the Securities Exchange Act of 1934, as amended; and

(2) the information contained in the Report fairly presents, in all material respects, the financial condition and results of operations of the Company.

Date: March 13, 2017

By: /s/ Thomas F. Wolfe  
Thomas F. Wolfe  
Chief Financial Officer and Secretary  
(Principal Financial Officer)

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