

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

FORM 10-Q

(Mark One)

Quarterly report pursuant to section 13 or 15(d) of the Securities Exchange Act of 1934

For the quarterly period ended March 31, 2024

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: 001-39095

**The Baldwin Insurance Group, Inc.**

(Exact name of registrant as specified in its charter)

Delaware  
(State or other jurisdiction of  
incorporation or organization)



61-1937225  
(I.R.S. Employer  
Identification No.)

4211 W. Boy Scout Blvd., Suite 800, Tampa, Florida 33607  
(Address of principal executive offices) (Zip Code)

(866) 279-0698  
(Registrant's telephone number, including area code)

Not Applicable  
(Former Name, former address and former fiscal year, if changed since last report)

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

Title of each class	Trading Symbol(s)	Name of each exchange on which registered
Class A Common Stock, par value \$0.01 per share	BRP	Nasdaq Global Select Market

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

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

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

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

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

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

As of May 1, 2024, there were 66,141,707 shares of Class A common stock outstanding and 51,406,655 shares of Class B common stock outstanding.

# THE BALDWIN INSURANCE GROUP, INC.

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### **Note Regarding Forward-Looking Statements**

We have made statements in this report, including matters discussed under Part I, Item 2. Management's Discussion and Analysis of Financial Condition and Results of Operations, Part II, Item 1. Legal Proceedings, Part II, Item 1A. Risk Factors and in other sections of this report, that are forward-looking statements. In some cases, you can identify these statements by forward-looking words such as "may," "might," "will," "should," "expects," "plans," "anticipates," "believes," "estimates," "predicts," "potential" or "continue," the negative of these terms and other comparable terminology. These forward-looking statements, which are subject to risks, uncertainties and assumptions about us, may include projections of our future financial performance, our anticipated growth strategies and anticipated trends in our business. These statements are only predictions based on our current expectations and projections about future events. There are important factors that could cause our actual results, level of activity, performance or achievements to differ materially from the results, level of activity, performance or achievements expressed or implied by the forward-looking statements. You should specifically consider the numerous risks outlined under Part I, Item 1A. Risk Factors in our Annual Report on Form 10-K for the year ended December 31, 2023 filed with the SEC on February 28, 2024.

Although we believe the expectations reflected in the forward-looking statements are reasonable, we cannot guarantee future results, level of activity, performance or achievements. Moreover, neither we nor any other person assumes responsibility for the accuracy and completeness of any of these forward-looking statements. We are under no duty to update any of these forward-looking statements after the date of this report to conform our prior statements to actual results or revised expectations, except as required by law.

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## Commonly Used Defined Terms

The following terms have the following meanings throughout this Quarterly Report on Form 10-Q unless the context indicates or requires otherwise:

Amended LLC Agreement	Third Amended and Restated Limited Liability Company Agreement of Baldwin Holdings, as amended
API	Application programming interface
book of business	Insurance policies bound by us on behalf of our Clients
bps	Basis points
Baldwin Holdings	The Baldwin Insurance Group Holdings, LLC (formerly Baldwin Risk Partners, LLC), our operating company and a subsidiary of Baldwin
Baldwin	The Baldwin Insurance Group, Inc. (formerly BRP Group, Inc.), our parent company
Clients	Our insureds
Colleagues	Our employees
Exchange Act	Securities Exchange Act of 1934, as amended
GAAP	Accounting principles generally accepted in the United States of America
Insurance Company Partners	Insurance companies with which we have a contractual relationship
JPM Credit Agreement	Credit Agreement, dated as of October 14, 2020, between Baldwin Holdings, LLC, as borrower, JPMorgan Chase Bank, N.A., as the Administrative Agent, the Guarantors party thereto, the Lenders party thereto and the Issuing Lenders party thereto, as amended by the Amendment No. 1 to Credit Agreement dated as of May 7, 2021, Amendment No. 2 to Credit Agreement dated as of June 2, 2021, Amendment No. 3 to Credit Agreement dated as of August 6, 2021, Amendment No. 4 to Credit Agreement dated as of December 16, 2021, Amendment No. 5 to Credit Agreement dated as of March 28, 2022, Amendment No. 6 to Credit Agreement dated as of June 27, 2023 and Amendment No. 7 to Credit Agreement dated as of September 15, 2023
LLC Units	Membership interests of Baldwin Holdings
MGA	Managing General Agent
Operating Groups	Our reportable segments
Partners	Companies that we have acquired, or in the case of asset acquisitions, the producers
Partnerships	Strategic acquisitions made by the Company
QBE Program Administrator Agreement	Agreement entered into in connection with the Westwood Partnership with an affiliate of QBE Holdings, Inc., the prior owner of Westwood, under which our MGA of the Future business provides program administrator services to QBE Insurance Corporation in connection with the portion of our builder-sourced homeowners book that is underwritten by affiliates of QBE Insurance Corporation
Revolving Facility	Our revolving credit facility under the JPM Credit Agreement with commitments in an aggregate principal amount of \$600 million, maturing April 1, 2027
Risk Advisors	Our producers
SEC	U.S. Securities and Exchange Commission
Securities Act	Securities Act of 1933, as amended
SOFR	Secured Overnight Financing Rate
Tax Receivable Agreement	Tax Receivable Agreement between Baldwin and the holders of LLC Units in Baldwin Holdings entered into on October 28, 2019
Term Loan B	Our term loan facility under the JPM Credit Agreement with a principal amount of \$1.02 billion, maturing October 14, 2027
Westwood	Westwood Insurance Agency, a 2022 Partner
Wholesale Business	Our specialty wholesale broker business, which was sold on March 1, 2024

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**PART I. FINANCIAL INFORMATION**  
**ITEM 1. FINANCIAL STATEMENTS**

**THE BALDWIN INSURANCE GROUP, INC.**  
**Condensed Consolidated Balance Sheets**  
**(Unaudited)**

(in thousands, except share and per share data)	March 31, 2024	December 31, 2023
<b>Assets</b>		
Current assets:		
Cash and cash equivalents	\$ 112,113	\$ 116,209
Restricted cash	122,204	104,824
Premiums, commissions and fees receivable, net	701,892	627,791
Prepaid expenses and other current assets	14,909	12,730
Assets held for sale	—	64,351
Total current assets	951,118	925,905
Property and equipment, net	22,994	22,713
Right-of-use assets	83,461	85,473
Other assets	39,777	38,134
Intangible assets, net	1,000,274	1,017,343
Goodwill	1,412,369	1,412,369
Total assets	<u>\$ 3,509,993</u>	<u>\$ 3,501,937</u>
<b>Liabilities, Mezzanine Equity and Stockholders' Equity</b>		
Current liabilities:		
Premiums payable to insurance companies	\$ 599,828	\$ 555,569
Producer commissions payable	85,687	64,304
Accrued expenses and other current liabilities	132,234	152,954
Related party notes payable	5,691	1,525
Current portion of contingent earnout liabilities	229,529	215,157
Liabilities held for sale	—	43,931
Total current liabilities	1,052,969	1,033,440
Revolving line of credit	334,000	341,000
Long-term debt, less current portion	966,962	968,183
Contingent earnout liabilities, less current portion	6,336	61,310
Operating lease liabilities, less current portion	77,830	78,999
Other liabilities	123	123
Total liabilities	<u>2,438,220</u>	<u>2,483,055</u>
Commitments and contingencies (Note 13)		
Mezzanine equity:		
Redeemable noncontrolling interest	455	394
Stockholders' equity:		
Class A common stock, par value \$0.01 per share, 300,000,000 shares authorized; 65,205,532 and 64,133,950 shares issued and outstanding at March 31, 2024 and December 31, 2023, respectively	652	641
Class B common stock, par value \$0.0001 per share, 100,000,000 shares authorized; 51,622,192 and 52,422,494 shares issued and outstanding at March 31, 2024 and December 31, 2023, respectively	5	5
Additional paid-in capital	762,609	746,671
Accumulated deficit	(165,327)	(186,905)
Total stockholders' equity attributable to Baldwin	597,939	560,412
Noncontrolling interest	473,379	458,076
Total stockholders' equity	1,071,318	1,018,488
Total liabilities, mezzanine equity and stockholders' equity	<u>\$ 3,509,993</u>	<u>\$ 3,501,937</u>

See accompanying Notes to Condensed Consolidated Financial Statements.

**THE BALDWIN INSURANCE GROUP, INC.**  
**Condensed Consolidated Statements of Comprehensive Income (Loss)**  
**(Unaudited)**

(in thousands, except share and per share data)	For the Three Months Ended March 31,	
	2024	2023
<b>Revenues:</b>		
Commissions and fees	\$ 378,096	\$ 329,523
Investment income	2,271	923
Total revenues	380,367	330,446
<b>Operating expenses:</b>		
Commissions, employee compensation and benefits	262,092	230,954
Other operating expenses	45,795	46,604
Amortization expense	24,041	23,163
Change in fair value of contingent consideration	12,676	24,758
Depreciation expense	1,505	1,348
Total operating expenses	346,109	326,827
Operating income	34,258	3,619
<b>Other income (expense):</b>		
Interest expense, net	(31,545)	(27,884)
Gain on divestitures	36,516	—
Other income (expense), net	538	(1,511)
Total other income (expense), net	5,509	(29,395)
Income (loss) before income taxes	39,767	(25,776)
Income tax expense	667	78
Net income (loss)	39,100	(25,854)
Less: net income (loss) attributable to noncontrolling interests	17,522	(11,722)
Net income (loss) attributable to Baldwin	\$ 21,578	\$ (14,132)
Comprehensive income (loss)	\$ 39,100	\$ (25,854)
Comprehensive income (loss) attributable to noncontrolling interests	17,522	(11,722)
Comprehensive income (loss) attributable to Baldwin	21,578	(14,132)
Basic earnings (loss) per share	\$ 0.35	\$ (0.24)
Diluted earnings (loss) per share	\$ 0.33	\$ (0.24)
Weighted-average shares of Class A common stock outstanding - basic	61,856,147	58,711,798
Weighted-average shares of Class A common stock outstanding - diluted	65,314,248	58,711,798

See accompanying Notes to Condensed Consolidated Financial Statements.

**THE BALDWIN INSURANCE GROUP, INC.**

**Condensed Consolidated Statements of Stockholders' Equity and Mezzanine Equity**

**(Unaudited)**

For the Three Months Ended March 31, 2024

(in thousands, except share data)	Stockholders' Equity									Mezzanine Equity
	Class A Common Stock		Class B Common Stock		Additional Paid-in Capital	Accumulated Deficit	Non-controlling Interest	Total	Redeemable Non-controlling Interest	
	Shares	Amount	Shares	Amount						
Balance at December 31, 2023	64,133,950	\$ 641	52,422,494	\$ 5	\$ 746,671	\$ (186,905)	\$ 458,076	\$ 1,018,488	\$ 394	
Net income	—	—	—	—	—	21,578	17,461	39,039	61	
Share-based compensation, net of forfeitures	271,280	3	—	—	7,723	—	6,163	13,889	—	
Redemption of Class B common stock	800,302	8	(800,302)	—	8,215	—	(8,223)	—	—	
Tax distributions to Baldwin Holdings LLC members	—	—	—	—	—	—	(98)	(98)	—	
Balance at March 31, 2024	65,205,532	\$ 652	51,622,192	\$ 5	\$ 762,609	\$ (165,327)	\$ 473,379	\$ 1,071,318	\$ 455	

For the Three Months Ended March 31, 2023

(in thousands, except share data)	Stockholders' Equity									Mezzanine Equity
	Class A Common Stock		Class B Common Stock		Additional Paid-in Capital	Accumulated Deficit	Stockholder Notes Receivable	Non-controlling Interest	Total	Redeemable Non-controlling Interest
	Shares	Amount	Shares	Amount						
Balance at December 31, 2022	61,447,368	\$ 614	54,504,918	\$ 5	\$ 704,291	\$ (96,764)	\$ (42)	\$ 531,448	\$ 1,139,552	\$ 487
Net income (loss)	—	—	—	—	—	(14,132)	—	(11,773)	(25,905)	51
Share-based compensation, net of forfeitures	276,281	3	—	—	6,870	—	—	6,043	12,916	—
Redemption of Class B common stock	834,641	9	(834,641)	—	5,484	—	—	(5,493)	—	—
Tax distributions to Baldwin Holdings LLC members	—	—	—	—	—	—	—	(11)	(11)	—
Repayment of stockholder notes receivable	—	—	—	—	—	—	21	—	21	—
Balance at March 31, 2023	62,558,290	\$ 626	53,670,277	\$ 5	\$ 716,645	\$ (110,896)	\$ (21)	\$ 520,214	\$ 1,126,573	\$ 538

See accompanying Notes to Condensed Consolidated Financial Statements.

**THE BALDWIN INSURANCE GROUP, INC.**  
**Condensed Consolidated Statements of Cash Flows**  
**(Unaudited)**

(in thousands)	For the Three Months Ended March 31,	
	2024	2023
<b>Cash flows from operating activities:</b>		
Net income (loss)	\$ 39,100	\$ (25,854)
Adjustments to reconcile net income (loss) to net cash provided by (used in) operating activities:		
Depreciation and amortization	25,546	24,511
Change in fair value of contingent consideration	12,676	24,758
Share-based compensation expense	14,094	13,281
Payment of contingent earnout consideration in excess of purchase price accrual	(16,318)	(857)
Gain on divestitures	(36,516)	—
Amortization of deferred financing costs	1,552	1,239
Loss on interest rate caps	26	1,407
Other (gain) loss	(4)	100
Changes in operating assets and liabilities:		
Premiums, commissions and fees receivable, net	(73,558)	(48,351)
Prepaid expenses and other current assets	(4,629)	(4,860)
Right-of-use assets	4,186	1,149
Accounts payable, accrued expenses and other current liabilities	39,451	(163)
Operating lease liabilities	(2,712)	(468)
Other liabilities	—	77
Net cash provided by (used in) operating activities	<u>2,894</u>	<u>(14,031)</u>
<b>Cash flows from investing activities:</b>		
Proceeds from divestitures, net of cash transferred	54,448	—
Capital expenditures	(8,146)	(3,499)
Investments in and loans for business ventures	(3,189)	(100)
Proceeds from repayment of related party loans	1,500	—
Cash consideration paid for asset acquisitions	—	(1,500)
Net cash provided by (used in) investing activities	<u>44,613</u>	<u>(5,099)</u>
<b>Cash flows from financing activities:</b>		
Payment of contingent earnout consideration up to amount of purchase price accrual	(32,794)	(4,680)
Proceeds from revolving line of credit	70,000	50,000
Payments on revolving line of credit	(77,000)	(70,000)
Payments on long-term debt	(2,561)	(2,127)
Proceeds from the settlement of interest rate caps	2,300	2,275
Tax distributions to Baldwin Holdings LLC members	(98)	(11)
Proceeds from repayment of stockholder notes receivable	—	21
Net cash used in financing activities	<u>(40,153)</u>	<u>(24,522)</u>
Net increase (decrease) in cash and cash equivalents and restricted cash	7,354	(43,652)
Cash and cash equivalents and restricted cash at beginning of period	226,963	230,471
Cash and cash equivalents and restricted cash at end of period	<u>\$ 234,317</u>	<u>\$ 186,819</u>

See accompanying Notes to Condensed Consolidated Financial Statements.



**THE BALDWIN INSURANCE GROUP, INC.**  
**Condensed Consolidated Statements of Cash Flows (Continued)**  
**(Unaudited)**

(in thousands)	For the Three Months Ended March 31,	
	2024	2023
Supplemental schedule of cash flow information:		
Cash paid during the period for interest	\$ 27,857	\$ 24,898
Cash paid during the period for income taxes	153	—
Disclosure of non-cash investing and financing activities:		
Conversion of contingent earnout liability to related party notes payable	\$ 5,636	\$ —
Right-of-use assets obtained in exchange for operating lease liabilities	1,912	3,071
Capital expenditures incurred but not yet paid	625	1,084
Right-of-use assets increased through lease modifications and reassessments	226	61

See accompanying Notes to Condensed Consolidated Financial Statements.

## THE BALDWIN INSURANCE GROUP, INC.

### Notes to Condensed Consolidated Financial Statements

(Unaudited)

#### 1. Business and Basis of Presentation

The Baldwin Insurance Group, Inc. (“Baldwin” or the “Company”) was incorporated in the state of Delaware on July 1, 2019 as BRP Group, Inc. On May 2, 2024, the Company was renamed The Baldwin Insurance Group, Inc. Baldwin is a diversified insurance agency and services organization that markets and sells insurance products and services to its Clients throughout the U.S. A significant portion of the Company’s business is concentrated in the Southeastern U.S., with several other regional concentrations. Baldwin and its subsidiaries operate through three reportable segments (“Operating Groups”), including Insurance Advisory Solutions, Underwriting, Capacity & Technology Solutions and Mainstreet Insurance Solutions, which are discussed in more detail in Note 14.

#### Principles of Consolidation

The consolidated financial statements include the accounts of Baldwin and its wholly-owned subsidiaries. All intercompany transactions and balances have been eliminated in consolidation.

As the sole manager of The Baldwin Insurance Group Holdings, LLC (formerly Baldwin Risk Partners, LLC) (“Baldwin Holdings”), Baldwin operates and controls all the business and affairs of Baldwin Holdings, and has the sole voting interest in, and controls the management of, Baldwin Holdings. Accordingly, Baldwin consolidates Baldwin Holdings in its consolidated financial statements, resulting in a noncontrolling interest related to the membership interests of Baldwin Holdings (the “LLC Units”) held by Baldwin Holdings’ members in its consolidated financial statements.

The Company has prepared these condensed consolidated financial statements in accordance with Accounting Standards Codification (“ASC”) Topic 810, *Consolidation* (“Topic 810”). Topic 810 requires that if an enterprise is the primary beneficiary of a variable interest entity, the assets, liabilities, and results of operations of the variable interest entity should be included in the consolidated financial statements of the enterprise. The Company has recognized certain entities as variable interest entities, of which the Company is the primary beneficiary, and has included the accounts of these entities in the consolidated financial statements. Refer to Note 3 for additional information regarding the Company’s variable interest entities.

Topic 810 also requires that the equity of a noncontrolling interest shall be reported on the condensed consolidated balance sheets within total equity of the Company. Certain redeemable noncontrolling interests are reported on the condensed consolidated balance sheets as mezzanine equity. Topic 810 also requires revenues, expenses, gains, losses, net income or loss, and other comprehensive income or loss to be reported in the consolidated financial statements at consolidated amounts, which include amounts attributable to the owners of the parent and the noncontrolling interests.

#### Unaudited Interim Financial Reporting

The accompanying unaudited interim condensed consolidated financial statements have been prepared in accordance with accounting principles generally accepted in the United States of America (“GAAP”) and applicable rules and regulations of the Securities and Exchange Commission (“SEC”) regarding interim financial reporting. Accordingly, they do not include all the information and related notes required by GAAP for complete consolidated financial statements. In the opinion of management, all adjustments, consisting of recurring accruals, considered necessary for fair statement have been included. The accompanying consolidated balance sheet for the year ended December 31, 2023 was derived from audited financial statements, but does not include all disclosures required by GAAP. Accordingly, these unaudited interim condensed consolidated financial statements should be read in conjunction with the Company’s audited consolidated financial statements and the notes thereto for the year ended December 31, 2023 included in the Company’s Annual Report on Form 10-K filed with the SEC on February 28, 2024.

#### Use of Estimates

The preparation of consolidated financial statements in conformity with GAAP requires management to make estimates and assumptions that affect the reported amounts of assets and liabilities, disclosures of contingent assets and liabilities at the date of the consolidated financial statements and the reported amounts of revenue and expenses during the reporting period. Actual results could differ from these estimates. Significant estimates underlying the accompanying condensed consolidated financial statements include the application of guidance for revenue recognition; impairment of intangible assets and goodwill; the valuation of contingent consideration; and the valuation allowance for deferred tax assets.

## Changes in Presentation

As previously disclosed in the Company's Annual Report on Form 10-K for the year ended December 31, 2023, beginning in January 2024, the Company's FounderShield Partner moved from the Underwriting, Capacity & Technology Solutions Operating Group to the Insurance Advisory Solutions Operating Group. Prior year segment reporting information in Note 14 has been recast to conform to the current organizational structure.

In addition, certain prior year amounts have been reclassified to conform to current year presentation. These reclassifications had no impact on the Company's previously reported consolidated financial position or results of operations.

## Recently Issued Accounting Standards

In December 2023, the Financial Accounting Standards Board ("FASB") issued Accounting Standards Update ("ASU") No. 2023-09, Income Taxes (Topic 740)—Improvements to Income Tax Disclosures ("ASU 2023-09") to enhance the transparency and usefulness of income tax disclosures. ASU 2023-09 requires disclosure of specific categories and disaggregation of information in the rate reconciliation table using both percentages and reporting currency amounts. ASU 2023-09 also requires disclosure of disaggregated information related to income taxes paid, income or loss from continuing operations before income tax expense or benefit, and income tax expense or benefit from continuing operations. This guidance is effective for fiscal years beginning after December 15, 2024. The Company expects the adoption of this standard to expand its income tax disclosures, but otherwise have no impact on the consolidated financial statements.

## Recently Adopted Accounting Standards

In November 2023, the FASB issued ASU No. 2023-07, Segment Reporting (Topic 280)—Improvements to Reportable Segment Disclosures ("ASU 2023-07") to enhance the disclosure requirements for reportable segments. ASU 2023-07 requires disclosure of significant segment expenses regularly provided to the chief operating decision maker ("CODM"), as well as an aggregate amount of other segment items included within segment profit or loss and a description of its composition. Additionally, ASU 2023-07 requires a description of how the CODM utilizes the reported measure of segment operating results to assess segment performance. ASU 2023-07 also requires enhanced interim disclosure requirements effectively making annual disclosures a requirement for interim reporting. The annual requirements of ASU 2023-07 became effective for the Company January 1, 2024, at which time it was adopted. The Company will include the new disclosures in our Annual Report on Form 10-K for the year ending December 31, 2024 as required. New interim period disclosures are required for fiscal years beginning January 1, 2025 and will be included in our Quarterly Reports on Form 10-Q at that time.

## 2. Business Divestitures

Since its launch in January 2020, the Company's specialty wholesale broker business (the "Wholesale Business"), operating within the Underwriting, Capacity & Technology Solutions Operating Group, had not benefited from the same degree of capital allocation, focus and prioritization as the retail and MGA businesses. After assessing the various paths forward for the Wholesale Business, near the end of 2023, management concluded that a plan to sell the Wholesale Business created the greatest opportunity for both the Company and the Wholesale Business.

As of December 31, 2023, the Wholesale Business met the criteria to be classified as held for sale. The assets and liabilities were recorded as held for sale at their carrying value, which was determined to be lower than the fair value of the net assets less costs to sell and, as a result, no loss was recorded relating to the reclassification. The divestiture did not meet the criteria to be reported as discontinued operations and the Company continued to report the operating results for its Wholesale Business as continuing operations in the condensed consolidated statements of comprehensive income (loss) through February 29, 2024.

On March 1, 2024, the Company closed on the sale of its Wholesale Business for proceeds of approximately \$58.9 million, subject to certain customary purchase price adjustments. The Company derecognized assets of \$61.7 million, which included \$9.5 million of goodwill, and liabilities of \$39.9 million. The Company recognized a pre-tax gain on the sale of \$36.4 million (subject to certain post-closing adjustments), which is included as a component of gain on divestitures in the condensed consolidated statements of comprehensive income (loss).

### 3. Variable Interest Entities

Topic 810 requires a reporting entity to consolidate a variable interest entity (“VIE”) when the reporting entity has a variable interest or combination of variable interests that provide the entity with a controlling financial interest in the VIE. The Company continually assesses whether it has a controlling financial interest in each of its VIEs to determine if it is the primary beneficiary of the VIE and should, therefore, consolidate each of the VIEs. A reporting entity is considered to have a controlling financial interest in a VIE if it has (i) the power to direct the activities of a VIE that most significantly impact the VIE’s economic performance, and (ii) the obligation to absorb the losses of, or the right to receive benefits from, the VIE that could potentially be significant to the VIE.

The Company determined that it is the primary beneficiary of its VIEs, which include Laureate Insurance Partners, LLC, BKS Smith, LLC, BKS MS, LLC and BKS Partners Galati Marine Solutions, LLC. The Company has consolidated its VIEs into the accompanying condensed consolidated financial statements.

Total revenues and expenses of the Company’s consolidated VIEs included in the condensed consolidated statements of comprehensive income (loss) were \$0.5 million and \$0.3 million, respectively, for the three months ended March 31, 2024 and \$0.4 million and \$0.3 million, respectively, for the three months ended March 31, 2023.

Total assets and liabilities of the Company’s consolidated VIEs included on the condensed consolidated balance sheets were \$2.0 million and \$1.2 million, respectively, at March 31, 2024 and \$0.8 million and \$0.2 million, respectively, at December 31, 2023. The assets of the consolidated VIEs can only be used to settle the obligations of the consolidated VIEs and the creditors of the liabilities of the consolidated VIEs do not have recourse to the Company.

### 4. Revenue

The following table provides disaggregated revenues by major source:

(in thousands)	For the Three Months Ended March 31,	
	2024	2023
Commission revenue <sup>(1)</sup>	\$ 322,375	\$ 270,861
Profit-sharing revenue <sup>(2)</sup>	20,687	23,162
Consulting and service fee revenue <sup>(3)</sup>	20,133	16,508
Policy fee and installment fee revenue <sup>(4)</sup>	12,608	15,832
Other income <sup>(5)</sup>	2,293	3,160
Investment income <sup>(6)</sup>	2,271	923
Total revenues	<u>\$ 380,367</u>	<u>\$ 330,446</u>

(1) Commission revenue is earned by providing insurance placement services to Clients under direct bill and agency bill arrangements with Insurance Company Partners for private risk management, commercial risk management, wealth management, employee benefits and Medicare insurance types.

(2) Profit-sharing revenue represents bonus-type revenue that is earned by the Company as a sales incentive provided by certain Insurance Company Partners.

(3) Service fee revenue is earned for providing insurance placement services to Clients for a negotiated fee and consulting revenue is earned by providing specialty insurance consulting.

(4) Policy fee revenue represents revenue earned for acting in the capacity of an MGA and fulfilling certain administrative functions on behalf of Insurance Company Partners, including delivery of policy documents, processing payments and other administrative functions. Installment fee revenue represents revenue earned by the Company for providing payment processing services on behalf of Insurance Company Partners related to policy premiums paid on an installment basis.

(5) Other income includes other ancillary income, premium financing income, and marketing income that is based on agreed-upon cost reimbursement for fulfilling specific targeted Medicare marketing campaigns.

(6) Investment income represents interest earnings on available cash invested in treasury money market funds.

The application of Topic 606 requires the use of management judgment. The following are the areas of most significant judgment as it relates to Topic 606:

- The Company considers the policyholders as representative of its customers in the majority of contractual relationships, with the exception of Medicare contracts in its Mainstreet Insurance Solutions Operating Group, where the Insurance Company Partner is considered its customer.

- Medicare contracts in the Mainstreet Insurance Solutions Operating Group are multi-year arrangements in which the Company is entitled to renewal commissions. However, the Company has applied a constraint to renewal commissions that limits revenue recognized when a risk of significant reversals exists based on: (i) historical renewal patterns; and (ii) the influence of external factors outside of the Company's control, including policyholder discretion over plans and Insurance Company Partner relationship, political influence, and a contractual provision, which limits the Company's right to receive renewal commissions to ongoing compliance and regulatory approval of the relevant Insurance Company Partner and compliance with the Centers for Medicare and Medicaid Services.
- The Company recognizes separately contracted commission revenue at the effective date of insurance placement and considers any ongoing interaction with the customer to be insignificant in the context of the obligations of the contract.
- Variable consideration includes estimates of direct bill commissions, reserves for policy cancellations and accruals for profit-sharing income.
- Costs to obtain a contract are deferred and recognized over five years, which represents management's estimate of the average benefit period for new business.
- Due to the relatively short time period between the information gathering phase and binding insurance coverage, the Company has determined that costs to fulfill contracts are not significant. Therefore, costs to fulfill a contract are expensed as incurred.

## 5. Contract Assets and Liabilities

Contract assets arise when the Company recognizes (i) revenue for amounts that have not yet been billed and (ii) receivables for premiums to be collected on behalf of Insurance Company Partners. Contract liabilities relate to payments received in advance of performance under the contract before the transfer of a good or service to the customer. Contract assets are included in premiums, commissions and fees receivable, net and contract liabilities are included in accrued expenses and other current liabilities on the condensed consolidated balance sheets. The balances of contract assets and liabilities arising from contracts with customers were as follows:

(in thousands)	March 31, 2024	December 31, 2023
Contract assets	\$ 415,256	\$ 342,692
Contract liabilities	32,969	30,281

During the three months ended March 31, 2024, the Company recognized revenue of \$23.9 million related to the contract liabilities balance at December 31, 2023.

## 6. Deferred Commission Expense

The Company pays an incremental amount of compensation in the form of producer commissions on new business. In accordance with ASC Topic 340, *Other Assets and Deferred Costs*, these incremental costs are deferred and amortized over five years, which represents management's estimate of the average benefit period for new business. Deferred commission expense represents producer commissions that are capitalized and not yet expensed and are included in other assets on the condensed consolidated balance sheets. The table below provides a rollforward of deferred commission expense:

(in thousands)	For the Three Months Ended March 31,	
	2024	2023
Balance at beginning of period	\$ 26,205	\$ 21,669
Costs capitalized	3,928	3,372
Amortization	(2,115)	(1,597)
Balance at end of period	\$ 28,018	\$ 23,444

## 7. Accrued Expenses and Other Current Liabilities

Accrued expenses and other current liabilities consist of the following:

(in thousands)	March 31, 2024	December 31, 2023
Accrued compensation and benefits	\$ 40,491	\$ 53,728
Contract liabilities	32,969	30,281
Current portion of operating lease liabilities	17,314	16,704
Accrued expenses	12,971	23,274
Current portion of long-term debt	10,243	10,243
Colleague earnout incentives <sup>(1)</sup>	6,629	8,020
Other	11,617	10,704
Accrued expenses and other current liabilities	<u>\$ 132,234</u>	<u>\$ 152,954</u>

(1) Represents the unpaid portion of contingent earnout liabilities that were reclassified, at the Partner's option, to an earnout incentive bonus payable to Colleagues. Refer to the contingent earnout liabilities rollforward in Note 12 for additional information.

## 8. Long-Term Debt

As of March 31, 2024, the JPM Credit Agreement, as amended, provided for senior secured credit facilities in an aggregate principal amount of \$1.62 billion, which consisted of (i) a term loan facility in the principal amount of \$1.02 billion maturing in October 2027 (the "Term Loan B") and (ii) a revolving credit facility with commitments in an aggregate principal amount of \$600.0 million maturing in April 2027 (the "Revolving Facility"). The JPM Credit Agreement is secured by substantially all assets of the Company.

The Term Loan B bears interest at term SOFR plus a credit spread adjustment between 11 bps and 43 bps, based on the term SOFR rate, plus an applicable margin of 350 bps, subject to a term SOFR floor of 50 bps. At March 31, 2024, the outstanding borrowings on the Term Loan B of \$996.2 million had an applicable interest rate of 8.94%. The outstanding borrowings on the Term Loan B are presented net of unamortized debt issuance costs of \$19.0 million on the condensed consolidated balance sheets at March 31, 2024.

Borrowings under the Revolving Facility accrue interest at SOFR plus 210 bps to SOFR plus 310 bps based on total net leverage ratio. The outstanding borrowings on the Revolving Facility of \$334.0 million at March 31, 2024 had an applicable interest rate of 8.50%. The Revolving Facility is also subject to a commitment fee of 0.40% on the unused capacity at March 31, 2024.

The JPM Credit Agreement requires the Company to meet certain financial covenants and comply with customary affirmative and negative covenants as listed in the underlying agreement. The Company was in compliance with these covenants at March 31, 2024.

### Interest Rate Caps

The Company uses interest rate caps to mitigate its exposure to interest rate risk on its debt by limiting the impact of interest rate changes on cash flows. The interest rate caps limit the variability of the applicable base rate to the amount of the cap. The interest rate caps, which are included as a component of other assets on the condensed consolidated balance sheets, are recorded at an aggregate fair value of \$0.2 million and \$2.6 million at March 31, 2024 and December 31, 2023, respectively. The Company recognized a loss on interest rate caps of less than \$0.1 million and \$1.4 million for the three months ended March 31, 2024 and 2023, respectively. The loss on interest rate caps is included as a component of other income (expense), net in the condensed consolidated statements of comprehensive income (loss).

## 9. Related Party Transactions

### Related Party Balances

The Company has \$0.8 million and \$1.5 million due from related parties at March 31, 2024 and December 31, 2023, respectively, which includes amounts due from Partners for post-closing cash requirements in accordance with Partnership agreements. The receivable at December 31, 2023 also includes \$0.8 million for a loan made to Emerald Bay Risk Solutions, LLC (“Emerald Bay”), an entity formed for the benefit of the MGA of the Future business, and with which Baldwin Holdings, Lowry Baldwin, the Company’s Chairman, and members of the Company’s executive management team have made capital commitments. Due from related parties is included in prepaid expenses and other current assets on the condensed consolidated balance sheets.

Baldwin Holdings recorded an investment in Emerald Bay of \$2.4 million during the three months ended March 31, 2024. Investments are included in other assets on the condensed consolidated balance sheets.

Related party notes payable of \$5.7 million and \$1.5 million at March 31, 2024 and December 31, 2023, respectively, relate to the settlement of contingent earnout consideration for certain of the Company’s Partners.

### Commission Revenue

The Company serves as a broker for Holding Company of the Villages, Inc. (“The Villages”), a significant shareholder, and certain affiliated entities. Commission revenue recorded from transactions with The Villages and affiliated entities was \$1.8 million and \$1.5 million for the three months ended March 31, 2024 and 2023, respectively.

The Company serves as a broker for certain entities in which a member of our board of directors has a material interest. Commission revenue recorded from transactions with these entities was \$0.1 million for the three months ended March 31, 2023.

### Commissions Expense

A brother of Lowry Baldwin, the Company’s Chairman, received producer commissions from the Company comprising approximately \$0.1 million during each of the three months ended March 31, 2024 and 2023.

### Rent Expense

The Company has various agreements to lease office space from wholly-owned subsidiaries of The Villages. Total rent expense incurred with respect to The Villages and its wholly-owned subsidiaries was approximately \$0.1 million for each of the three months ended March 31, 2024 and 2023. Total right-of-use assets and operating lease liabilities included on the Company’s condensed consolidated balance sheets relating to these lease agreements were \$1.3 million each at March 31, 2024 and \$1.4 million each at December 31, 2023.

The Company has various agreements to lease office space from other related parties. Total rent expense incurred with respect to other related parties was \$0.9 million and \$1.0 million for the three months ended March 31, 2024 and 2023, respectively. Total right-of-use assets and operating lease liabilities included on the Company’s condensed consolidated balance sheets relating to these lease agreements were \$12.2 million and \$12.7 million, respectively, at March 31, 2024 and \$12.9 million and \$13.4 million, respectively, at December 31, 2023.

## 10. Share-Based Compensation

The Company has an Omnibus Incentive Plan (the “Omnibus Plan”) and a Partnership Inducement Award Plan (the “Inducement Plan” and collectively with the Omnibus Plan, the “Plans”) to motivate and reward Colleagues and certain other individuals to perform at the highest level and contribute significantly to the Company’s success, thereby furthering the best interests of Baldwin’s stockholders. The total number of shares of Class A common stock authorized for issuance under the Omnibus Plan and the Inducement Plan was 10,793,035 and 3,000,000, respectively, at March 31, 2024.

During the three months ended March 31, 2024, the Company made awards of restricted stock awards (“RSAs”), performance-based restricted stock unit awards (“PSUs”), and fully vested shares under the Plans to its non-employee directors, officers, Colleagues and consultants. Fully-vested shares issued to directors, officers and Colleagues during the three months ended March 31, 2024 were vested upon issuance and PSUs issued to officers vest in the quarter following the end of a performance period of three years, while RSAs issued to Colleagues, consultants and officers generally either cliff vest after three to four years or vest ratably over three to five years.

The following table summarizes the activity for awards granted by the Company under the Plans:

	Shares	Weighted-Average Grant-Date Fair Value Per Share
Non-vested awards outstanding at December 31, 2023	3,521,590	\$ 29.22
Granted	587,880	26.32
Vested and settled	(611,960)	27.58
Forfeited	(194,821)	30.51
Non-vested awards outstanding at March 31, 2024	<u>3,302,689</u>	<u>28.92</u>

The total fair value of shares that vested and settled under the Plans was \$16.9 million and \$13.7 million for the three months ended March 31, 2024 and 2023, respectively.

Share-based compensation is recognized ratably over the vesting period of the respective awards and includes expense related to issuances under the Plans. Share-based compensation also includes the portion of annual bonuses that are payable in fully-vested shares of Class A common stock. The Company recognizes share-based compensation expense for the Plans net of actual forfeitures. The Company recorded share-based compensation expense of \$14.1 million and \$13.3 million for the three months ended March 31, 2024 and 2023, respectively. Share-based compensation expense is included in commissions, employee compensation and benefits expense in the condensed consolidated statements of comprehensive income (loss).

## 11. Earnings (Loss) Per Share

Basic earnings (loss) per share is computed by dividing net income (loss) attributable to Baldwin by the weighted-average number of shares of Class A common stock outstanding during the period. Diluted earnings (loss) per share is computed giving effect to all potentially dilutive shares of common stock.

The following table sets forth the computation of basic and diluted earnings (loss) per share:

(in thousands, except per share data)	For the Three Months Ended March 31,	
	2024	2023
Basic earnings (loss) per share:		
Net income (loss) attributable to Baldwin	\$ 21,578	\$ (14,132)
Shares used for basic earnings (loss) per share:		
Weighted-average shares of Class A common stock outstanding - basic	61,856	58,712
Basic earnings (loss) per share	<u>\$ 0.35</u>	<u>\$ (0.24)</u>
Diluted earnings (loss) per share:		
Net income (loss) attributable to Baldwin	\$ 21,578	\$ (14,132)
Shares used for diluted earnings (loss) per share:		
Weighted-average shares of Class A common stock outstanding - basic	61,856	58,712
Dilutive effect of unvested stock awards	3,458	—
Weighted-average shares of Class A common stock outstanding - diluted	65,314	58,712
Diluted earnings (loss) per share	<u>\$ 0.33</u>	<u>\$ (0.24)</u>



Potentially dilutive securities consist of unvested stock awards, including RSAs and PSUs, in addition to shares of Class B common stock, which can be exchanged (together with a corresponding number of LLC Units) for shares of Class A common stock on a one-for-one basis. The following potentially dilutive securities were excluded from the Company's diluted weighted-average number of shares outstanding calculation for the periods presented as their inclusion would have been anti-dilutive.

	For the Three Months Ended March 31,	
	2024	2023
Unvested RSAs and PSUs	—	3,265,880
Shares of Class B common stock	51,993,913	53,670,277

The shares of Class B common stock do not share in the earnings or losses attributable to Baldwin, and therefore, are not participating securities. Accordingly, a separate presentation of basic and diluted earnings (loss) per share of Class B common stock under the two-class method has not been included.

## 12. Fair Value Measurements

ASC Topic 820, *Fair Value Measurement* ("Topic 820") established a framework for measuring fair value. That framework provides a fair value hierarchy that prioritizes the inputs to valuation techniques used to measure fair value. The hierarchy gives the highest priority to unadjusted quoted prices in active markets for identical assets or liabilities (Level 1 measurement) and the lowest priority to unobservable inputs (Level 3 measurement). The three levels of the fair value hierarchy under Topic 820 are described below:

- Level 1: Inputs to the valuation methodology are unadjusted quoted prices for identical assets or liabilities in active markets that the Company has the ability to access.
- Level 2: Inputs to the valuation methodology are quoted market prices for similar instruments in active markets, quoted prices for identical or similar instruments in markets that are not active, and model-based valuation techniques for which all significant assumptions are observable in the market.
- Level 3: Inputs to the valuation methodology are unobservable and significant to the fair value measurement.

The fair value measurement level for assets and liabilities within the fair value hierarchy is based on the lowest level of any input that is significant to the fair value measurement. Valuation techniques used need to maximize the use of observable inputs and minimize the use of unobservable inputs.

### Assets and Liabilities Measured at Fair Value on a Recurring Basis

The following table summarizes the Company's assets and liabilities measured at fair value on a recurring basis within each level of the fair value hierarchy:

(in thousands)	March 31, 2024	December 31, 2023
<b>Level 2</b>		
Interest rate caps	\$ 236	\$ 2,562
Level 2 Assets	<u>\$ 236</u>	<u>\$ 2,562</u>
<b>Level 3</b>		
Contingent earnout liabilities	\$ 235,865	\$ 276,467
Level 3 Liabilities	<u>\$ 235,865</u>	<u>\$ 276,467</u>

The fair value of interest rate caps is determined using the market standard methodology of discounting the future expected cash receipts that would occur if variable interest rates rise above the strike rate of the caps. The variable interest rates used in the calculation of projected receipts on the caps are based on an expectation of future interest rates derived from observable market interest rate curves and volatilities.

Methodologies used for liabilities measured at fair value on a recurring basis within Level 3 of the fair value hierarchy at March 31, 2024 and December 31, 2023 are based on limited unobservable inputs. These methods may produce a fair value calculation that may not be indicative of the net realizable value or reflective of future fair values. Furthermore, while the Company believes its valuation methods are appropriate and consistent with other market participants, the use of methodologies or assumptions to determine the fair value of certain financial instruments could result in a different fair value measurement at the reporting date.

The fair value of contingent earnout liabilities is based on sales projections for the acquired entities, which are reassessed each reporting period. Based on the Company's ongoing assessment of the fair value of its contingent earnout liabilities, the Company recorded a net increase in the estimated fair value of such liabilities of \$12.7 million for the three months ended March 31, 2024. The Company has assessed the maximum estimated exposure to the contingent earnout liabilities to be \$547.7 million at March 31, 2024.

The Company measures contingent earnout liabilities at fair value each reporting period using significant unobservable inputs classified within Level 3 of the fair value hierarchy. The Company uses a probability weighted value analysis as a valuation technique to convert future estimated cash flows to a single present value amount. The significant unobservable inputs used in the fair value measurements are sales projections over the earnout period, and the probability outcome percentages assigned to each scenario. Significant increases or decreases to either of these inputs would result in a significantly higher or lower liability with a higher liability capped by the contractual maximum of the contingent earnout liabilities. Ultimately, the liability will be equivalent to the amount settled, and the difference between the fair value estimate and amount settled will be recorded in earnings for business combinations, or as a change in the cost of the assets acquired for asset acquisitions.

The fair value of the contingent earnout liabilities is based on Monte Carlo simulations that measure the present value of the expected future payments to be made to Partners in accordance with the provisions outlined in the respective purchase agreements, which is a Level 3 fair value measurement. In determining fair value, the Company estimates the Partner's future performance using financial projections developed by management for the Partner and market participant assumptions that were derived for revenue growth, the number of rental units tracked or the insured value of sourced homeowners insurance. Revenue growth rates generally ranged from 9% to 25% at March 31, 2024 and from 10% to 35% at December 31, 2023. The Company estimates future payments using the earnout formula and performance targets specified in each purchase agreement and these financial projections. These payments are discounted to present value using a risk-adjusted rate that takes into consideration market-based rates of return that reflect the ability of the Partner to achieve the targets. These discount rates generally ranged from 10.00% to 12.25% at March 31, 2024 and from 7.50% to 13.75% at December 31, 2023. Changes in financial projections, market participant assumptions for revenue growth, or the risk-adjusted discount rate, would result in a change in the fair value of contingent consideration.

The following table sets forth a summary of the changes in the fair value of the Company's contingent earnout liabilities, which are measured at fair value on a recurring basis utilizing Level 3 assumptions in their valuation:

(in thousands)	For the Three Months Ended March 31,	
	2024	2023
Balance at beginning of period	\$ 276,467	\$ 266,936
Change in fair value of contingent consideration <sup>(1)</sup>	12,676	24,758
Settlement of contingent consideration <sup>(2)</sup>	(53,278)	(5,537)
Balance at end of period	\$ 235,865	\$ 286,157

(1) The Company reclassified \$3.6 million of its contingent earnout liabilities through the issuance of an earnout incentive bonus payable to Colleagues during the three months ended March 31, 2024, which results in a reduction to the change in fair value of contingent consideration and an increase to commissions, employee compensation and benefits expense in the condensed consolidated statements of comprehensive income (loss). The earnout incentive bonus that remains unpaid at the end of the period is reflected as Colleague earnout incentives in Note 7.

(2) The Company settled \$5.6 million of its contingent earnout liabilities through the issuance of related party notes payable during the three months ended March 31, 2024. \$1.5 million of contingent earnout liabilities settled through the issuance of related party notes payable in a prior period was included in payments of contingent earnout consideration in the condensed consolidated statements of cash flows for the three months ended March 31, 2024 when the related party notes payable were paid.

### Fair Value of Other Financial Instruments

The fair value of long-term debt and the revolving line of credit is based on an estimate using a discounted cash flow analysis and current borrowing rates for similar types of borrowing arrangements. The carrying amount and estimated fair value of long-term debt and the revolving line of credit were as follows:

(in thousands)	Fair Value Hierarchy	March 31, 2024		December 31, 2023	
		Carrying Amount	Estimated Fair Value	Carrying Amount	Estimated Fair Value
Long-term debt <sup>(1)</sup>	Level 2	\$ 996,177	\$ 993,687	\$ 998,737	\$ 997,489
Revolving line of credit	Level 2	334,000	328,939	341,000	335,963

(1) The carrying amount of long-term debt reflects outstanding borrowings on the Term Loan B, which are presented net of unamortized debt issuance costs of \$19.0 million and \$20.3 million at March 31, 2024 and December 31, 2023, respectively, on the condensed consolidated balance sheets.

### 13. Commitments and Contingencies

As of March 31, 2024, Baldwin Holdings has a remaining commitment to the University of South Florida (“USF”) to donate \$4.2 million through October 2028. The gift will provide support for the School of Risk Management and Insurance in the USF Muma College of Business. It is currently anticipated that Lowry Baldwin, the Company’s Chairman, will fund half of the amounts to be donated by Baldwin Holdings.

The Company is involved in various claims and legal actions arising in the ordinary course of business. A liability is recorded when a loss is considered probable and is reasonably estimable in accordance with GAAP. In the opinion of management, the ultimate resolution of these matters will not have a material adverse effect on the Company’s consolidated financial position, results of operations or liquidity.

### 14. Segment Information

Effective January 1, 2024, the Company’s FounderShield Partner moved from the Underwriting, Capacity & Technology Solutions Operating Group to the Insurance Advisory Solutions Operating Group. Prior year segment reporting information within this note has been recast to conform to the current organizational structure.

Baldwin’s business is divided into three Operating Groups: Insurance Advisory Solutions, Underwriting, Capacity & Technology Solutions and Mainstreet Insurance Solutions.

- The Insurance Advisory Solutions (“IAS”) Operating Group provides expertly-designed commercial risk management, employee benefits and private risk management solutions for businesses and high-net-worth individuals, as well as their families, through our national footprint which has assimilated some of the highest quality independent insurance brokers in the country with vast and varied strategic capabilities and expertise.
- The Underwriting, Capacity & Technology Solutions (“UCTS”) Operating Group consists of two distinct businesses—our MGA of the Future platform and our newly launched reinsurance brokerage business, Juniper Re. Through its MGA of the Future platform, the Company manufactures proprietary, technology-enabled insurance products that are then distributed (in many instances via technology and/or API integrations) internally via Risk Advisors across its other Operating Groups and externally via select distribution partners, with a focus on sheltered channels where our products deliver speed, ease of use and certainty of execution, an example of which is the national embedded renters insurance product sold at point of lease via integrations with property management software providers. UCTS’ Wholesale Business was sold in the first quarter of 2024 and its operations are included in our results through February 29, 2024.
- The Mainstreet Insurance Solutions (“MIS”) Operating Group offers personal insurance, commercial insurance and life and health solutions to individuals and businesses in their communities, with a focus on accessing Clients via sheltered distribution channels, which include, but are not limited to, new home builders, realtors, mortgage originators/lenders, master planned communities, and various other community centers of influence. The MIS Operating Group also offers consultation for government assistance programs and solutions, including traditional Medicare, Medicare Advantage and Affordable Care Act, to seniors and eligible individuals through a network of primarily independent contractor agents.

In all its Operating Groups, the Company generates commissions from insurance placement under both agency bill and direct bill arrangements, and profit-sharing income based on either the underlying book of business or performance, such as loss ratios. All Operating Groups also generate other ancillary income and premium financing income.

In the IAS and UCTS Operating Groups, the Company generates fees from service fee and consulting arrangements. Service fee arrangements are in place with certain Clients for providing insurance placement services.

In the UCTS Operating Group, the Company generates fees from policy fee and installment fee arrangements. Policy fee revenue is earned for acting in the capacity of an MGA and providing payment processing services and other administrative functions on behalf of Insurance Company Partners.

In the MIS Operating Group, the Company generates commissions and fees from marketing income, which is earned through co-branded Medicare marketing campaigns with the Company's Insurance Company Partners.

In addition, the Company generates investment income in the IAS and UCTS Operating Groups and the Corporate and Other non-reportable segment ("Corporate and Other").

The Company's chief operating decision maker, the chief executive officer, uses net income (loss) and net income (loss) before interest, taxes, depreciation, amortization, and one-time transactional-related expenses or non-recurring items to manage resources and make decisions about the business.

Summarized financial information regarding the Company's Operating Groups is shown in the following tables. Corporate and Other includes any expenses not allocated to the Operating Groups and corporate-related items, including interest expense. Intersegment revenue and expenses are eliminated through Corporate and Other. Service center expenses and other overhead are allocated to the Company's Operating Groups based on either revenue or headcount as applicable to each expense.

	For the Three Months Ended March 31, 2024				
(in thousands)	Insurance Advisory Solutions	Underwriting, Capacity & Technology Solutions	Mainstreet Insurance Solutions	Corporate and Other	Total
Revenues <sup>(1)</sup>	\$ 222,345	\$ 103,897	\$ 71,700	\$ (17,575)	\$ 380,367
Net income (loss)	37,460	39,781	12,843	(50,984)	39,100

	For the Three Months Ended March 31, 2023				
(in thousands)	Insurance Advisory Solutions	Underwriting, Capacity & Technology Solutions	Mainstreet Insurance Solutions	Corporate and Other	Total
Revenues <sup>(2)</sup>	\$ 199,292	\$ 86,490	\$ 58,140	\$ (13,476)	\$ 330,446
Net income (loss)	23,493	2,408	7,834	(59,589)	(25,854)

(1) During the three months ended March 31, 2024, the UCTS Operating Group recorded intercompany commissions and fees of \$17.0 million; and the MIS Operating Group recorded intercompany commissions and fees of \$0.7 million. Intercompany commissions and fees are eliminated through Corporate and Other.

(2) During the three months ended March 31, 2023, the IAS Operating Group recorded intercompany commissions and fees of \$0.4 million; the UCTS Operating Group recorded intercompany commissions and fees of \$12.6 million; and the MIS Operating Group recorded intercompany commissions and fees of \$0.9 million. Intercompany commissions and fees are eliminated through Corporate and Other.

(in thousands)	Insurance Advisory Solutions	Underwriting, Capacity & Technology Solutions	Mainstreet Insurance Solutions	Corporate and Other	Total
Total assets at March 31, 2024	\$ 2,352,168	\$ 599,234	\$ 515,590	\$ 43,001	\$ 3,509,993
Total assets at December 31, 2023	2,292,729	646,404	518,593	44,211	3,501,937

## **15. Subsequent Events**

During April 2024, the Company made aggregate payments of \$25.0 million to settle a contingent earnout liability with one of its Partners, inclusive of amounts reclassified to Colleague earnout incentives. The contingent earnout liability is included in current portion of contingent earnout liabilities and the Colleague earnout incentive is included in accrued expenses and other current liabilities on the condensed consolidated balance sheets at March 31, 2024.

## ITEM 2. MANAGEMENT’S DISCUSSION AND ANALYSIS OF FINANCIAL CONDITION AND RESULTS OF OPERATIONS

The following discussion and analysis of our financial condition and results of operations should be read in conjunction with our consolidated financial statements and the related notes and other financial information included elsewhere in this Quarterly Report on Form 10-Q and in our Annual Report on Form 10-K for the year ended December 31, 2023 filed with the SEC on February 28, 2024. In addition to historical consolidated financial information, the following discussion contains forward-looking statements that reflect our plans, estimates, and beliefs. Our actual results may differ materially from those discussed in the forward-looking statements as a result of various factors, including those set forth in Part I, Item 1A. Risk Factors in our Annual Report on Form 10-K for the year ended December 31, 2023.

### THE COMPANY

The Baldwin Insurance Group, Inc. (formerly BRP Group, Inc.) (“Baldwin,” the “Company,” “we,” “us” or “our”) is an independent insurance distribution firm providing indispensable expertise and insights that strive to give our Clients the confidence to pursue their purpose, passion and dreams. As a team of dedicated entrepreneurs and insurance professionals, we have come together to help protect the possible for our Clients. We do this by delivering bespoke Client solutions, services, and innovation through our comprehensive and tailored approach to risk management, insurance, and employee benefits. We support our Clients, Colleagues, Insurance Company Partners and communities through the deployment of vanguard resources and capital to drive our organic and inorganic growth. When we consistently execute for these key stakeholders, we believe that the outcome is an increase in value for our fifth stakeholder, our stockholders. We are innovating the industry by taking a holistic and tailored approach to risk management, insurance and employee benefits. Our growth plan includes continuing to recruit, train and develop industry leading talent, continuing to add geographic representation, insurance product expertise and end-client industry expertise via our Partnership strategy, and continuing to build out our MGA of the Future platform, which delivers proprietary, technology-enabled insurance solutions to our internal Risk Advisors as well as to a growing channel of external distribution partners. We are a destination employer supported by an award-winning culture, powered by exceptional people and fueled by industry-leading growth and innovation.

We represent over two million Clients across the United States and internationally. Our nearly 4,000 Colleagues include approximately 700 Risk Advisors, who are fiercely independent, relentlessly competitive and “insurance geeks.” We have approximately 110 offices in 22 states, all of which are equipped to provide diversified products and services to empower our Clients at every stage through our three Operating Groups.

- **Insurance Advisory Solutions** provides expertly-designed commercial risk management, employee benefits and private risk management solutions for businesses and high-net-worth individuals, as well as their families. Risk management solutions typically involve the sale of a wide variety of both commercial and personal lines insurance products that mitigate risks for firms and individuals. Employee benefits solutions can include health plans, dental plans, and retirement accounts for firms and their employees. We are privileged to have partnered with some of the highest quality independent insurance brokers across the country with vast and varied strategic capabilities and expertise. We have been intentional in recognizing and elevating this talent across the organization to build world class industry-focused practice groups and product Centers of Excellence that can be leveraged by the entire firm.
- **Underwriting, Capacity & Technology Solutions** consists of two distinct businesses—our MGA of the Future platform and our newly launched reinsurance brokerage business, Juniper Re. Through our MGA of the Future platform, we manufacture proprietary, technology-enabled insurance products that are then distributed (in many instances via technology and/or API integrations) internally via our Risk Advisors across our other Operating Groups and externally via select distribution partners, with a focus on sheltered channels where our products deliver speed, ease of use and certainty of execution, an example of which is the national embedded renters insurance product sold at point of lease via integrations with property management software providers. As a prominent growth driver for the Company, we have invested heavily in the expansion of our MGA of the Future product suite, which is now comprised of more than 12 products across both commercial and personal lines, including new product launches in 2023 (high-net-worth homeowners, flood and commercial property products). UCTS’ Wholesale Business was sold in the first quarter of 2024 and its operations are included in our results through the end of February 2024.

- **Mainstreet Insurance Solutions** offers personal insurance, commercial insurance and life and health solutions to individuals and businesses in their communities, with a focus on accessing Clients via sheltered distribution channels, which include, but are not limited to, new home builders, realtors, mortgage originators/lenders, master planned communities, and various other community centers of influence. We have invested deeply in talent, technology and capabilities across MIS, including in Westwood's homeowners solutions that are embedded in many of the top home builders in the U.S., the national expansion of our distribution footprint through our National Mortgage and Real Estate Center, and enhanced digital capabilities focused on improving the Advisor and Client experience. Mainstreet Insurance Solutions also offers consultation for government assistance programs and solutions, including traditional Medicare, Medicare Advantage and Affordable Care Act, to seniors and eligible individuals through a network of primarily independent contractor agents.

In 2011, we adopted the “Azimuth” as our corporate and cultural constitution. Named after a historical navigation tool used to find “true north,” the Azimuth asserts our core values, business basics and stakeholder promises. The ideals encompassed by the Azimuth support our mission to deliver indispensable, tailored insurance and risk management insights and solutions to our Clients. We strive to be regarded as the preeminent insurance advisory firm—fueled by relationships, powered by people and exemplified by client adoption and loyalty. This type of environment is upheld by the distinct vernacular we use to describe our services and culture. We are a Firm, instead of an agency; we have Colleagues, instead of employees; and we have Risk Advisors, instead of producers/agents. We serve Clients instead of customers and we refer to our strategic acquisitions as Partnerships. We refer to insurance brokerages that we have acquired, or in the case of asset acquisitions, the producers, as Partners.

### **Seasonality**

The insurance brokerage market is seasonal and our results of operations are somewhat affected by seasonal trends. Our adjusted EBITDA and adjusted EBITDA margins are typically highest in the first quarter and lowest in the fourth quarter. This variation is primarily due to fluctuations in our revenues, while overhead remains consistent throughout the year. Our revenues are generally highest in the first quarter due to a higher degree of first quarter policy commencements and renewals in certain Insurance Advisory Solutions and Mainstreet Insurance Solutions lines of business such as employee benefits, commercial and Medicare. In addition, a higher proportion of our first quarter revenue is derived from our highest margin businesses.

### **RESULTS OF OPERATIONS FOR THE THREE MONTHS ENDED MARCH 31, 2024 AND 2023**

The following discussion and analysis of our financial condition and results of operations should be read in conjunction with our condensed consolidated financial statements for the three months ended March 31, 2024 and the related notes and other financial information included elsewhere in this report.

In addition to historical financial information, the following discussion and analysis contains forward-looking statements that involve risks, uncertainties and assumptions. Our actual results and timing of selected events may differ materially from those anticipated in these forward-looking statements as a result of many factors, including those discussed under Part I, Item 1A. Risk Factors in our Annual Report on Form 10-K for the year ended December 31, 2023.

The following is a discussion of our consolidated results of operations for the three months ended March 31, 2024 and 2023.

(in thousands)	For the Three Months Ended March 31,		Variance
	2024	2023	
<b>Revenues:</b>			
Commissions and fees	\$ 378,096	\$ 329,523	\$ 48,573
Investment income	2,271	923	1,348
Total revenues	380,367	330,446	49,921
<b>Operating expenses:</b>			
Commissions, employee compensation and benefits	262,092	230,954	31,138
Other operating expenses	45,795	46,604	(809)
Amortization expense	24,041	23,163	878
Change in fair value of contingent consideration	12,676	24,758	(12,082)
Depreciation expense	1,505	1,348	157
Total operating expenses	346,109	326,827	19,282
Operating income	34,258	3,619	30,639
<b>Other income (expense):</b>			
Interest expense, net	(31,545)	(27,884)	(3,661)
Gain on divestitures	36,516	—	36,516
Other income (expense), net	538	(1,511)	2,049
Total other income (expense), net	5,509	(29,395)	34,904
Income (loss) before income taxes	39,767	(25,776)	65,543
Income tax expense	667	78	589
Net income (loss)	39,100	(25,854)	64,954
Less: net income (loss) attributable to noncontrolling interests	17,522	(11,722)	29,244
Net income (loss) attributable to Baldwin	<u>\$ 21,578</u>	<u>\$ (14,132)</u>	<u>\$ 35,710</u>

### Commissions and Fees

We earn commissions and fees by facilitating the arrangement between Insurance Company Partners and Clients for the carrier to provide insurance to the insured party. Our commissions are usually a percentage of the premium paid by the insured and generally depend on the type of insurance, the particular Insurance Company Partner and the nature of the services provided. Under certain arrangements with Clients, we earn pre-negotiated service fees for insurance placement services. Additionally, we earn policy fees for acting in the capacity of an MGA and fulfilling certain administrative functions on behalf of Insurance Company Partners, including delivery of policy documents, processing payments and other administrative functions. We may also receive profit-sharing commissions, which represent forms of variable consideration paid by Insurance Company Partners associated with the placement of coverage. Profit-sharing commissions are generally based primarily on underwriting results, but may also contain considerations for volume, growth or retention. Other revenue streams include other ancillary income, premium financing income, and marketing income based on negotiated cost reimbursement for fulling specific targeted Medicare marketing campaigns.

Commissions and fees increased \$48.6 million, or 15%, year over year to \$378.1 million driven by organic growth in core commissions and fees of \$53.8 million related to new and renewal business across Client industry sectors and continued outperformance from our MGA of the Future platform, partially offset by a reduction in profit-sharing and other revenue of \$2.7 million, driven by timing differences and historically strong underwriting performance in the prior year period, and foregone commissions and fees of \$2.5 million derived from our Wholesale Business in March 2023 and for which there were no comparable revenues earned in March 2024.



## **Investment Income**

Investment income is earned by investing assets held in trust. Investment income increased \$1.3 million year over year due to improvements in our cash management strategy and growing yield on our invested cash.

## **Commissions, Employee Compensation and Benefits**

Commissions, employee compensation and benefits is our largest expense. It consists of (i) base compensation comprising salary, bonuses and benefits paid and payable to Colleagues, commissions paid to Colleagues and outside commissions paid to others; and (ii) equity-based compensation associated with the grants of restricted and unrestricted stock awards to senior management, Colleagues, Risk Advisors and directors. We expect to continue to experience a general rise in commissions, employee compensation and benefits expense commensurate with expected revenue growth as our compensation arrangements with our Colleagues and Risk Advisors contain significant bonus or commission components driven by the results of our operations. In addition, we operate in competitive markets for human capital and need to maintain competitive compensation levels as we expand geographically and create new products and services.

Commissions, employee compensation and benefits expenses increased \$31.1 million, or 13%, year over year as a result of increases in outside commissions and Colleague compensation and benefits. Outside commissions increased \$15.5 million, or 34%, in line with growth in core commissions and fees. Colleague compensation and benefits increased \$10.6 million, or 6%, from supporting the growth of our business. Notably, we are beginning to see operating leverage in our fixed salary expense, which we expect to continue over the next several quarters. Commissions, employee compensation and benefits expense also increased \$3.6 million related to contingent earnout liabilities that were reclassified, at the Partner's option, to an earnout incentive bonus that will be paid out to Colleagues.

## **Other Operating Expenses**

Other operating expenses include travel, accounting, legal and other professional fees, placement fees, rent, office expenses and other costs associated with our operations. Our occupancy-related costs and professional services expenses, in particular, generally increase or decrease in relative proportion to the number of our Colleagues and the overall size and scale of our business operations.

Other operating expenses decreased \$0.8 million year over year, due in part to certain cost saving measures we have implemented, including the renegotiation of vendor contracts, and post Partnership integration operational efficiencies gained. The decrease in other operating expenses was driven by lower infrastructure-related costs of \$2.7 million and professional fees of \$1.1 million, partially offset by higher E&O claims and settlements expense of \$1.4 million and payment processing fees for our MGA business of \$1.3 million.

## **Change in Fair Value of Contingent Consideration**

Change in fair value of contingent consideration was a \$12.7 million loss for the three months ended March 31, 2024 as compared to a \$24.8 million loss for the same period of 2023. The fair value loss related to contingent consideration for 2024 was impacted by positive changes in revenue growth trends of certain partners and accretion of the contingent earnout obligations approaching their respective measurement dates.

## **Interest Expense, Net**

Interest expense, net, increased \$3.7 million year over year resulting from the higher interest rate environment. We expect interest expense to remain relatively flat or increase slightly in the near-term.

## **Gain on Divestitures**

Gain on divestitures are the result of a \$36.4 million gain recorded in connection with the sale of our Wholesale Business during the first quarter of 2024.

## NON-GAAP FINANCIAL MEASURES

Adjusted EBITDA, adjusted EBITDA margin, organic revenue, organic revenue growth, adjusted net income and adjusted diluted earnings per share (“EPS”), are not measures of financial performance under GAAP and should not be considered substitutes for GAAP measures, including commissions and fees (for organic revenue and organic revenue growth), net income (loss) (for adjusted EBITDA and adjusted EBITDA margin), net income (loss) attributable to Baldwin (for adjusted net income) or diluted earnings (loss) per share (for adjusted diluted EPS), which we consider to be the most directly comparable GAAP measures. These non-GAAP financial measures have limitations as analytical tools, and when assessing our operating performance, you should not consider these non-GAAP financial measures in isolation or as substitutes for commissions and fees, net income (loss), net income (loss) attributable to Baldwin, diluted earnings (loss) per share or other consolidated income statement data prepared in accordance with GAAP. Other companies in our industry may define or calculate these non-GAAP financial measures differently than we do, and accordingly, these measures may not be comparable to similarly titled measures used by other companies.

We define adjusted EBITDA as net income (loss) before interest, taxes, depreciation, amortization, change in fair value of contingent consideration and certain items of income and expense, including share-based compensation expense, transaction-related Partnership and integration expenses, severance, and certain non-recurring items, including those related to raising capital. We believe that adjusted EBITDA is an appropriate measure of operating performance because it eliminates the impact of income and expenses that do not relate to business performance, and that the presentation of this measure enhances an investor’s understanding of our financial performance.

Adjusted EBITDA margin is adjusted EBITDA divided by total revenue. Adjusted EBITDA margin is a key metric used by management and our board of directors to assess our financial performance. We believe that adjusted EBITDA margin is an appropriate measure of operating performance because it eliminates the impact of income and expenses that do not relate to business performance, and that the presentation of this measure enhances an investor’s understanding of our financial performance. We believe that adjusted EBITDA margin is helpful in measuring profitability of operations on a consolidated level.

Adjusted EBITDA and adjusted EBITDA margin have important limitations as analytical tools. For example, adjusted EBITDA and adjusted EBITDA margin:

- do not reflect any cash capital expenditure requirements for the assets being depreciated and amortized that may have to be replaced in the future;
- do not reflect changes in, or cash requirements for, our working capital needs;
- do not reflect the impact of certain cash charges resulting from matters we consider not to be indicative of our ongoing operations;
- do not reflect the interest expense or the cash requirements necessary to service interest or principal payments on our debt;
- do not reflect share-based compensation expense and other non-cash charges; and
- exclude certain tax payments that may represent a reduction in cash available to us.

We calculate organic revenue based on commissions and fees for the relevant period by excluding (i) the first twelve months of commissions and fees generated from new Partners and (ii) commissions and fees from divestitures. Organic revenue growth is the change in organic revenue period-to-period, with prior period results adjusted to (i) include commissions and fees that were excluded from organic revenue in the prior period because the relevant Partners had not yet reached the twelve-month owned mark, but which have reached the twelve-month owned mark in the current period, and (ii) exclude commissions and fees related to divestitures from organic revenue. For example, commissions and fees from a Partner acquired on June 1, 2023 are excluded from organic revenue for 2023. However, after June 1, 2024, results from June 1, 2023 to December 31, 2023 for such Partners are compared to results from June 1, 2024 to December 31, 2024 for purposes of calculating organic revenue growth in 2024. Organic revenue growth is a key metric used by management and our board of directors to assess our financial performance. We believe that organic revenue and organic revenue growth are appropriate measures of operating performance as they allow investors to measure, analyze and compare growth in a meaningful and consistent manner.

We define adjusted net income as net income (loss) attributable to Baldwin adjusted for depreciation, amortization, change in fair value of contingent consideration and certain items of income and expense, including share-based compensation expense, transaction-related Partnership and integration expenses, severance, and certain non-recurring costs that, in the opinion of management, significantly affect the period-over-period assessment of operating results, and the related tax effect of those adjustments. We believe that adjusted net income is an appropriate measure of operating performance because it eliminates the impact of income and expenses that do not relate to business performance.

Adjusted diluted EPS measures our per share earnings excluding certain expenses as discussed above for adjusted net income and assuming all shares of Class B common stock were exchanged for Class A common stock on a one-for-one basis. Adjusted diluted EPS is calculated as adjusted net income divided by adjusted diluted weighted-average shares outstanding. We believe adjusted diluted EPS is useful to investors because it enables them to better evaluate per share operating performance across reporting periods.

### Adjusted EBITDA and Adjusted EBITDA Margin

The following table reconciles adjusted EBITDA and adjusted EBITDA margin to net income (loss), which we consider to be the most directly comparable GAAP financial measure:

(in thousands, except percentages)	For the Three Months Ended March 31,	
	2024	2023
Revenues	\$ 380,367	\$ 330,446
Net income (loss)	\$ 39,100	\$ (25,854)
Adjustments to net income (loss):		
Gain on divestitures	(36,516)	—
Interest expense, net	31,545	27,884
Amortization expense	24,041	23,163
Share-based compensation	14,094	13,281
Change in fair value of contingent consideration	12,676	24,758
Transaction-related Partnership and integration expenses	4,904	5,432
Colleague earnout incentives	3,583	—
Severance	1,689	167
Depreciation expense	1,505	1,348
Income and other taxes	1,501	78
Loss on interest rate caps	26	1,407
Other <sup>(1)</sup>	3,538	7,342
Adjusted EBITDA	\$ 101,686	\$ 79,006
Adjusted EBITDA margin	27 %	24 %

(1) Other addbacks to adjusted EBITDA include certain expenses that are considered to be non-recurring or non-operational, including certain recruiting costs, professional fees, litigation costs and bonuses.

## Organic Revenue and Organic Revenue Growth

The following table reconciles organic revenue and organic revenue growth to commissions and fees, which we consider to be the most directly comparable GAAP financial measure:

(in thousands, except percentages)	For the Three Months Ended March 31,	
	2024	2023
Commissions and fees	\$ 378,096	\$ 329,523
Partnership commissions and fees <sup>(1)</sup>	—	(30,871)
Organic revenue	\$ 378,096	\$ 298,652
Organic revenue growth <sup>(2)</sup>	\$ 51,051	\$ 55,804
Organic revenue growth % <sup>(2)</sup>	16 %	23 %

(1) Includes the first twelve months of such commissions and fees generated from newly acquired Partners.

(2) Organic revenue for the three months ended March 31, 2023 used to calculate organic revenue growth for the three months ended March 31, 2024 was \$327.0 million, which is adjusted to exclude commissions and fees from divestitures.

## Adjusted Net Income and Adjusted Diluted EPS

The following table reconciles adjusted net income to net income (loss) attributable to Baldwin and reconciles adjusted diluted EPS to diluted earnings (loss) per share, which we consider to be the most directly comparable GAAP financial measures:

(in thousands, except per share data)	For the Three Months Ended March 31,	
	2024	2023
Net income (loss) attributable to Baldwin	\$ 21,578	\$ (14,132)
Net income (loss) attributable to noncontrolling interests	17,522	(11,722)
Gain on divestitures	(36,516)	—
Amortization expense	24,041	23,163
Share-based compensation	14,094	13,281
Change in fair value of contingent consideration	12,676	24,758
Transaction-related Partnership and integration expenses	4,904	5,432
Colleague earnout incentives	3,583	—
Loss on interest rate caps, net of cash settlements	2,326	3,682
Severance	1,689	167
Amortization of deferred financing costs	1,552	1,239
Depreciation	1,505	1,348
Other <sup>(1)</sup>	3,538	7,342
Adjusted pre-tax income	72,492	54,558
Adjusted income taxes <sup>(2)</sup>	7,177	5,401
Adjusted net income	\$ 65,315	\$ 49,157
Weighted-average shares of Class A common stock outstanding - diluted	65,314	58,712
Dilutive weighted-average shares of Class A common stock	—	3,603
Exchange of Class B common stock <sup>(3)</sup>	51,994	54,094
Adjusted diluted weighted-average shares outstanding	117,308	116,409
Adjusted diluted EPS	\$ 0.56	\$ 0.42
Diluted earnings (loss) per share	\$ 0.33	\$ (0.24)
Effect of exchange of Class B common stock and net income (loss) attributable to noncontrolling interests per share	—	0.02
Other adjustments to earnings (loss) per share	0.29	0.69
Adjusted income taxes per share	(0.06)	(0.05)
Adjusted diluted EPS	\$ 0.56	\$ 0.42

(1) Other addbacks to adjusted net income include certain expenses that are considered to be non-recurring or non-operational, including certain recruiting costs, professional fees, litigation costs and bonuses.

(2) Represents corporate income taxes at an assumed effective tax rate of 9.9% applied to adjusted pre-tax income.

(3) Assumes the full exchange of Class B common stock for Class A common stock pursuant to the Amended LLC Agreement.

## INSURANCE ADVISORY SOLUTIONS OPERATING GROUP RESULTS

The Insurance Advisory Solutions Operating Group (“IAS”) provides expertly-designed commercial risk management, employee benefits and private risk management solutions for businesses and high-net-worth individuals, as well as their families, through our national footprint, which has assimilated some of the highest quality independent insurance brokers in the country with vast and varied strategic capabilities and expertise.

Effective January 1, 2024, our FounderShield Partner moved from the Underwriting, Capacity & Technology Solutions Operating Group to IAS. Prior year results of operations for IAS below have been recast to conform to the current organizational structure.

(in thousands, except percentages)	For the Three Months Ended March 31,		Variance	
	2024	2023	Amount	%
<b>Revenues:</b>				
Commissions and fees	\$ 221,080	\$ 198,913	\$ 22,167	11 %
Investment income	1,265	379	886	n/m
Total revenues	222,345	199,292	23,053	12 %
<b>Operating expenses:</b>				
Commissions, employee compensation and benefits	142,465	123,773	18,692	15 %
Other operating expenses	19,924	20,818	(894)	(4)%
Amortization expense	13,698	13,454	244	2 %
Change in fair value of contingent consideration	10,089	17,373	(7,284)	(42)%
Depreciation expense	367	382	(15)	(4)%
Total operating expenses	186,543	175,800	10,743	6 %
Operating income	35,802	23,492	12,310	52 %
Total other income	1,658	26	1,632	n/m
Income before income taxes	\$ 37,460	\$ 23,518	\$ 13,942	59 %

n/m not meaningful

### Commissions and Fees

IAS generates commissions for placing insurance policies on behalf of its Insurance Company Partners. IAS generates profit-sharing income based on either the underlying book of business or performance, such as loss ratios. IAS also generates fees from consulting and service fee arrangements, which are in place with certain Clients for a negotiated fee.

IAS commissions and fees increased \$22.2 million, or 11%, year over year to \$221.1 million. Growth in our core commissions and fees was driven by 17% sales velocity (new business as a percentage of prior year commissions and fees) and resultant net new business across Client industry sectors, as well as by growth arising from rate and exposure of 3.5%. Additionally, difficulties previously experienced in the construction industry, which caused a slowdown in job starts during 2023, have normalized in 2024.

### Investment Income

IAS investment income increased \$0.9 million year over year due to improvements in our cash management strategy and growing yield on our invested cash.

### Commissions, Employee Compensation and Benefits

Commissions, employee compensation and benefits expense for IAS increased \$18.7 million, or 15%, year over year, primarily as a result of colleague compensation and benefits, which increased \$13.4 million, or 11%, in line with the growth in IAS’ commissions and fees. IAS commissions, employee compensation and benefits expense for 2024 also included \$3.6 million related to contingent earnout liabilities that were reclassified, at the Partner's option, to an earnout incentive bonus payable to Colleagues.

## Other Operating Expenses,

Other operating expenses for IAS decreased \$0.9 million year over year, due in part to certain cost saving measures we have implemented, including the renegotiation of vendor contracts, and post Partnership integration operational efficiencies gained, offset in part by higher costs incurred to support the growth in IAS.

## Change in Fair Value of Contingent Consideration

Change in fair value of contingent consideration for IAS was a \$10.1 million loss for the three months ended March 31, 2024 as compared to a \$17.4 million loss for the same period of 2023. The fair value loss related to contingent consideration for 2024 was impacted by positive changes in revenue growth trends of certain Partners and accretion of the contingent earnout obligations approaching their respective measurement dates.

## UNDERWRITING, CAPACITY & TECHNOLOGY SOLUTIONS OPERATING GROUP RESULTS

The Underwriting, Capacity & Technology Solutions Operating Group (“UCTS”) consists of two distinct businesses—our MGA of the Future platform and our newly launched reinsurance brokerage business, Juniper Re. Through our MGA of the Future platform, we manufacture proprietary, technology-enabled insurance products with a focus on sheltered channels where our products deliver speed, ease of use and certainty of execution, an example of which is our national embedded renters insurance product sold at point of lease via integrations with property management software providers. Our MGA of the Future product suite is now comprised of more than 12 products across personal, commercial and specialty lines. UCTS’ Wholesale Business was sold in the first quarter of 2024 and its operations are included in our results through February 29, 2024.

Effective January 1, 2024, our FounderShield Partner moved from UCTS to IAS. Prior year results of operations for UCTS below have been recast to conform to the current organizational structure.

(in thousands, except percentages)	For the Three Months Ended March 31,		Variance	
	2024	2023	Amount	%
Revenues:				
Commissions and fees	\$ 103,000	\$ 86,393	\$ 16,607	19 %
Investment income	897	97	800	n/m
Total revenues	103,897	86,490	17,407	20 %
Operating expenses:				
Commissions, employee compensation and benefits	82,549	63,624	18,925	30 %
Other operating expenses	10,115	10,053	62	1 %
Amortization expense	3,914	3,976	(62)	(2)%
Change in fair value of contingent consideration	2,798	6,281	(3,483)	(55)%
Depreciation expense	157	148	9	6 %
Total operating expenses	99,533	84,082	15,451	18 %
Operating income	4,364	2,408	1,956	81 %
Total other income	35,417	—	35,417	n/m
Income before income taxes	\$ 39,781	\$ 2,408	\$ 37,373	n/m

n/m not meaningful

## Commissions and Fees

UCTS generates commissions for underwriting and placing insurance policies on behalf of its Insurance Company Partners. In addition, UCTS generates policy fee and installment fee revenue for acting in the capacity of an MGA and fulfilling certain administrative functions on behalf of Insurance Company Partners, including delivery of policy documents, processing payments and other administrative functions. UCTS also generates profit-sharing income, generally based on the profitability on the underlying book of business of the policies it generates on behalf of its Insurance Company Partners. Furthermore, UCTS generates fees from service fee arrangements, which are in place with certain customers for a negotiated fee.

UCTS commissions and fees increased \$16.6 million, or 19%, year over year to \$103.0 million. The increase is primarily attributable to higher core commissions and fees, which was driven by continued outperformance in our multi-family business (accounting for \$8.8 million of the year-over-year increase in core commissions and fees), momentum in our homeowners and commercial umbrella products (accounting for \$8.6 million and \$3.0 million, respectively, of the year-over-year increase in core commissions and fees), and new business across our other product lines, partially offset by a year-over-year reduction in profit-sharing revenue driven by timing differences and historically strong underwriting performance in the prior year period.

#### **Investment Income**

UCTS investment income increased \$0.8 million year over year due to improvements in our cash management strategy and growing yield on our invested cash.

#### **Commissions, Employee Compensation and Benefits**

Commissions, employee compensation and benefits expense for UCTS includes both outside commissions paid to partners that distribute UCTS' MGA products and compensation paid to Colleagues and outside contractors. Commissions, employee compensation and benefits expense for UCTS increased \$18.9 million year over year as a result of increases in outside commissions and other compensation. Outside commissions increased \$13.3 million, or 31%, in line with the growth in UCTS' core commissions and fees. Colleague compensation and benefits increased \$5.6 million, or 27%, driven by continued investments in headcount to support the growth of existing and new products.

#### **Other Operating Expenses**

Other operating expenses for UCTS were flat year over year. Significant drivers include generally higher costs to support the growth of the business (including an increase in payment processing fees), offset by expense reductions relating to certain cost saving measures we have implemented and a reduction in Partnership integration expenses.

#### **Change in Fair Value of Contingent Consideration**

Change in fair value of contingent consideration for UCTS was a \$2.8 million loss for the three months ended March 31, 2024 as compared to a \$6.3 million loss for the same period of 2023. The fair value loss related to contingent consideration for 2024 was impacted by positive changes in revenue growth trends of certain partners and accretion of the contingent earnout obligations approaching their respective measurement dates.

#### **Other Income**

Other income for UCTS was driven by a \$36.4 million gain recorded in connection with the sale of our Wholesale Business during the first quarter of 2024.



## MAINSTREET INSURANCE SOLUTIONS OPERATING GROUP RESULTS

The Mainstreet Insurance Solutions Operating Group (“MIS”) offers personal insurance, commercial insurance, and life and health solutions to individuals and businesses in their communities, with a focus on accessing clients via sheltered distribution channels, which include, but are not limited to, new home builders, realtors, mortgage originators/lenders, master planned communities, and various other community centers of influence. MIS also offers consultation for government assistance programs and solutions, including traditional Medicare, Medicare Advantage and Affordable Care Act, to seniors and eligible individuals through a network of primarily independent contractor agents.

(in thousands, except percentages)	For the Three Months Ended March 31,		Variance	
	2024	2023	Amount	%
<b>Revenues:</b>				
Commissions and fees	\$ 71,700	\$ 58,140	\$ 13,560	23 %
<b>Operating expenses:</b>				
Commissions, employee compensation and benefits	44,563	35,227	9,336	27 %
Other operating expenses	8,072	8,170	(98)	(1)%
Amortization expense	6,273	5,732	541	9 %
Change in fair value of contingent consideration	(211)	1,104	(1,315)	(119)%
Depreciation expense	146	98	48	49 %
Total operating expenses	58,843	50,331	8,512	17 %
Operating income	12,857	7,809	5,048	65 %
Total other income (expense)	(4)	27	(31)	(115)%
Income before income taxes	\$ 12,853	\$ 7,836	\$ 5,017	64 %

### Commissions and Fees

MIS generates commissions for placing insurance policies on behalf of its Insurance Company Partners. In addition, MIS generates profit-sharing income based on either the underlying book of business or performance, such as loss ratios. MIS also generates commissions and fees in the form of marketing income, which is earned through co-branded marketing campaigns with our Insurance Company Partners.

MIS commissions and fees increased \$13.6 million, or 23%, year over year to \$71.7 million. MIS core commissions and fees grew organically by \$12.0 million driven by our legacy Mainstreet business (accounting for \$5.1 million of the year-over-year increase in core commissions and fees), our Westwood Partner (accounting for \$5.0 million of the year-over-year increase in core commissions and fees), and the national mortgage and real estate channel (accounting for \$1.8 million of the year-over-year increase in core commissions and fees). In addition, MIS profit-sharing and other revenue increased \$1.8 million primarily resulting from improvements in loss ratios and the number of policies sold.

### Commissions, Employee Compensation and Benefits

Commissions, employee compensation and benefits expense for MIS increased \$9.3 million, or 27%, year over year due to outside commissions, which increased \$5.0 million, or 35%, relating to growth in our Westwood and legacy Mainstreet businesses, and Colleague compensation and benefits, which increased \$4.1 million, or 20%, in line with growth in commissions and fees.

### Other Operating Expenses

Other operating expenses for MIS were flat year over year. Significant drivers include lower costs for advertising and marketing and licenses and taxes, offset in part by higher technology-related costs and travel and entertainment.

### Change in Fair Value of Contingent Consideration

Change in fair value of contingent consideration for MIS was a \$0.2 million gain for the three months ended March 31, 2024 as compared to a \$1.1 million loss for the same period of 2023. The fair value gain related to contingent consideration for 2024 was impacted by an unfavorable change in revenue growth trends for one of our partners.

## CORPORATE AND OTHER RESULTS

(in thousands, except percentages)	For the Three Months Ended March 31,		Variance	
	2024	2023	Amount	%
<b>Revenues:</b>				
Commissions and fees	\$ (17,684)	\$ (13,923)	\$ (3,761)	27 %
Investment income	109	447	(338)	(76)%
Total revenues	(17,575)	(13,476)	(4,099)	30 %
<b>Operating expenses:</b>				
Commissions, employee compensation and benefits	(7,485)	8,330	(15,815)	(190)%
Other operating expenses	7,684	7,563	121	2 %
Amortization expense	156	1	155	n/m
Depreciation expense	835	720	115	16 %
Total operating expenses	1,190	16,614	(15,424)	(93)%
Operating loss	(18,765)	(30,090)	11,325	(38)%
<b>Other income (expense):</b>				
Interest expense, net	(31,566)	(28,041)	(3,525)	13 %
Other income (expense), net	4	(1,407)	1,411	(100)%
Total other expense	(31,562)	(29,448)	(2,114)	7 %
Loss before income taxes	(50,327)	(59,538)	9,211	(15)%
Income tax expense	657	51	606	n/m
Net loss	\$ (50,984)	\$ (59,589)	\$ 8,605	(14)%

n/m not meaningful

### Commissions and Fees

Corporate and Other records the elimination of intercompany commissions from the Operating Groups. During the first quarter of 2024, UCTS recorded intercompany commissions of \$17.0 million related to the QBE Program Administrator Agreement and agency bill arrangements, and MIS recorded intercompany commissions of \$0.7 million under agency bill and direct bill arrangements.

The year-over-year increase in intercompany commissions is related to the QBE Program Administrator Agreement. We expect revenue recognized from this agreement to continue to grow as we serve as the MGA on more intersegment revenue such as homeowners insurance sold through MIS.

### Commissions, Employee Compensation and Benefits

Corporate and Other records the elimination of intercompany commissions expense from the Operating Groups. Corporate and Other commissions, employee compensation and benefits expense decreased \$15.8 million year over year. Significant drivers of the decrease in Corporate and Other commissions include a \$4.1 million decrease in administrative compensation due, in part, to a decrease in corporate-related headcount, a \$3.8 million increase in intercompany commissions expense eliminations, and a decrease in share-based compensation related to the retirement of two of our executive officers at the end of 2023.

A significant portion of the intercompany commissions, employee compensation and benefits expense recorded to Corporate and Other is related to the QBE Program Administrator Agreement. We expect commissions, employee compensation and benefits expense related to this agreement to continue to grow as we serve as the MGA on more intersegment revenue such as homeowners insurance sold through MIS.

## Other Operating Expenses

Other operating expenses in Corporate and Other were flat year over year. Corporate and Other incurred higher costs for our tax receivable agreement and licenses and taxes of \$0.5 million each and professional fees of \$0.4 million. These increases were offset in part by lower costs for travel and entertainment of \$0.5 million and infrastructure-related costs of \$0.5 million, which are due, in part, to certain cost saving measures we have implemented, including the renegotiation of vendor contracts, and operational efficiencies gained from Partnership integration projects by our Operating Groups during 2023.

## Interest Expense, Net

Interest expense, net, increased \$3.5 million year over year resulting from the higher interest rate environment. We expect interest expense to remain relatively flat or increase slightly in the near-term.

## LIQUIDITY AND CAPITAL RESOURCES

Our primary liquidity needs for the foreseeable future will include cash to (i) provide capital to facilitate the organic growth of our business and to fund future Partnerships, (ii) pay operating expenses, including cash compensation to our employees and expenses related to being a public company, (iii) make payments under the Tax Receivable Agreement, (iv) pay interest and principal due on borrowings under the JPM Credit Agreement, (v) pay contingent earnout liabilities, (vi) pay income taxes, and (vii) fund potential investments in third party businesses that support the growth of our business, which may include Emerald Bay or sponsorship of, and a minority, non-controlling interest in, other investment funds, the purpose of which may include facilitating the establishment of additional and alternative capacity that supports the growth of our MGA of the Future business.

We have historically financed our operations and funded our debt service through the sale of our insurance products and services, and we have financed significant cash needs to fund growth through the acquisition of Partners through debt and equity financing.

In the near term, we intend to fund our earnout obligations with cash and cash equivalents, cash flow from operations and available borrowings. From time to time, we will consider raising additional debt or equity financing if and as necessary to support our growth, including in connection with the exploration of Partnership opportunities or to refinance existing obligations on an opportunistic basis.

As of March 31, 2024, our cash and cash equivalents were \$112.1 million, and we had \$266.0 million of available borrowing capacity on the Revolving Facility under the JPM Credit Agreement. We believe that our cash and cash equivalents, cash flow from operations and available borrowings will be sufficient to fund our working capital and meet our commitments for the next twelve months and beyond.

## JPM Credit Agreement

As of March 31, 2024, our JPM Credit Agreement provides for senior secured credit facilities in an aggregate principal amount of \$1.62 billion, which consists of (i) a term loan facility in the principal amount of \$1.02 billion maturing in October 2027 (the "Term Loan B") and (ii) a revolving credit facility with commitments in an aggregate principal amount of \$600.0 million maturing in April 2027 (the "Revolving Facility").

The Term Loan B accrues interest at term SOFR plus a credit spread adjustment between 11 bps and 43 bps, based on the term SOFR rate, plus an applicable margin of 350 bps, subject to a term SOFR floor of 50 bps. At March 31, 2024, the outstanding borrowings on the Term Loan B of \$996.2 million had an applicable interest rate of 8.94%.

Borrowings under the Revolving Facility accrue interest at SOFR plus 210 bps to SOFR plus 310 bps based on total net leverage ratio. Baldwin Holdings will pay a letter of credit fee equal to the margin then in effect with respect to SOFR loans under the Revolving Facility multiplied by the daily amount available to be drawn under any letter of credit, a fronting fee and any customary documentary and processing charges for any letter of credit issued under the JPM Credit Agreement. The outstanding borrowings on the Revolving Facility of \$334.0 million had an applicable interest rate of 8.50% at March 31, 2024. The Revolving Facility is also subject to a commitment fee of 0.40% on the unused capacity at March 31, 2024.

We have entered into interest rate cap agreements to limit the potential impact of interest rate changes on cash flows. The interest rate caps limit the variability of the base rate to the amount of the cap. The interest rate cap agreements in place at March 31, 2024 mitigate the interest rate volatility on \$1.2 billion of debt to a maximum base rate of 7.00% through November 2025.

The Revolving Facility and the Term Loan B are collateralized by a first priority lien on substantially all the assets of Baldwin Holdings, including a pledge of all equity securities of certain of its subsidiaries. The JPM Credit Agreement contains covenants that, among other things, restrict our ability to make certain restricted payments, incur additional debt, engage in certain asset sales, mergers, acquisitions or similar transactions, create liens on assets, engage in certain transactions with affiliates, change our business, make certain investments or restrict Baldwin Holdings' ability to make dividends or other distributions to Baldwin. In addition, the JPM Credit Agreement contains financial covenants requiring us to maintain our Total First Lien Net Leverage Ratio (as defined in the JPM Credit Agreement) at or below 7.00 to 1.00.

### Contractual Obligations and Commitments

The following table represents our contractual obligations and commitments, aggregated by type, at March 31, 2024:

(in thousands)	Total	Payments Due by Period			
		Less than 1 year	1-3 years	3-5 years	More than 5 years
Operating leases <sup>(1)</sup>	\$ 109,977	\$ 21,883	\$ 40,175	\$ 31,974	\$ 15,945
Debt obligations payable <sup>(2)</sup>	1,725,085	127,277	251,806	1,346,002	—
Undiscounted estimated contingent earnout obligation <sup>(3)</sup>	256,680	247,722	8,958	—	—
USF Grant	4,200	848	1,720	1,632	—
<b>Total</b>	<b>\$ 2,095,942</b>	<b>\$ 397,730</b>	<b>\$ 302,659</b>	<b>\$ 1,379,608</b>	<b>\$ 15,945</b>

(1) Represents noncancelable operating leases for our facilities. Operating lease expense was \$5.4 million and \$5.5 million for the three months ended March 31, 2024 and 2023, respectively.

(2) Represents scheduled debt obligations and estimated interest payments under the JPM Credit Agreement.

(3) Represents the total expected future payments to be made to Partners at March 31, 2024.

Our contractual obligations and commitments are comprised of operating lease obligations, principal and interest payments on our borrowings under the JPM Credit Agreement, estimated payments of contingent earnout liabilities and our commitment to the University of South Florida ("USF").

Our operating lease obligations represent noncancelable agreements for our corporate headquarters and office space for our insurance brokerage business. Our operating lease agreements expire through March 2032. These obligations do not include leases with an initial term of twelve months or less, which are expensed as incurred. We may extend, terminate or otherwise modify or sub-lease facilities as needed to best suit the needs of our business. The lease term is the non-cancelable period of the lease and includes options to extend or terminate the lease when it is reasonably certain that an option will be exercised.

Borrowings outstanding under our JPM Credit Agreement include \$996.2 million under the Term Loan B and \$334.0 million on the Revolving Facility. Estimated interest payments for outstanding borrowings on the Term Loan B and Revolving Facility in the table above were calculated based on applicable interest rates at March 31, 2024 of 8.94% and 8.50%, respectively, through their respective expiration dates of October 2027 and April 2027.

Substantially all of our Partnerships and certain acquisitions of select books of business that do not constitute a complete business enterprise include contractual earnout provisions. We record an estimation of the fair value of the contingent earnout obligations at the Partnership date as a component of the consideration paid. Our contingent earnout obligations are measured at fair value each reporting period based on the present value of the expected future payments to be made to Partners in accordance with the provisions outlined in the respective purchase agreements. The recorded obligations are based on estimates of the Partners' future performance using financial projections for the earnout period. The aggregate estimated contingent earnout liabilities included on our condensed consolidated balance sheet at March 31, 2024 was \$235.9 million, of which \$11.3 million must be settled in cash and the remaining \$224.6 million can be settled in cash or stock at our option. The undiscounted estimated contingent earnout obligation presented in the table above represents the fair value of the total expected future payments to be made to the Partners. The undiscounted estimated contingent earnout obligation at March 31, 2024 was \$256.7 million, of which \$12.2 million must be settled in cash and the remaining \$244.5 million can be settled in cash or stock at our option. The maximum estimated exposure to the contingent earnout liabilities was \$547.7 million at March 31, 2024.

As of March 31, 2024, we have a remaining commitment to USF to donate \$4.2 million through October 2028. The gift will provide support for the School of Risk Management and Insurance in the USF Muma College of Business. It is currently anticipated that Lowry Baldwin, our Chairman, will fund half of this commitment.

## Tax Receivable Agreement

We expect to obtain an increase in our share of the tax basis in the assets of Baldwin Holdings when its LLC Units are redeemed or exchanged for shares of Baldwin's Class A common stock. This increase in tax basis may have the effect of reducing the future amounts paid to various tax authorities. The increase in tax basis may also decrease gains (or increase losses) on future dispositions of certain capital assets to the extent tax basis is allocated to those capital assets.

We have a Tax Receivable Agreement that provides for the payment by us to the parties to the Tax Receivable Agreement of 85% of the amount of cash savings, if any, in U.S. federal, state and local income tax or franchise tax that we actually realize as a result of (i) any increase in tax basis in Baldwin's assets and (ii) tax benefits related to imputed interest deemed arising as a result of payments made under the tax receivable agreement.

During the three months ended March 31, 2024, we redeemed 800,302 LLC Units of Baldwin Holdings on a one-for-one basis for shares of Class A common stock and cancelled the corresponding shares of Class B common stock. We receive an increase in our share of the tax basis in the net assets of Baldwin Holdings due to the interests being redeemed. We have assessed the realizability of the net deferred tax assets and in that analysis have considered the relevant positive and negative evidence available to determine whether it is more likely than not that some portion or all of the deferred tax assets will be realized. We have recorded a full valuation allowance against the deferred tax assets at Baldwin as of March 31, 2024, which will be maintained until there is sufficient evidence to support the reversal of all or some portion of these allowances.

## Sources and Uses of Cash

The following table summarizes our cash flows from operating, investing and financing activities for the periods indicated:

(in thousands)	For the Three Months Ended March 31,		Variance
	2024	2023	
Net cash provided by (used in) operating activities	\$ 2,894	\$ (14,031)	\$ 16,925
Net cash provided by (used in) investing activities	44,613	(5,099)	49,712
Net cash used in financing activities	(40,153)	(24,522)	(15,631)
Net increase (decrease) in cash and cash equivalents and restricted cash	7,354	(43,652)	51,006
Cash and cash equivalents and restricted cash at beginning of period	226,963	230,471	(3,508)
Cash and cash equivalents and restricted cash at end of period	\$ 234,317	\$ 186,819	\$ 47,498

### Operating Activities

The primary sources and uses of cash for operating activities are net income (loss) adjusted for non-cash items and changes in assets and liabilities, or operating working capital, and payment of contingent earnout consideration. Net cash provided by operating activities increased \$16.9 million year over year, driven by an increase in cash related to the change in net income (loss) adjusted for non-cash items of \$17.0 million and the change in premiums, commissions and fees receivable net of accounts payable, accrued expenses and other current liabilities of \$14.4 million, offset in part by a decrease in cash relating to higher contingent earnout consideration payments in excess of the liability recognized at the acquisition date of \$15.5 million.

### Investing Activities

The primary sources and uses of cash for investing activities relate to cash consideration paid to fund Partnerships and other investments to grow our business. Net cash provided by investing activities increased \$49.7 million year over year driven by cash proceeds from divestitures, net of cash transferred of \$54.4 million, relating to the sale of our Wholesale Business during the first quarter of 2024.

### Financing Activities

The primary sources and uses of cash for financing activities relate to the issuance of our Class A common stock; debt servicing costs in connection with the JPM Credit Agreement, as well as purchases, sales and settlements of interest rate caps to mitigate interest rate volatility on that debt; payment of contingent earnout consideration; and other equity transactions. Net cash used in financing activities increased \$15.6 million year over year driven by a decrease in cash from additional payments of contingent earnout consideration up to the amount of purchase price accrual of \$28.1 million, offset in part by a decrease in net proceeds from borrowings on our credit facilities of \$12.6 million.

## **CRITICAL ACCOUNTING ESTIMATES**

Our consolidated financial statements are prepared in accordance with GAAP, which requires management to make estimates, judgments and assumptions that affect the reported amounts of assets and liabilities and disclosures of contingent assets and liabilities at the date of the financial statements and the reported amounts of revenues and expenses during the reporting period. Our estimates, judgments and assumptions are continually evaluated based on historical experience, known or expected trends, independent valuations and other factors we believe to be reasonable under the circumstances. As future events and their effects cannot be determined with precision, actual results could differ significantly from these estimates.

There have been no material changes in our critical accounting policies during the three months ended March 31, 2024 as compared to those disclosed in the Critical Accounting Policies and Estimates section under Management's Discussion and Analysis of Financial Condition and Results of Operations of our Annual Report on Form 10-K filed with the SEC on February 28, 2024.

## **RECENT ACCOUNTING PRONOUNCEMENTS**

Please refer to Note 1 to our condensed consolidated financial statements included in Part I, Item 1. Financial Statements of this report for a discussion of recent accounting pronouncements that may impact us.

## **ITEM 3. QUANTITATIVE AND QUALITATIVE DISCLOSURES ABOUT MARKET RISK**

Market risk is the potential loss arising from adverse changes in market rates and prices, such as premium amounts, interest rates and equity prices. We are exposed to market risk through our investments and borrowings under the JPM Credit Agreement. We use derivative instruments to mitigate our risk related to the effect of rising interest rates on our cash flows. However, we do not use derivative instruments for trading or speculative purposes.

Our invested assets are held primarily as cash and cash equivalents and restricted cash. To a lesser extent, we may also utilize certificates of deposit, U.S. treasury securities and professionally managed short duration fixed income funds. These investments are subject to market risk. The fair values of our invested assets at March 31, 2024 and December 31, 2023 approximated their respective carrying values due to their short-term duration and therefore, such market risk is not considered to be material.

At March 31, 2024, we had \$996.2 million and \$334.0 million of borrowings outstanding under the Term Loan B and the Revolving Facility, respectively. These borrowings bear interest on a floating basis tied to either the prime rate or one of various other variable rates as defined in the JPM Credit Agreement. The Term Loan B accrues interest at term SOFR plus a credit spread adjustment between 11 bps and 43 bps, based on the term SOFR rate, plus an applicable margin of 350 bps, subject to a term SOFR floor of 50 bps. Borrowings under the Revolving Facility accrue interest at SOFR plus 210 bps to SOFR plus 310 bps based on total net leverage ratio. An increase of 100 basis points on the variable interest rates in effect at March 31, 2024 would have increased our annual interest expense for the JPM Credit Agreement by \$13.3 million.

## **ITEM 4. CONTROLS AND PROCEDURES**

### **Evaluation of Disclosure Controls and Procedures**

Under the supervision and with the participation of management, including our Chief Executive Officer and Chief Financial Officer, we conducted an evaluation of the effectiveness of our disclosure controls and procedures as defined in Rules 13a-15(e) and 15d-15(e) under the Exchange Act as of the end of the period covered by this Quarterly Report on Form 10-Q. Based on this evaluation, our Chief Executive Officer and Chief Financial Officer have concluded that our disclosure controls and procedures were effective as of March 31, 2024 to provide reasonable assurance that information required to be disclosed by us in the reports that we file or submit under the Exchange Act is recorded, processed, summarized and reported within the time periods specified in the SEC's rules and forms and that such information is accumulated and communicated to our senior management, including our Chief Executive Officer and Chief Financial Officer, as appropriate, to allow for timely decisions regarding required disclosures.

### **Changes in Internal Control over Financial Reporting**

There were no changes in our internal control over financial reporting that occurred during the quarter ended March 31, 2024, which were identified in connection with management's evaluation required by paragraph (d) of Rules 13a-15 and 15d-15 under the Exchange Act, that materially affected, or that are reasonably likely to materially affect, our internal control over financial reporting.

## PART II. OTHER INFORMATION

### ITEM 1. LEGAL PROCEEDINGS

We are involved in various claims and legal actions arising in the ordinary course of business. In the opinion of management, the ultimate disposition of these matters will not have a material adverse effect on our consolidated financial position, results of operations or liquidity.

### ITEM 1A. RISK FACTORS

See the risk factors outlined under Part I, Item 1A. Risk Factors in our Annual Report on Form 10-K for the year ended December 31, 2023 filed with the SEC on February 28, 2024.

### ITEM 2. UNREGISTERED SALES OF EQUITY SECURITIES AND USE OF PROCEEDS

#### Sales of Unregistered Securities

None.

#### Issuer Purchases of Equity Securities

The following table provides information about our repurchase of shares of our Class A common stock during the three months ended March 31, 2024:

	Total Number of Shares Purchased <sup>(1)</sup>	Average Price Paid per Share	Total Number of Shares Purchased as Part of Publicly Announced Plans or Programs	Maximum Value that may yet be Purchased under the Plans or Programs
January 1, 2024 to January 31, 2024	65,830	\$ 24.02	—	\$ —
February 1, 2024 to February 29, 2024	143,433	27.23	—	—
March 1, 2024 to March 31, 2024	8,338	29.40	—	—
Total	217,601	\$ 26.34	—	\$ —

(1) We purchased 217,601 shares during the three months ended March 31, 2024, which were acquired from our employees to cover required tax withholding on the vesting of shares granted under our Omnibus Incentive Plan or Partnership Inducement Award Plan.

### ITEM 3. DEFAULTS UPON SENIOR SECURITIES

None.

### ITEM 4. MINE SAFETY DISCLOSURES

Not applicable.

### ITEM 5. OTHER INFORMATION

#### Insider Trading Arrangements and Policies

During the quarter ended March 31, 2024, none of our directors or officers adopted or terminated any contract, instruction or written plan for the purchase or sale of our securities intended to satisfy the affirmative defense conditions of Rule 10b5-1(c) or any non-Rule 10b5-1 trading arrangement (as defined in Item 408(c) of Regulation S-K).

### **Amendments to Articles of Incorporation and By-Laws**

On May 1, 2024, the Company filed a Certificate of Amendment (the "Charter Amendment") to its Amended and Restated Certificate of Incorporation (as amended, the "Charter") to change the legal name of the Company from "BRP Group, Inc." to "The Baldwin Insurance Group, Inc.", effective May 2, 2024 (the "Name Change"). The Name Change was approved by the board of directors (the "Board") of the Company in accordance with Delaware law. The Board also approved the Second Amended and Restated By-Laws of the Company, effective May 2, 2024, to (i) reflect the name change, (ii) update and expand the procedural and informational requirements for director nominations and other proposals submitted by shareholders under the Company's "advance notice" provisions, including updates to reflect the SEC's adoption of "universal proxy" rules as set forth in Rule 14a-19 under the Exchange Act and (iii) make other non-substantive and conforming revisions and clarifications. The foregoing description does not purport to be a complete description and is qualified in its entirety by reference to the full text of the Second Amended and Restated By-Laws of the Company. Copies of the Charter Amendment and the Second Amended and Restated By-Laws of the Company are filed as exhibits 3.3 and 3.4, respectively, to this Quarterly Report on Form 10-Q.

### **Entry into Material Definitive Agreement**

Effective May 2, 2024, Baldwin Holdings changed its legal name from "Baldwin Risk Partners, LLC" to "The Baldwin Insurance Group Holdings, LLC". Pursuant to the Third Amended and Restated Limited Liability Company Agreement of Baldwin Holdings (as amended, the "LLCA"), the Company, as Managing Member (as defined in the LLCA) of Baldwin Holdings, approved the Second Amendment (the "LLCA Amendment") to the LLCA. A copy of the LLCA Amendment is filed as exhibit 10.1 to this Quarterly Report on Form 10-Q.

### **Other Events**

On May 7, 2024, the Company issued a press release announcing that its ticker symbol on the Nasdaq Global Select Market will change from "BRP" to "BWIN". Trading under the new ticker symbol will begin May 20, 2024. A copy of the press release was furnished as Exhibit 99.1 to the Company's Current Report on Form 8-K filed with the SEC on May 7, 2024.



## ITEM 6. EXHIBITS

The following exhibits are filed as a part of this Quarterly Report on Form 10-Q:

Exhibit No.	Description of Exhibit
3.1	<a href="#">Amended and Restated Certificate of Incorporation of the Company (incorporated herein by reference to Exhibit 3.1 of the registrant's Current Report on Form 8-K filed with the Securities and Exchange Commission on October 31, 2019).</a>
3.2	<a href="#">Certificate of Amendment to the Company's Amended and Restated Certificate of Incorporation (incorporated herein by reference to Exhibit 3.1 of the registrant's Current Report on Form 8-K filed with the Securities and Exchange Commission on October 15, 2020).</a>
3.3*	<a href="#">Certificate of Amendment to the Company's Amended and Restated Certificate of Incorporation.</a>
3.4*	<a href="#">Second Amended and Restated By-Laws of the Company.</a>
10.1*	<a href="#">Second Amendment to the Third Amended and Restated Limited Liability Company Agreement of Baldwin Insurance Group Holdings, LLC, effective as of May 2, 2024.</a>
31.1*	<a href="#">Certification of the Registrant's Chief Executive Officer pursuant to Rule 13a-14(a) and 15d-14(a) of the Securities Exchange Act of 1934, as adopted pursuant to Section 302 of the Sarbanes-Oxley Act of 2002</a>
31.2*	<a href="#">Certification of the Registrant's Chief Financial Officer pursuant to Rule 13a-14(a) and 15d-14(a) of the Securities Exchange Act of 1934, as adopted pursuant to Section 302 of the Sarbanes-Oxley Act of 2002</a>
32**	<a href="#">Certification of the Registrant's Chief Executive Officer and Chief Financial Officer pursuant to 18 U.S.C. Section 1350, as adopted pursuant to Section 906 of the Sarbanes-Oxley Act of 2002</a>
101.INS*	XBRL Instance Document
101.SCH*	XBRL Taxonomy Extension Schema Document
101.CAL*	XBRL Taxonomy Extension Calculation Linkbase Document
101.DEF*	XBRL Taxonomy Extension Definition Linkbase Document
101.LAB*	XBRL Taxonomy Extension Label Linkbase Document
101.PRE*	XBRL Taxonomy Extension Presentation Linkbase Document
104	Cover Page Interactive Data File (formatted in inline XBRL and included in Exhibit 101)

\* Filed herewith

\*\* Furnished herewith and as such are deemed not "filed" for purposes of Section 18 of the Securities Exchange Act of 1934, as amended, nor shall they be deemed incorporated by reference in any filing under the Securities Act of 1933, except as shall be expressly set forth by specific reference in such filing.

**SIGNATURES**

Pursuant to the requirements 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.

**The Baldwin Insurance Group, Inc.**

Date: May 7, 2024

By: /s/ Trevor L. Baldwin  
Trevor L. Baldwin  
*Chief Executive Officer*

Date: May 7, 2024

By: /s/ Bradford L. Hale  
Bradford L. Hale  
*Chief Financial Officer*

**CERTIFICATE OF AMENDMENT  
TO THE  
AMENDED AND RESTATED  
CERTIFICATE OF INCORPORATION  
OF  
BRP GROUP, INC.**

Pursuant to Sections 141(f) and 242 of the  
General Corporation Law of the State of Delaware

BRP Group, Inc. (the “**Corporation**”), a corporation organized and existing under and by virtue of the provisions of the General Corporation Law of the State of Delaware (the “**General Corporation Law**”)

DOES HEREBY CERTIFY:

FIRST: The board of directors of the Corporation, pursuant to Sections 141(f) and 242 of the General Corporation Law, duly approved and adopted by unanimous written consent the following amendment to the Amended and Restated Certificate of Incorporation of the Corporation, as amended (the “**Charter**”).

SECOND: Article 1 of the Charter be and hereby is amended and restated in its entirety as follows:

1. Name. The name of the corporation is The Baldwin Insurance Group, Inc. (the “Corporation”).

THIRD: Clause (l) of Article 17 of the Charter be and hereby is amended and restated in its entirety as follows:

(l) “Corporation” means The Baldwin Insurance Group, Inc.

FOURTH: The effective date of this Certificate of Amendment shall be 12:01 a.m. Eastern Time on May 2, 2024.

*[Signature Page Follows]*

IN WITNESS WHEREOF, this Certificate of Amendment has been executed by a duly authorized officer of the Corporation on this May 1, 2024.

By: /s/ Seth Cohen

Name: Seth Cohen

Title: General Counsel and Secretary

**SECOND AMENDED AND RESTATED BY-LAWS**

**of**

**THE BALDWIN INSURANCE GROUP, INC.**

(A Delaware Corporation)

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## **ARTICLE 1 DEFINITIONS**

As used in these By-laws, unless the context otherwise requires, the term:

“affiliate” or “affiliates” shall have the meaning ascribed thereto under the Exchange Act (as defined herein).

“Assistant Secretary” means an Assistant Secretary of the Corporation.

“Assistant Treasurer” means an Assistant Treasurer of the Corporation.

“Board” means the Board of Directors of the Corporation.

“By-laws” means the By-laws of the Corporation, as may be amended and restated from time to time.

“Certificate of Incorporation” means the Certificate of Incorporation of the Corporation, as amended and restated.

“Chairman” means the Chairman of the Board and includes any Executive Chairman.

“Chief Executive Officer” means the Chief Executive Officer of the Corporation.

“control” (including the terms “controlling” and “controlled”), with respect to the relationship between or among two or more persons, means the possession, directly or indirectly, of the power to direct or cause the direction of the affairs or management of such subject person, whether through the ownership of voting securities, as trustee or executor, by contract or otherwise.

“Corporation” means The Baldwin Insurance Group, Inc.

“Derivative” is defined in Section 2.02(d)(iii).

“Directors” means the directors of the Corporation.

“Exchange Act” means the Securities Exchange Act of 1934, as amended, and any successor law or statute, and the rules and regulations promulgated thereunder.

“Executive Chairman” means the Executive Chairman of the Board.

“General Corporation Law” means the General Corporation Law of the State of Delaware, as amended.

“law” means any U.S. or non-U.S. federal, state or local law (statutory, common or otherwise), constitution, treaty, convention, ordinance, code, rule, regulation, order, injunction, judgment, decree, ruling or other similar requirement enacted, adopted, promulgated or applied by a governmental authority (including any department, court, agency or official, or non-governmental self-regulatory organization, agency or authority and any political subdivision or instrumentality thereof).

“Nominating Stockholder” is defined in Section 3.03(b).

“Notice of Business” is defined in Section 2.02(c).

“Notice of Nomination” is defined in Section 3.03(c).

“Notice Record Date” is defined in Section 2.04(a).

“Office of the Corporation” means the executive office of the Corporation, anything in Section 131 of the General Corporation Law to the contrary notwithstanding.

“President” means the President of the Corporation.



“Proponent” is defined in Section 2.02(d)(i).

“Public Disclosure” is defined in Section 2.02(j).

“SEC” means the Securities and Exchange Commission.

“Secretary” means the Secretary of the Corporation.

“Stockholder Associated Person” is defined in Section 2.02(k).

“Stockholder Business” is defined in Section 2.02(b).

“Stockholder Information” is defined in Section 2.02(d)(iii).

“Stockholder Nominees” is defined in Section 3.03(b).

“Stockholders” means the stockholders of the Corporation.

“Stockholders Agreement” means the Stockholders Agreement, dated as of October 28, 2019, by and among the Corporation, Drew Armacost, L. Lowry Baldwin, Trevor L. Baldwin, Brian Brennan, W. David Cox, Clinton Durst, Joseph D. Finney, Daniel Galbraith, Bradford L. Hale, Christopher J. Stephens, Matthew Hammer, Amy Ingram, Elizabeth H. Krystyn, Elizabeth H. Krystyn 2019 Grantor Retained Annuity Trust I dated September 30, 2019, Elizabeth H. Krystyn 2019 Grantor Retained Annuity Trust II dated September 30, 2019, Emanuel Lauria, Kelly Nash, Richard Russo, Michael P. Ryan, Laura R. Sherman, Laura R. Sherman GRAT 2019-1 dated September 30, 2019, Laura R. Sherman GRAT-2 dated September 30, 2019, Ken Spraggins, William Taulbee, John A. Valentine, John A. Valentine 2019 Grantor Retained Annuity Trust dated September 30, 2019, Mark Webb, Kristopher A. Wiebeck, Kristopher A. Wiebeck 2019 Grantor Retained Annuity Trust dated September 30, 2019, Robert C. Wentzell, AB Risk Holdco, LLC, Baldwin Insurance Group Holdings, LLC, CRB Insurance, LLC, KMW Consulting, LLC, Foundation Insurance of Florida, LLC, Millennial Specialty Holdco, LLC, Fiduciary Partners Retirement Group, Inc., Insurance Agencies of the Villages, Inc., The Villages Invesco, LLC, WMTHCS & Associates, LLC, Ryan Insurance & Financial Services, Inc., Robert J. Wentzel Family Partnership, iPEO Solutions LLC and Insurance Affordable, Inc. and the other Persons who may become parties thereto from time to time, as it may be amended, supplemented or modified.

“Substantial Participant” is defined in Section 2.02(l).

“Treasurer” means the Treasurer of the Corporation.

“Vice President” means a Vice President of the Corporation.

“Voting Commitment” is defined in Section 3.04.

“Voting Record Date” is defined in Section 2.04(a).

## **ARTICLE 2 STOCKHOLDERS**

Section 2.01. *Place of Meetings.* Meetings of Stockholders may be held within or without the State of Delaware, at such place or solely by means of remote communication or otherwise, as may be designated by the Board from time to time.

Section 2.02. *Annual Meetings; Stockholder Proposals.*

- (a) A meeting of Stockholders for the election of Directors and other business shall be held annually at such date and time as may be designated by the Board from time to time.
- (b) At an annual meeting of the Stockholders, only business (other than business relating to the nomination or election of Directors, which is governed by Section 3.03) that has been properly brought before the

Stockholder meeting in accordance with the procedures set forth in this Section 2.02 shall be conducted. To be properly brought before a meeting of Stockholders, such business must be brought before the meeting (i) by or at the direction of the Board or any committee thereof or (ii) by a Stockholder who (A) was a Stockholder of record of the Corporation when the notice required by this Section 2.02 is delivered to the Secretary and at the time of the meeting, (B) is entitled to vote at the meeting and (C) complies with the notice, information and other provisions of this Section 2.02, including, without limitation, by providing timely updates and supplements to the information previously provided pursuant to Section 2.02(f). Subject to Section 2.02(m), and except with respect to nominations or elections of Directors, which are governed by Section 3.03, Section 2.02(b)(ii) is the exclusive means by which a Stockholder may bring business before a meeting of Stockholders; *provided* that if Rule 14a-8 of the Exchange Act (or any successor rule) is applicable, a Stockholder may not bring business before any meeting if the Stockholder fails to meet the requirements of such rule. Any business brought before a meeting in accordance with Section 2.02(b)(ii) is referred to as “Stockholder Business.”

- (c) Subject to Section 2.02(m), at any annual meeting of Stockholders, all proposals of Stockholder Business must be made by timely written notice given by or on behalf of a Stockholder of record of the Corporation (the “Notice of Business”) and must otherwise be a proper matter for Stockholder action. To be timely, the Notice of Business must be delivered personally or mailed to, and received at, the Office of the Corporation, addressed to the Secretary, by no earlier than the open of business on the date that is one hundred and twenty (120) days and no later than the close of business on the date that is ninety (90) days before the first anniversary of the date of the prior year’s annual meeting of Stockholders; *provided, however*, that if (i) the annual meeting of Stockholders is advanced by more than thirty (30) days, or delayed by more than sixty (60) days, from the first anniversary of the prior year’s annual meeting of Stockholders or (ii) no annual meeting was held during the prior year, the notice by the Stockholder to be timely must be received (A) no earlier than the open of business on the date that is one hundred and twenty (120) days before such annual meeting and (B) no later than the later of the close of business on the date that is ninety (90) days before such annual meeting and the close of business on the date that is the tenth day after the day on which the notice of such annual meeting was made by mail or Public Disclosure. In no event shall an adjournment, recess, postponement or deferral, or Public Disclosure of an adjournment, recess, postponement or deferral, of a Stockholder meeting commence a new time period (or extend any time period) for the giving of the Notice of Business.
- (d) The Notice of Business must set forth:
  - (i) the name and record address of each Stockholder proposing Stockholder Business (the “Proponent”), as they appear on the Corporation’s books;
  - (ii) the name and address of any Stockholder Associated Person and Substantial Participant;
  - (iii) as to each Proponent and any Stockholder Associated Person and Substantial Participant, (A) the class or series and number of shares of stock directly or indirectly held of record and beneficially by such Proponent, Stockholder Associated Person or Substantial Participant (including any class or series and number of shares of stock of which such Proponent, Stockholder Associated Person or Substantial Participant have the right to acquire beneficial ownership), (B) the date such shares of stock were acquired, (C) a description of any agreement, arrangement or understanding, direct or indirect, with respect to such Stockholder Business, any related solicitation or campaign or the funding of such campaign, between or among such Proponent, any Stockholder Associated Person or Substantial Participant, or any of their respective affiliates or associates, (D) a description of any agreement, arrangement or understanding (including any derivative or short positions, profit interests, options, hedging transactions, warrant, convertible security, stock appreciation right or similar right with an exercise or conversion privilege or a settlement payment or mechanism at a price related to any class of securities and/or borrowed or loaned shares) that has been entered into, directly or indirectly, as of the date of such Proponent’s notice by, or on behalf of, such Proponent or any Stockholder Associated Person or Substantial Participant, the effect or intent of which is to mitigate loss to, manage risk or benefit of share price changes for, or increase or decrease the voting power of such Proponent or any Stockholder Associated Person or Substantial

Participant with respect to shares of stock of the Corporation or with a value derived in whole or in part from the value or decrease in value of any class or series of stock of the Corporation, whether or not such instrument or right shall be subject to settlement in the underlying class or series of stock of the Corporation or otherwise (a “Derivative”), (E) a description in reasonable detail of any proxy (including revocable proxies), contract, arrangement, understanding or other relationship pursuant to which such Proponent or any Stockholder Associated Person or Substantial Participant has a right to vote any shares of stock of the Corporation, (F) any rights to dividends on the stock of the Corporation owned beneficially by such Proponent or any Stockholder Associated Person or Substantial Participant that are separated or separable from the underlying stock of the Corporation, (G) any proportionate interest in stock of the Corporation or Derivatives held, directly or indirectly, by a general or limited partnership in which such Proponent or any Stockholder Associated Person or Substantial Participant is a general partner or, directly or indirectly, beneficially owns an interest in a general partner, (H) any performance-related fees (other than an asset-based fee) that such Proponent or any Stockholder Associated Person or Substantial Participant is entitled to based on any increase or decrease in the value of stock of the Corporation or Derivatives thereof, if any, as of the date of such notice and (I) any direct or indirect interest of such Proponent or any Stockholder Associated Person or Substantial Participant in any contract with the Corporation or any affiliate of the Corporation (including, in any such case, any employment agreement, collective bargaining agreement or consulting agreement). The information specified in Section 2.02(d)(i) to (iii) is referred to herein as “Stockholder Information”;

- (iv) Stockholder Information with respect to any stock or other interests of the Corporation held by members of each Proponent’s or any Stockholder Associated Person or Substantial Participant’s immediate family sharing the same household;
- (v) as to each Proponent and any Stockholder Associated Person, completed and signed instruments containing: (A) a representation to the Corporation that such Proponent is a holder of record of stock of the Corporation entitled to vote at the meeting and intends to appear in person or by proxy at the meeting to propose such Stockholder Business; (B) a representation to the Corporation as to whether such Proponent or any Stockholder Associated Person or Substantial Participant intends or is part of a group (whether at, below or above 5% in beneficial ownership) that intends to (i) deliver a proxy statement and/or form of proxy to holders (including any beneficial owners pursuant to Rule 14b-1 and Rule 14b-2 promulgated under the Exchange Act) of at least the percentage of the Corporation’s outstanding capital stock required to approve or adopt such Stockholder Business or (ii) otherwise solicit proxies from the Stockholders in support of such Stockholder Business; and (C) a representation to the Corporation as to whether such Proponent or any Stockholder Associated Person or Substantial Participant intends to propose any other business in addition to such Stockholder Business at the meeting;
- (vi) a brief description of the Stockholder Business desired to be brought before the annual meeting, the text of the proposal (including the text of any resolutions proposed for consideration and, if such business includes a proposal to amend the By-laws, the language of the proposed amendment) and the reasons for conducting such Stockholder Business at the meeting;
- (vii) any material interest of each Proponent and any Stockholder Associated Person or Substantial Participant in such Stockholder Business;
- (viii) all other information that would be required to be filed with the SEC if the Proponents, Stockholder Associated Persons or Substantial Participants were participants in a solicitation subject to Section 14 of the Exchange Act; and
- (ix) a representation and covenant for the benefit of the Corporation that the Proponents shall provide any other information reasonably requested by the Corporation.

- (e) The Proponents shall also provide any other information reasonably requested by the Corporation within ten (10) business days after such request.
- (f) In addition, the Proponent shall further update and supplement the information provided to the Corporation in the Notice of Business or upon the Corporation's request pursuant to Section 2.02(e) as needed, so that such information shall be true and correct as of the record date for the meeting and as of the date that is the later of ten (10) business days before the meeting or any adjournment or postponement thereof. Such update and supplement must be delivered personally or mailed to, and received at, the Office of the Corporation, addressed to the Secretary, by no later than five (5) business days after the record date for the meeting (in the case of the update and supplement required to be made as of the record date), and not later than seven (7) business days before the date for the meeting (in the case of the update and supplement required to be made as of ten (10) business days before the meeting or any adjournment or postponement thereof). For the avoidance of doubt, the obligation to update and supplement as set forth in this Section 2.02(f) shall not limit the Corporation's rights with respect to any deficiencies in any Notice of Business provided by a Stockholder, extend any applicable deadlines under these By-laws or enable or be deemed to permit a Stockholder who has previously submitted a Notice of Business under these By-laws to amend or update any such notice.
- (g) The person presiding over the meeting shall, if the facts warrant, determine and declare to the meeting that business was not properly brought before the meeting in accordance with the procedures set forth in this Section 2.02 (or any applicable rule or regulation identified herein), and if he or she should so determine, he or she shall so declare to the meeting and any such business not properly brought before the meeting shall not be transacted.
- (h) If the Proponent (or a qualified representative of the Proponent) does not appear at the meeting of Stockholders to present the Stockholder Business (whether pursuant to the requirements of these By-laws or in accordance with Rule 14a-8 promulgated under the Exchange Act), such business shall not be transacted, notwithstanding that proxies in respect of such vote may have been received by the Corporation. For purposes of this Section 2.02, to be considered a qualified representative of the Stockholder, a person must be a duly authorized officer, manager or partner of such Stockholder or must be authorized by a writing executed by such Stockholder or an electronic transmission delivered by such Stockholder to act for such Stockholder as proxy at the meeting of Stockholders and such person must produce such writing or electronic transmission, or a reliable reproduction of the writing or electronic transmission, at the meeting of Stockholders.
- (i) With respect to any Stockholder Business, without limiting any remedy available to the Corporation, a Proponent may not present such Stockholder Business at a meeting, notwithstanding that proxies in respect of such vote may have been received by the Corporation, if such Proponent or any Stockholder Associated Person or any Substantial Participant acted contrary to any representation, certification or agreement required by this Section 2.02, otherwise failed to fully comply with this Section 2.02 (or with any law, rule or regulation identified in this Section), including, without limitation, failure to provide timely updates and supplements as required, or provided incomplete, false or misleading information to the Corporation.
- (j) "Public Disclosure" of any date or other information means disclosure thereof by a press release reported by the Dow Jones News Services, Associated Press or comparable U.S. national news service or in a document publicly filed by the Corporation with the SEC pursuant to Sections 13, 14 or 15(d) of the Exchange Act.
- (k) "Stockholder Associated Person" means, with respect to any Stockholder, (i) any other beneficial owner of stock of the Corporation that is owned by such Stockholder, (ii) any affiliates or associates of such Stockholder or any other beneficial owner described in clause (i), and (iii) any person that directly, or indirectly through one or more intermediaries, controls, or is controlled by, or is under common control with, the Stockholder or such other beneficial owner.

- (l) “Substantial Participant,” with respect to any Stockholder, means a party substantially participating in such Stockholder’s solicitation campaign by voting agreement, contributing to funding the campaign or making substantial efforts to assist such Stockholder in the campaign or in soliciting proxies, including the nominee; *provided* that a party will not be deemed a Substantial Participant for this purpose just by virtue of being a proxy solicitor or any other Stockholder that publicly or privately indicates its intention to vote with such Stockholder, supports such Stockholder’s position or encourages other Stockholder to vote with such Stockholder.
- (m) The notice requirements of this Section 2.02 shall be deemed satisfied with respect to Stockholder proposals that have been properly brought under Rule 14a-8 of the Exchange Act and that are included in a proxy statement that has been prepared by the Corporation to solicit proxies for such annual meeting. Further, nothing in this Section 2.02 shall be deemed to affect any rights of the holders of any series of preferred stock of the Corporation pursuant to any applicable provision of the Certificate of Incorporation.

Section 2.03. *Special Meetings.* Special meetings of the Stockholders may be called only in the manner set forth in the Certificate of Incorporation. Notice of every special meeting of the Stockholders shall state the purpose or purposes of such meeting. Except as otherwise required by law, the business conducted at a special meeting of Stockholders shall be limited exclusively to the business set forth in the Corporation’s notice of meeting, and the individual or group calling such meeting shall have exclusive authority to determine the business included in such notice.

Section 2.04. *Record Date.*

- (a) For the purpose of determining the Stockholders entitled to notice of any meeting of Stockholders or any adjournment thereof, unless otherwise required by the Certificate of Incorporation or applicable law, the Board may fix a record date (the “Notice Record Date”), which record date shall not precede the date on which the resolution fixing the record date was adopted by the Board and shall not be more than sixty (60) or less than ten (10) days before the date of such meeting. The Notice Record Date shall also be the record date for determining the Stockholders entitled to vote at such meeting unless the Board determines, at the time it fixes such Notice Record Date, that a later date on or before the date of the meeting shall be the date for making such determination (the “Voting Record Date”). For the purposes of determining the Stockholders entitled to express consent to corporate action in writing without a meeting, unless otherwise required by the Certificate of Incorporation or applicable law, the Board may fix a record date, which record date shall not precede the date on which the resolution fixing the record date was adopted by the Board and shall not be more than ten (10) days after the date on which the record date was fixed by the Board. For the purposes of determining the Stockholders entitled to (i) receive payment of any dividend or other distribution or allotment of any rights, (ii) exercise any rights in respect of any change, conversion or exchange of stock or (iii) take any other lawful action, unless otherwise required by the Certificate of Incorporation or applicable law, the Board may fix a record date, which record date shall not precede the date on which the resolution fixing the record date was adopted by the Board and shall not be more than sixty (60) days prior to such action.
- (b) If no such record date is fixed:
  - (i) the record date for determining Stockholders entitled to notice of, and to vote at, a meeting of Stockholders shall be at the close of business on the day next preceding the day on which notice is given or, if notice is waived, at the close of business on the day next preceding the day on which the meeting is held;
  - (ii) the record date for determining Stockholders entitled to express consent to corporate action in writing without a meeting (unless otherwise provided in the Certificate of Incorporation), when no prior action by the Board is required by applicable law, shall be the first day on which a signed written consent setting forth the action taken or proposed to be taken is delivered to the Corporation in accordance with applicable law; and when prior action by the Board is required by applicable law, the record date for determining Stockholders entitled to express consent to

corporate action in writing without a meeting shall be at the close of business on the date on which the Board takes such prior action; and

- (iii) when a determination of Stockholders of record entitled to notice of, or to vote at, any meeting of Stockholders has been made as provided in this Section 2.04, such determination shall apply to any adjournment thereof, unless the Board fixes a new Voting Record Date for the adjourned meeting, in which case the Board shall also fix such Voting Record Date or a date earlier than such date as the new Notice Record Date for the adjourned meeting.

Section 2.05. *Notice of Meetings of Stockholders.* Whenever, under the provisions of applicable law, the Certificate of Incorporation or these By-laws, Stockholders are required or permitted to take any action at a meeting, notice shall be given stating the place, if any, date and hour of the meeting; the means of remote communication, if any, by which Stockholders and proxy holders may be deemed to be present in person and vote at such meeting; the Voting Record Date, if such date is different from the Notice Record Date; and, in the case of a special meeting, the purposes for which the meeting is called. Unless otherwise provided by these By-laws or applicable law, notice of any meeting shall be given, not less than ten (10) nor more than sixty (60) days before the date of the meeting, to each Stockholder entitled to vote at such meeting as of the Notice Record Date. If mailed, such notice shall be deemed to be given when deposited in the U.S. mail, with postage prepaid, and directed to the Stockholder at his or her address as it appears on the records of the Corporation. An affidavit of the Secretary, an Assistant Secretary or the transfer agent of the Corporation that the notice required by this Section 2.05 has been given shall, in the absence of fraud, be prima facie evidence of the facts stated therein. If a meeting is adjourned to another time or place, notice need not be given of the adjourned meeting if the time and place thereof are announced at the meeting at which the adjournment is taken. Any business that might have been transacted at the meeting as originally called may be transacted at the adjourned meeting. If, however, the adjournment is for more than thirty (30) days, a notice of the adjourned meeting shall be given to each Stockholder of record entitled to vote at the meeting. If, after the adjournment, a new Voting Record Date is fixed for the adjourned meeting, the Board shall fix a new Notice Record Date in accordance with Section 2.04(b)(iii) hereof and shall give notice of such adjourned meeting to each Stockholder entitled to vote at such meeting as of the Notice Record Date.

Section 2.06. *Waivers of Notice.* Whenever the giving of any notice to Stockholders is required by applicable law, the Certificate of Incorporation or these By-laws, a waiver thereof, given by the person entitled to said notice, whether before or after the event as to which such notice is required, shall be deemed equivalent to notice. Attendance by a Stockholder at a meeting shall constitute a waiver of notice of such meeting except when the Stockholder attends a meeting for the express purpose of objecting, at the beginning of the meeting, to the transaction of any business on the ground that the meeting has not been lawfully called or convened. Neither the business to be transacted at, nor the purposes of, any regular or special meeting of the Stockholders need be specified in any waiver of notice.

Section 2.07. *List of Stockholders.* The Secretary shall prepare and make available, at least ten (10) days before every meeting of Stockholders, a complete, alphabetical list of the Stockholders entitled to vote at the meeting, and showing the address of each Stockholder and the number of shares registered in the name of each Stockholder. Except as otherwise required by law, in preparing and making available such list of the Stockholders entitled to vote at a meeting, the Corporation shall not be required to include electronic mail addresses or other electronic contact information on such list. Such list may be examined by any Stockholder, the Stockholder's agent or attorney, at the Stockholder's expense, for any purpose germane to the meeting, for a period of at least ten (10) days prior to the meeting, during ordinary business hours at the principal place of business of the Corporation or on a reasonably accessible electronic network as provided by applicable law. If the meeting is held solely by means of remote communication, the list shall also be open for inspection as provided by applicable law. Except as provided by applicable law, the stock ledger shall be the only evidence as to who are the Stockholders entitled to examine the list of Stockholders or to vote in person or by proxy at any meeting of Stockholders.

Section 2.08. *Quorum of Stockholders; Adjournment.* Except as otherwise provided by these By-laws, at each meeting of Stockholders, the presence in person or by proxy of the holders of a majority of the voting power of all outstanding shares of stock entitled to vote at the meeting of Stockholders shall constitute a quorum for the transaction of any business at such meeting, except that, where a separate vote by a class or series of classes of shares is required, a quorum shall consist of no less than a majority of the voting power of all outstanding shares of

stock of such class or series of classes, as applicable. In the absence of a quorum, the holders of a majority in voting power of the shares of stock present in person or represented by proxy at any meeting of Stockholders, including an adjourned meeting, may adjourn such meeting to another time and place. Shares of its own stock belonging to the Corporation or to another corporation, if a majority of the shares entitled to vote in the election of Directors of such other corporation is held, directly or indirectly, by the Corporation, shall neither be entitled to vote nor be counted for quorum purposes; *provided, however,* that the foregoing shall not limit the right of the Corporation to vote stock, including but not limited to its own stock, held by it in a fiduciary capacity.

Section 2.09. *Voting; Proxies.* Unless otherwise provided by the General Corporation Law or in the Certificate of Incorporation, every Stockholder entitled to vote at any meeting of Stockholders shall be entitled to one vote for each share of stock held by such Stockholder which has voting power upon the matter in question. At any meeting of Stockholders, all matters other than the election of Directors, except as otherwise provided by the Certificate of Incorporation, these By-laws or any applicable law, shall be decided by the affirmative vote of a majority in voting power of shares of stock present in person or represented by proxy and entitled to vote thereon. At all meetings of Stockholders for the election of Directors, a plurality of the votes cast shall be sufficient to elect Directors. Each Stockholder entitled to vote at a meeting of Stockholders or to express consent or dissent to corporate action in writing without a meeting may authorize another person or persons to act for such Stockholder by proxy, but no such proxy shall be voted or acted upon after three years from its date, unless the proxy expressly provides for a longer period. A proxy shall be irrevocable if it states that it is irrevocable and if, and only so long as, it is coupled with an interest sufficient in law to support an irrevocable power. A Stockholder may revoke any proxy that is not irrevocable by attending the meeting and voting in person or by delivering to the Secretary a revocation of the proxy or by delivering a new proxy bearing a later date. Any Stockholder, Stockholder Associated Person or Substantial Participant soliciting proxies from other Stockholders must use a proxy card color other than white, which shall be reserved for the exclusive use by the Board.

Section 2.10. *Voting Procedures and Inspectors at Meetings of Stockholders.* The Board, in advance of any meeting of Stockholders, shall appoint one or more inspectors, who may be employees of the Corporation, to act at the meeting and make a written report thereof. The Board may designate one or more persons as alternate inspectors to replace any inspector who fails to act. If no inspector or alternate is able to act at a meeting, the person presiding at the meeting shall appoint one or more inspectors to act at the meeting. Each inspector, before entering upon the discharge of his or her duties, shall take and sign an oath faithfully to execute the duties of inspector with strict impartiality and according to the best of his or her ability. The inspectors shall (a) ascertain the number of shares outstanding and the voting power of each, (b) determine the shares represented at the meeting and the validity of proxies and ballots, (c) count all votes and ballots, (d) determine and retain for a reasonable period a record of the disposition of any challenges made to any determination by the inspectors and (e) certify their determination of the number of shares represented at the meeting and their count of all votes and ballots. The inspectors may appoint or retain other persons or entities to assist the inspectors in the performance of their duties. Unless otherwise provided by the Board, the date and time of the opening and the closing of the polls for each matter upon which the Stockholders will vote at a meeting shall be determined by the person presiding at the meeting and shall be announced at the meeting. No ballot, proxies, votes or any revocation thereof or change thereto, shall be accepted by the inspectors after the closing of the polls unless the Court of Chancery of the State of Delaware upon application by a Stockholder shall determine otherwise. In determining the validity and counting of proxies and ballots cast at any meeting of Stockholders, the inspectors may consider such information as is permitted by applicable law. No person who is a candidate for office at an election may serve as an inspector at such election.

Section 2.11. *Conduct of Meetings; Adjournment.* The Board may adopt such rules and procedures for the conduct of Stockholder meetings as it deems appropriate. At each meeting of Stockholders, the Chairman or, in the absence of the Chairman, the Chief Executive Officer or, in the absence of the Chairman and the Chief Executive Officer, the President or, if there is no Chairman, Chief Executive Officer or President, or if they are absent, a Vice President and, in the case that more than one Vice President shall be present, that Vice President designated by the Board (or in the absence of any such designation, the most senior Vice President present), shall preside over the meeting. Except to the extent inconsistent with the rules and procedures as adopted by the Board, the person presiding over the meeting of Stockholders shall have the right and authority to convene, adjourn and reconvene the meeting from time to time, to prescribe such additional rules and procedures and to do all such acts as, in the judgment of such person, are appropriate for the proper conduct of the meeting. Such rules and procedures, whether adopted by the Board or prescribed by the person presiding over the meeting, may include (a) the establishment of

an agenda or order of business for the meeting, (b) rules and procedures for maintaining order at the meeting and the safety of those present, (c) limitations on attendance at or participation in the meeting to Stockholders of record of the Corporation, their duly authorized and constituted proxies or such other persons as the person presiding over the meeting shall determine, (d) restrictions on entry to the meeting after the time fixed for the commencement thereof and (e) limitations on the time allotted to questions or comments by participants. The person presiding over any meeting of Stockholders, in addition to making any other determinations that may be appropriate to the conduct of the meeting, may determine and declare to the meeting that a matter or business was not properly brought before the meeting and if such presiding person should so determine, he or she shall so declare to the meeting and any such matter or business not properly brought before the meeting shall not be transacted or considered. Unless and to the extent determined by the Board or the person presiding over the meeting, meetings of Stockholders shall not be required to be held in accordance with the rules of parliamentary procedure. The Secretary or, in his or her absence, one of the Assistant Secretaries, shall act as secretary of the meeting. If none of the officers above designated to act as the person presiding over the meeting or as secretary of the meeting shall be present, a person presiding over the meeting or a secretary of the meeting, as the case may be, shall be designated by the Board and, if the Board has not so acted, in the case of the designation of a person to act as secretary of the meeting, designated by the person presiding over the meeting. To the extent permitted by applicable law, meetings of stockholders may be conducted by remote communications, including by webcast.

Section 2.12. *Order of Business.* The order of business at all meetings of Stockholders shall be as determined by the person presiding over the meeting.

Section 2.13. *Written Consent of Stockholders Without a Meeting.* If, and only if, the Certificate of Incorporation expressly permits action to be taken at any annual or special meeting of Stockholders without a meeting, without prior notice and without a vote, then a consent or consents in writing, setting forth the action to be so taken, shall be signed by the holders of outstanding stock having not less than the minimum number of votes that would be necessary to authorize or take such action at a meeting at which all shares entitled to vote thereon were present and voted and shall be delivered (by hand or by certified or registered mail, return receipt requested) to the Corporation by delivery to its registered office in the State of Delaware, the Office of the Corporation or an officer or agent of the Corporation having custody of the book in which proceedings of meetings of Stockholders are recorded. Every written consent shall bear the date of signature of each Stockholder who signs the consent, and no written consent shall be effective to take the corporate action referred to therein unless, within sixty (60) days of the earliest dated consent delivered in the manner required by this Section 2.13, written consents signed by a sufficient number of holders to take action are delivered to the Corporation as aforesaid. Prompt notice of the taking of the corporate action without a meeting by less than unanimous written consent shall, to the extent required by applicable law, be given to those Stockholders who have not consented in writing and who, if the action had been taken at a meeting, would have been entitled to notice of the meeting if the record date for such meeting had been the date that written consents signed by a sufficient number of holders to take the action were delivered to the Corporation.

### **ARTICLE 3 DIRECTORS**

Section 3.01. *General Powers.* The business and affairs of the Corporation shall be managed by, or under the direction of, the Board. The Board may adopt such rules and procedures, not inconsistent with the Certificate of Incorporation, these By-laws or applicable law, as it may deem proper for the conduct of its meetings and the management of the Corporation.

Section 3.02. *Term of Office.* The Board shall consist of members as determined in accordance with the Certificate of Incorporation. Subject to obtaining any required stockholder votes or consents under the Stockholders Agreement (as long as such agreement is in effect), each Director shall hold office until a successor is duly elected and qualified or until the Director's earlier death, resignation, disqualification or removal.

Section 3.03. *Nominations of Directors.*

- (a) Subject to Section 3.03(n) and obtaining any required stockholder votes or consents under the Stockholders Agreement and except as otherwise provided by the Stockholders Agreement (as long as



such agreement is in effect), only persons who are nominated in accordance with the procedures set forth in this Section 3.03 are eligible for election as Directors.

- (b) Nominations of persons for election to the Board may only be made at a meeting properly called for the election of Directors and only (i) by or at the direction of the Board or any committee thereof or (ii) by a Stockholder who (A) was a Stockholder of record of the Corporation when the notice required by this Section 3.03 is delivered to the Secretary and at the time of the meeting, (B) is entitled to vote for the election of Directors at the meeting and (C) complies with the notice, information and other provisions of this Section 3.03, including, without limitation, by providing timely updates and supplements to the information previously provided pursuant to Section 3.03(h). Subject to Section 3.03(n) and obtaining any required stockholder votes or consents under the Stockholders Agreement (as long as such agreement is in effect), Section 3.03(b)(ii) is the exclusive means by which a Stockholder may nominate a person for election to the Board. Persons nominated in accordance with Section 3.03(b)(ii) are referred to as “Stockholder Nominees.” A Stockholder nominating persons for election to the Board is referred to as the “Nominating Stockholder.” The number of Stockholder Nominees a Stockholder may nominate for election at a meeting shall not exceed the number of Directors to be elected at such meeting.
- (c) Subject to Section 3.03(n) and obtaining any required stockholder votes or consents under the Stockholders Agreement and except as otherwise provided by the Stockholders Agreement (as long as such agreement is in effect), all nominations of Stockholder Nominees must be made by timely written notice given by or on behalf of a Stockholder of record of the Corporation (the “Notice of Nomination”). To be timely, the Notice of Nomination must be delivered personally or mailed to and received at the Office of the Corporation, addressed to the attention of the Secretary, by the following dates:
  - (i) in the case of the nomination of a Stockholder Nominee for election to the Board at an annual meeting of Stockholders, no earlier than the open of business on the date that is one hundred and twenty (120) days and no later than the close of business on the date that is ninety (90) days before the first anniversary of the date of the prior year’s annual meeting of Stockholders; *provided, however*, that if (A) the annual meeting of Stockholders is advanced by more than thirty (30) days, or delayed by more than sixty (60) days, from the first anniversary of the prior year’s annual meeting of Stockholders or (B) no annual meeting was held during the prior year, the notice by the Stockholder to be timely must be received (1) no earlier than the open of business on the date that is one hundred and twenty (120) days before such annual meeting and (2) no later than the later of the close of business on the date that is ninety (90) days before such annual meeting and the close of business on the date that is the tenth day after the day on which the notice of such annual meeting was made by mail or Public Disclosure; and
  - (ii) in the case of the nomination of a Stockholder Nominee for election to the Board at a special meeting of Stockholders, no earlier than the open of business on the date that is one hundred and twenty (120) days before and no later than the later of the close of business on the date that is ninety (90) days before such special meeting and the close of business on the date that is the tenth day after the day on which the notice of such special meeting was made by mail or Public Disclosure.
- (d) Notwithstanding anything to the contrary, if the number of Directors to be elected to the Board at a meeting of Stockholders is increased and there is no Public Disclosure by the Corporation naming the nominees for the additional directorships at least one hundred (100) days before the first anniversary of the preceding year’s annual meeting, a Notice of Nomination shall also be considered timely, but only with respect to nominees for the additional directorships, if it shall be delivered personally and received at the Office of the Corporation, addressed to the attention of the Secretary, no later than the close of business on the tenth day following the day on which such Public Disclosure is first made by the Corporation.
- (e) In no event shall an adjournment, recess, postponement or deferral, or Public Disclosure of an adjournment, recess, postponement or deferral, of an annual or special meeting commence a new time period (or extend any time period) for the giving of the Notice of Nomination, and a Stockholder shall

not be entitled to make additional or substitute nominations following the expiration of the time periods set forth in these By-laws.

(f) The Notice of Nomination shall set forth:

- (i) the Stockholder Information with respect to each Nominating Stockholder and any Stockholder Associated Person or Substantial Participant;
- (ii) as to the Nominating Stockholder and any Stockholder Associated Person, completed and signed instruments containing: (A) a representation to the Corporation that the Nominating Stockholder is a holder of record of stock of the Corporation entitled to vote at the meeting and intends to appear in person or by proxy at the meeting to propose such nomination and (B) a representation to the Corporation as to whether such Nominating Stockholder or any Stockholder Associated Person or Substantial Participant intends or is part of a group (whether at, below or above 5% in beneficial ownership) that intends to (i) deliver a proxy statement and/or form of proxy to holders (including any beneficial owners pursuant to Rule 14b-1 and Rule 14b-2 promulgated under the Exchange Act) of at least the percentage of the Corporation's outstanding capital stock that is reasonably believed by such Nominating Stockholder to be sufficient to approve the nomination, (ii) otherwise solicit proxies from the Stockholders in support of such nomination and/or (iii) solicit the holders of shares representing at least 67% of the voting power of shares entitled to vote on the election of directors in support of director nominees other than the Corporation's nominees pursuant to Rule 14a-19 promulgated under the Exchange Act;
- (iii) all information regarding each Stockholder Nominee and any Stockholder Associated Person or Substantial Participant that would be required to be disclosed in a solicitation of proxies subject to Section 14 of the Exchange Act, the written consent of each Stockholder Nominee to being named in any proxy statement, form of proxy and ballot for the applicable meeting as a nominee and to serve for the full term if elected and completed and signed questionnaire(s), representation(s) and agreement(s) required by Section 3.04;
- (iv) a description of all direct and indirect compensation and other material monetary agreements, arrangements and understandings during the past three years, and any other material relationships, between or among a Nominating Stockholder, any Stockholder Associated Person or Substantial Participant or their respective affiliates and associates, on the one hand, and each Stockholder Nominee and his or her respective affiliates and associates, on the other hand, including, without limitation, (i) a representation as to whether such person is a principal, employee or affiliate of the Nominating Stockholder, any Stockholder Associated Person or Substantial Participant, and (ii) all information that would be required to be disclosed pursuant to Item 404 promulgated under Regulation S-K under the Exchange Act if the Nominating Stockholder, any Stockholder Associated Person or any Substantial Participant were the "registrant" for purposes of such rule and the Stockholder Nominee were a director or executive officer of such registrant;
- (v) Stockholder Information with respect to any stock or other interests of the Corporation held by members of the Nominating Stockholder's or any Stockholder Associated Person's or any Substantial Participant's immediate family sharing the same household;
- (vi) all other information that would be required to be filed with the SEC if the Nominating Stockholders, Stockholder Associated Persons and Substantial Participants were participants in a solicitation subject to Section 14 of the Exchange Act;
- (vii) a representation as to whether each Nominating Stockholder, any Stockholder Associated Person or any Substantial Participant intends to propose any other business in addition to such nomination of directors at the meeting; and
- (viii) a representation and covenant for the benefit of the Corporation that the Nominating Stockholders shall provide any other information reasonably requested by the Corporation.

- (g) The Nominating Stockholders shall also provide any other information reasonably requested by the Corporation within ten (10) business days after such request.
- (h) In addition, the Nominating Stockholders shall further update and supplement the information provided to the Corporation in the Notice of Nomination or upon the Corporation's request pursuant to Section 3.03(g) as needed, so that such information shall be true and correct as of the record date for the meeting and as of the date that is ten (10) business days before the meeting or any adjournment or postponement thereof. Such update and supplement must be delivered personally or mailed to, and received at, the Office of the Corporation, addressed to the Secretary, by no later than five (5) business days after the record date for the meeting (in the case of the update and supplement required to be made as of the record date), and not later than seven (7) business days before the date for the meeting (in the case of the update and supplement required to be made as of ten (10) business days before the meeting or any adjournment or postponement thereof). For the avoidance of doubt, the obligation to update and supplement as set forth in this Section 3.03(h) shall not limit the Corporation's rights with respect to any deficiencies in any Notice of Nomination provided by a Stockholder, extend any applicable deadlines under these By-laws or enable or be deemed to permit a Stockholder who has previously submitted a Notice of Nomination under these By-laws to amend or update any such notice, including by changing or adding nominees proposed to be brought before a meeting of Stockholders.
- (i) With respect to nominations pursuant to this Section 3.03, without limiting any remedy available to the Corporation, a Nominating Stockholder may not present such nominations or business at a meeting (and any such nominee shall be disqualified from standing for election or re-election), notwithstanding that proxies in respect of such vote may have been received by the Corporation, if such Nominating Stockholder, any other beneficial owner, any Stockholder Associated Person, any Substantial Participant or any Stockholder Nominee acted contrary to any representation, certification or agreement required by this Section 3.03, otherwise failed to fully comply with this Section 3.03 (or with any law, rule or regulation identified in this Section), including, without limitation, failure to provide timely updates and supplements as required, or provided incomplete, false or misleading information to the Corporation.
- (j) The person presiding over the meeting shall, if the facts warrant, determine and declare to the meeting, that the nomination was not made in accordance with the procedures set forth in this Section 3.03 (or any applicable rule or regulation identified herein), and, if he or she should so determine, he or she shall so declare to the meeting and the defective nomination shall be disregarded.
- (k) If the Stockholder (or a qualified representative of the Stockholder) does not appear at the applicable Stockholder meeting to nominate the Stockholder Nominees, such nomination shall be disregarded and such business shall not be transacted, notwithstanding that proxies in respect of such vote may have been received by the Corporation. For purposes of this Section 3.03, to be considered a qualified representative of the Stockholder, a person must be a duly authorized officer, manager or partner of such Stockholder or must be authorized by a writing executed by such Stockholder or an electronic transmission delivered by such Stockholder to act for such Stockholder as proxy at the meeting of Stockholders and such person must produce such writing or electronic transmission, or a reliable reproduction of the writing or electronic transmission, at the meeting of Stockholders.
- (l) Notwithstanding anything to the contrary in these By-laws, unless otherwise required by law, if any Stockholder, any Stockholder Associated Person or any Substantial Participant (A) provides a Notice of Nomination pursuant to Rule 14a-19(b) promulgated under the Exchange Act with respect to any Stockholder Nominee and (B) subsequently fails to comply with the requirements of Rule 14a-19(a)(2) or Rule 14a-19(a)(3) promulgated under the Exchange Act (or fails to timely provide reasonable evidence sufficient to satisfy the Corporation that such Stockholder, any Stockholder Associated Person or any Substantial Participant has met the requirements of Rule 14a-19(a)(3) promulgated under the Exchange Act in accordance with the following sentence), then the nomination of each such Stockholder Nominee shall be disregarded, notwithstanding that proxies or votes in respect of the election of such Stockholder Nominees may have been received by the Corporation (which proxies and votes shall be disregarded).

- (m) Any Stockholder, any Stockholder Associated Person or any Substantial Participant who has delivered a Notice of Nomination pursuant to this Section 3.03 shall (i) promptly certify to the Corporation in writing that it has complied with the requirements of Rule 14a-19 under the Exchange Act, and (ii) upon request of the Corporation, deliver to the Corporation no later than five (5) business days prior to the applicable Stockholder meeting reasonable evidence that it has complied with such requirements.
- (n) Nothing in this Section 3.03 shall be deemed to affect any rights of the holders of any series of preferred stock of the Corporation pursuant to any applicable provision of the Certificate of Incorporation.
- (o) Notwithstanding the foregoing provisions of this Section 3.03, the Stockholder shall also comply with all applicable requirements of the Exchange Act and the rules and regulations promulgated thereunder (including Rule 14a-19) with respect to the matters set forth in this Section 3.03.

Section 3.04. *Nominee and Director Qualifications.* Unless the Board determines otherwise or the Stockholders Agreement provides otherwise (as long as such agreement is in effect), to be eligible to be a nominee for election or reelection as a Director, a person must deliver (in accordance with the time periods prescribed for delivery of notice by the Board) to the Secretary at the Office of the Corporation (A) all fully completed and signed questionnaires prepared by the Corporation (including those questionnaires required of the Directors and any other questionnaire the Corporation determines is necessary or advisable to assess whether a nominee will satisfy any qualifications or requirements imposed by the Certificate of Incorporation or these By-laws, any law, rule, regulation or listing standard that may be applicable to the Corporation, and all applicable publicly disclosed corporate governance policies and guidelines of the Corporation that are applicable to Directors), in the form provided by the Secretary upon written request of the Nominating Stockholder, and (B) a written representation and agreement (in the form provided by the Secretary upon written request of the Nominating Stockholder) that such person (w) is not and will not become a party to (i) any agreement, arrangement or understanding with, and has not given any commitment or assurance to, any person or entity as to how such person will act or vote as a Director on any issue or question (a "Voting Commitment") that has not been disclosed to the Corporation or (ii) any Voting Commitment that could limit or interfere with such person's ability to comply with such person's fiduciary duties as a Director under applicable law, (x) is not and will not become a party to any agreement, arrangement or understanding with any person or entity other than the Corporation with respect to any direct or indirect compensation, reimbursement or indemnification in connection with service or action as a Director that has not been disclosed therein, (y) in such person's individual capacity and on behalf of any person or entity on whose behalf the nomination is being made, would be in compliance, and will comply with all applicable publicly disclosed corporate governance, conflict of interest, confidentiality and stock ownership and trading and other policies and guidelines of the Corporation that are applicable to Directors, and (z) has (i) informed any other public company board of directors on which he or she serves of his or her intention to serve on the Board and (ii) obtained all required third-party consents to serve on the Board if elected, including from such other public company board of directors. In addition, the Corporation may require any Stockholder Nominee to furnish such other information as may reasonably be required by the Corporation, which may be in the form of an interview with a nominee at the request of the Board, to determine the eligibility of such Stockholder Nominee to serve as an independent director of the Corporation or that could be material to a reasonable Stockholder's understanding of the independence, or lack thereof, of such nominee.

Section 3.05. *Resignation.* Any Director may resign at any time by notice given in writing or by electronic transmission to the Corporation. Such resignation shall take effect at the date of receipt of such notice or at such later time as is therein specified, and, unless otherwise specified in such resignation, the acceptance of such resignation shall not be necessary to make it effective.

Section 3.06. *Compensation.* Each Director, in consideration of his or her service as such, shall be entitled to receive from the Corporation such amount per annum or such fees (payable in cash or equity) for attendance at Directors' meetings, or both, as the Board may from time to time determine, together with reimbursement for the reasonable out-of-pocket expenses, if any, incurred by such Director in connection with the performance of his or her duties. Each Director who shall serve as a member of any committee of Directors in consideration of serving as such shall be entitled to such additional amount per annum or such fees for attendance at committee meetings, or both, as the Board may from time to time determine, together with reimbursement for the reasonable out-of-pocket expenses, if any, incurred by such Director in the performance of his or her duties. Nothing contained in this Section

3.06 shall preclude any Director from serving the Corporation or its subsidiaries in any other capacity and receiving proper compensation therefor.

Section 3.07. *Regular Meetings.* Regular meetings of the Board may be held without notice at such times and at such places within or without the State of Delaware as may be determined from time to time by the Board or its Chairman.

Section 3.08. *Special Meetings.* Special meetings of the Board may be held at such times and at such places within or without the State of Delaware as may be determined by the Chairman or the Chief Executive Officer on at least twenty-four (24) hours' notice to each Director given by one of the means specified in Section 3.11 hereof other than by mail, or on at least three (3) days' notice if given by mail.

Section 3.09. *Telephone Meetings.* Board or Board committee meetings may be held by means of telephone conference or other communications equipment by means of which all persons participating in the meeting can hear each other. Participation by a Director in a meeting pursuant to this Section 3.09 shall constitute presence in person at such meeting.

Section 3.10. *Adjourned Meetings.* A majority of the Directors present at any meeting of the Board, including an adjourned meeting, whether or not a quorum is present, may adjourn and reconvene such meeting to another time and place. At least twenty-four (24) hours' notice of any adjourned meeting of the Board shall be given to each Director whether or not present at the time of the adjournment, if such notice shall be given by one of the means specified in Section 3.11 hereof other than by mail, or at least three (3) days' notice if by mail. Any business may be transacted at an adjourned meeting that might have been transacted at the meeting as originally called.

Section 3.11. *Notice Procedure.* Subject to Sections 3.08 and 3.12 hereof, whenever notice is required to be given to any Director by applicable law, the Certificate of Incorporation or these By-laws, such notice shall be deemed given effectively if given in person or by telephone, mail or electronic mail addressed to such Director at such Director's address or email address, as applicable, as it appears on the records of the Corporation, facsimile or by other means of electronic transmission.

Section 3.12. *Waiver of Notice.* Whenever the giving of any notice to Directors is required by applicable law, the Certificate of Incorporation or these By-laws, a waiver thereof, in writing signed by the Director entitled to the notice, whether before or after such notice is required, shall be deemed equivalent to notice. Attendance by a Director at a meeting shall constitute a waiver of notice of such meeting except when the Director attends a meeting for the express purpose of objecting, at the beginning of the meeting, to the transaction of any business on the ground that the meeting was not lawfully called or convened. Neither the business to be transacted at, nor the purpose of, any regular or special Board or committee meeting need be specified in any waiver of notice.

Section 3.13. *Organization.* At each meeting of the Board, the Chairman or, in the absence of the Chairman, the Chief Executive Officer shall preside. The Secretary shall act as secretary at each meeting of the Board. If the Secretary is absent from any meeting of the Board, an Assistant Secretary shall perform the duties of secretary at such meeting; and in the absence from any such meeting of the Secretary and all Assistant Secretaries, the person presiding at the meeting may appoint any person to act as secretary of the meeting.

Section 3.14. *Quorum of Directors.* The presence in person of a majority of the total members of the Board, provided that one of such members present is either the Chairman or the Chief Executive Officer (if the Chief Executive Officer is then a member of the board), shall be necessary and sufficient to constitute a quorum for the transaction of business at any meeting of the Board.

Section 3.15. *Action by Majority Vote.* Except as otherwise expressly required by these By-laws, or the Certificate of Incorporation, the vote of a majority of the Directors present at a meeting at which a quorum is present shall be the act of the Board; provided that to the extent one or more Directors recuses himself or herself from an act, the act of a majority of the remaining Directors present shall be the act of the Board.

Section 3.16. *Action Without Meeting.* Unless otherwise restricted by these By-laws, any action required or permitted to be taken at any meeting of the Board or of any committee thereof may be taken without a meeting if all Directors or members of such committee, as the case may be, consent thereto in writing or by electronic

transmission, and the writings or electronic transmissions are filed with the minutes of proceedings of the Board or committee.

#### ARTICLE 4 COMMITTEES OF THE BOARD

Section 4.01. *General.* The Board may, by resolution, designate one or more committees, each committee to consist of one or more of the Directors of the Corporation. The Board may, by resolution, adopt charters for one or more of such committees. The Board may designate one or more Directors as alternate members of any committee, who may replace any absent or disqualified member at any meeting of such committee. If a member of a committee shall be absent from any meeting, or disqualified from voting thereat, the remaining member or members present at the meeting and not disqualified from voting, whether or not such member or members constitute a quorum, may, by a unanimous vote, appoint another member of the Board to act at the meeting in the place of any such absent or disqualified member. Any such committee, to the extent permitted by applicable law, and to the extent provided in the resolution of the Board designating such committee or the charter for such committee, shall have and may exercise all the powers and authority of the Board in the management of the business and affairs of the Corporation and may authorize the seal of the Corporation to be affixed to all papers that may require it to the extent so authorized by the Board. The Board may remove any Director from any committee at any time, with or without cause. Unless the Board provides otherwise, at all meetings of such committee, a majority of the then authorized members of the committee shall constitute a quorum for the transaction of business, and the vote of a majority of the members of the committee present at any meeting at which there is a quorum shall be the act of the committee. Each committee shall keep regular minutes of its meetings. Unless the Board provides otherwise, each committee designated by the Board may make, alter and repeal rules and procedures for the conduct of its business. In the absence of such rules and procedures, each committee shall conduct its business in the same manner as the Board conducts its business pursuant to Article 3. Notwithstanding the foregoing, the provisions of this Section 4.01 shall be inapplicable to the Independent Committee.

Section 4.02. *Independent Committee.* A committee of the Board (the “Independent Committee”) is designated by the adoption by the Board of this Section 4.02 of these By-laws. The Independent Committee shall be composed of all of the Independent Directors (as defined below) then in office, and any member of the Independent Committee shall automatically be disqualified from serving on the Independent Committee if the Board determines such member is no longer an Independent Director. The Independent Committee shall have the full power and authority of the Board to make, solely for purposes of the Consent and Defense Agreement dated May 8, 2023, between Baldwin Insurance Group Holdings, LLC and the Corporation, as it may be amended from time to time (as so amended from time to time, the “CDA”), any determination contemplated by Paragraphs 1 and 2 thereof, and with respect to amending, waiving or enforcing any term of the CDA, and to take any action and engage any such advisors or counsel as it deems necessary in connection therewith. Notwithstanding anything to the contrary in the General Corporation Law or these By-laws: (a) in the absence or disqualification of a member of the Independent Committee, the member or members present at any meeting and not disqualified from voting may not appoint another member of the Board to act at the meeting in the place of any such absent or disqualified member; (b) the Independent Committee may not create any subcommittees; (c) all of the members then serving on the Independent Committee shall be required to constitute a quorum for the transaction of business of the Independent Committee; (d) the affirmative vote of all members of the Independent Committee shall be the act of the Independent Committee; (e) the Independent Committee may, but is not required to, elect a chairperson from among its members; and (f) the Independent Committee may make, alter and repeal rules and procedures for the conduct of its business so long as such rules and procedures are not inconsistent with this Section 4.02. “Independent Director” for this purpose means a director who the Board determines both: (i) qualifies as an independent director under the corporate governance standards of Nasdaq and (ii) has no relationship with the Corporation or any Holder that would interfere with the exercise of independent judgment in carrying out the responsibilities of a director. Notwithstanding anything to the contrary in these By-laws, this Section 4.02 shall not be amended, altered or repealed (and no provision inconsistent with this Section 4.02 shall be adopted) by the Board unless approved by all of the directors then in office. Notwithstanding the foregoing, the Independent Committee shall be disbanded, and this Section 4.02 of no further force and effect, on the date the CDA is terminated pursuant to its terms.

## ARTICLE 5 OFFICERS

Section 5.01. *Positions; Election.* The Board may from time to time elect officers of the Corporation, which may include a Chairman, Chief Executive Officer, President, Vice Presidents, Secretary, Treasurer and any other officers as it may deem proper or may delegate to any elected officer of the Corporation the power to appoint and remove any such officers and to prescribe their respective terms of office, authorities and duties. Any number of offices may be held by the same person. Should the Corporation or any of its Subsidiaries enter into any management services or similar agreement with another entity (each as may be amended, supplemented, restated or replaced from time to time), the officers of the Corporation may be the officers or employees of such entity to the extent permitted by applicable law.

Section 5.02. *Term of Office.* Each officer of the Corporation shall hold office for such terms as may be determined by the Board or, except with respect to his or her own office, the Chief Executive Officer, or until such officer's successor is elected and qualifies or until such officer's earlier death, resignation or removal. Any officer may resign at any time upon written notice to the Corporation. Such resignation shall take effect at the date of receipt of such notice or at such later time as is therein specified, and, unless otherwise specified, the acceptance of such resignation shall not be necessary to make it effective. The resignation of an officer shall be without prejudice to the contract rights of the Corporation, if any. The election or appointment of an officer shall not of itself create contract rights.

Section 5.03. *Chairman.* The Chairman shall preside at all meetings of the Stockholders and at all meetings of the Board and shall exercise such powers and perform such other duties as shall be determined from time to time by the Board. In addition to the responsibilities, powers and duties of the Chairman, an Executive Chairman (if there be one) shall exercise such powers and perform such other duties as shall be determined from time to time by the Board and may sign and execute in the name of the Corporation deeds, mortgages, bonds, contracts and other instruments, except in cases in which the signing and execution thereof shall be expressly delegated by resolution of the Board or by these By-laws to some other officer or agent of the Corporation, or shall be required by applicable law otherwise to be signed or executed.

Section 5.04. *Chief Executive Officer.* The Chief Executive Officer shall have general supervision over, and direction of, the business and affairs of the Corporation, subject, however, to the control of the Board and of any duly authorized committee of the Board. The Chief Executive Officer shall preside at all meetings of the Stockholders and at all meetings of the Board at which the Chairman is not present. The Chief Executive Officer may sign and execute in the name of the Corporation deeds, mortgages, bonds, contracts and other instruments, except in cases in which the signing and execution thereof shall be expressly delegated by resolution of the Board or by these By-laws to some other officer or agent of the Corporation, or shall be required by applicable law otherwise to be signed or executed and, in general, the Chief Executive Officer shall perform all duties incident to the office of Chief Executive Officer of a corporation and such other duties as may be determined from time to time by the Board.

Section 5.05. *President.* The President shall have duties incident to the office of President, and any other duties as may from time to time be assigned to the President by the Chief Executive Officer (if the President and Chief Executive Officer are not the same person) or the Board and subject to the control of the Chief Executive Officer (if the President and Chief Executive Officer are not the same person) and the Board in each case. The President shall preside at all meetings of the Stockholders at which the Chairman and the Chief Executive Officer are not present. The President may sign and execute in the name of the Corporation deeds, mortgages, bonds, contracts and other instruments, except in cases in which the signing and execution thereof shall be expressly delegated by the Board or by these By-laws to some other officer or agent of the Corporation, or shall be required by applicable law otherwise to be signed or executed.

Section 5.06. *Vice Presidents.* Vice Presidents shall have the duties incident to the office of Vice President and any other duties that may from time to time be assigned to the Vice President by the Chief Executive Officer, the President or the Board. A Vice President shall preside at all meetings of the Stockholders at which the Chairman, the Chief Executive Officer and the President are not present. Any Vice President may sign and execute in the name of the Corporation deeds, mortgages, bonds, contracts or other instruments, except in cases in which the signing and

execution thereof shall be expressly delegated by the Board or by these By-laws to some other officer or agent of the Corporation, or shall be required by applicable law otherwise to be signed or executed.

Section 5.07. *Secretary.* The Secretary shall attend all meetings of the Board and of the Stockholders, record all the proceedings of the meetings of the Board and of the Stockholders in a book to be kept for that purpose and perform like duties for committees of the Board, when required. The Secretary shall give, or cause to be given, notice of all special meetings of the Board and of the Stockholders and perform such other duties as may be prescribed by the Board, the Chief Executive Officer or the President. The Secretary shall have custody of the corporate seal of the Corporation and the Secretary or an Assistant Secretary shall have authority to affix the same on any instrument that may require it, and when so affixed, the seal may be attested by the signature of the Secretary or by the signature of such Assistant Secretary. The Board may give general authority to any other officer to affix the seal of the Corporation and to attest the same by such officer's signature. The Secretary or an Assistant Secretary may also attest all instruments signed by the Executive Chairman, Chief Executive Officer, President or any Vice President. The Secretary shall have charge of all the books, records and papers of the Corporation relating to its organization and management, see that the reports, statements and other documents required by applicable law are properly kept and filed and, in general, perform all duties incident to the office of secretary of a corporation and such other duties as may from time to time be assigned to the Secretary by the Board, the Chief Executive Officer or the President.

Section 5.08. *Treasurer.* The Treasurer shall have charge and custody of, and be responsible for, all funds, securities and notes of the Corporation, receive and give receipts for moneys due and payable to the Corporation from any sources whatsoever; deposit all such moneys and valuable effects in the name and to the credit of the Corporation in such depositories as may be designated by the Board, against proper vouchers, cause such funds to be disbursed by checks or drafts on the authorized depositories of the Corporation signed in such manner as shall be determined by the Board and be responsible for the accuracy of the amounts of all moneys so disbursed, regularly enter or cause to be entered in books or other records maintained for the purpose full and adequate account of all moneys received or paid for the account of the Corporation, have the right to require from time to time reports or statements giving such information as the Treasurer may desire with respect to any and all financial transactions of the Corporation from the officers or agents transacting the same, render to the Chief Executive Officer, the President or the Board, whenever the Chief Executive Officer, the President or the Board shall require the Treasurer so to do, an account of the financial condition of the Corporation and of all financial transactions of the Corporation, disburse the funds of the Corporation as ordered by the Board and, in general, perform all duties incident to the office of Treasurer of a corporation and such other duties as may from time to time be assigned to the Treasurer by the Board, the Chief Executive Officer or the President.

Section 5.09. *Assistant Secretaries and Assistant Treasurers.* Assistant Secretaries and Assistant Treasurers shall perform such duties as shall be assigned to them by the Secretary or by the Treasurer, respectively, or by the Board, the Chief Executive Officer or the President.

## **ARTICLE 6 GENERAL PROVISIONS**

Section 6.01. *Certificates Representing Shares.* The shares of stock of the Corporation may be represented by certificates or all of such shares shall be uncertificated shares that may be evidenced by a book-entry system maintained by the registrar of such stock, or a combination of both. If shares are represented by certificates (if any), such certificates shall be in the form approved by the Board. The certificates representing shares of stock of each class shall be signed by, or in the name of, the Corporation by the Chairman, the Chief Executive Officer, the President or any Vice President, and by the Secretary, any Assistant Secretary, the Treasurer or any Assistant Treasurer. Any or all such signatures may be facsimiles. Although any officer, transfer agent or registrar whose manual or facsimile signature is affixed to such a certificate ceases to be such officer, transfer agent or registrar before such certificate has been issued, it may nevertheless be issued by the Corporation with the same effect as if such officer, transfer agent or registrar were still such at the date of its issue.

Section 6.02. *Transfer and Registry Agents.* The Corporation may from time to time maintain one or more transfer offices or agents and registry offices or agents at such place or places as may be determined from time to time by the Board.



Section 6.03. *Lost, Stolen or Destroyed Certificates.* The Corporation may issue a new certificate of stock in the place of any certificate theretofore issued by it, alleged to have been lost, stolen or destroyed, and the Corporation may require the owner of the lost, stolen or destroyed certificate or his legal representative to give the Corporation a bond sufficient to indemnify it against any claim that may be made against it on account of the alleged loss, theft or destruction of any such certificate or the issuance of such new certificate.

Section 6.04. *Form of Records.* Any records maintained by the Corporation in the regular course of its business, including its stock ledger, books of account and minute books, may be maintained on any information storage device or method; *provided* that the records so kept can be converted into clearly legible paper form within a reasonable time. The Corporation shall so convert any records so kept upon the request of any person entitled to inspect such records pursuant to applicable law.

Section 6.05. *Seal.* The corporate seal shall have the name of the Corporation inscribed thereon and shall be in such form as may be approved from time to time by the Board. The seal may be used by causing it or a facsimile thereof to be impressed or affixed or otherwise reproduced.

Section 6.06. *Fiscal Year.* The fiscal year of the Corporation shall be determined by the Board.

Section 6.07. *Amendments.* These By-laws may be altered, amended or repealed in accordance with the Certificate of Incorporation and the General Corporation Law.

Section 6.08. *Conflict with Applicable Law or Certificate of Incorporation.* These By-laws are adopted subject to any applicable law and the Certificate of Incorporation. Whenever these By-laws may conflict with any applicable law or the Certificate of Incorporation, such conflict shall be resolved in favor of such law or the Certificate of Incorporation.

**SECOND AMENDMENT TO THE THIRD AMENDED AND RESTATED  
LIMITED LIABILITY COMPANY AGREEMENT OF BALDWIN RISK PARTNERS, LLC**

This Second Amendment to the Third Amended and Restated Limited Liability Company Agreement, as amended (the “LLCA”), of Baldwin Risk Partners, LLC (the “Company”) to change the name of the Company to “The Baldwin Insurance Group Holdings, LLC” was adopted and approved by the Managing Member (as defined in the LLCA) by written consent, dated as of May 1, to become effective as of 12:01 am Eastern Time on May 2, 2024.

The title of the LLCA is hereby amended and restated in its entirety as follows:

**THIRD AMENDED AND RESTATED  
LIMITED LIABILITY COMPANY AGREEMENT  
of  
THE BALDWIN INSURANCE GROUP HOLDINGS, LLC  
Dated as of October 7, 2019**

The first recital in the LLCA is hereby amended and restated in its entirety as follows:

THIRD AMENDED AND RESTATED LIMITED LIABILITY COMPANY AGREEMENT (this “**Agreement**”) OF THE BALDWIN INSURANCE GROUP HOLDINGS, LLC, a Delaware limited liability company (the “**Company**”), dated as of October 7, 2019, by and among the Company, BRP Group, Inc., a Delaware corporation (“**Pubco**”), and the other Persons listed on the signature pages hereto.

Section 2.02 of the LLCA is hereby amended and restated in its entirety as follows:

Section 2.02. *Name.* The name of the Company shall be The Baldwin Insurance Group Holdings, LLC; provided that the Managing Member may change the name of the Company to such other name as the Managing Member shall determine, and shall have the authority to execute, acknowledge, deliver, file and record such further certificates, amendments, instruments and documents, and to do all such other acts and things, as may be required by Applicable Law or as, in the reasonable judgment of the Managing Member, may be necessary or advisable to effect such change.

In Section 13.03 of the LLCA, any and all references to “Baldwin Risk Partners, LLC” are hereby deleted and replaced with “The Baldwin Insurance Group Holdings, LLC”.

[Signature page follows]

**IN WITNESS WHEREOF**, the undersigned has executed this Second Amendment to the LLCA, effective as of 12:01 am Eastern Time on May 2, 2024.

Managing Member:

**BRP GROUP, INC.**

By: /s/ Seth Cohen

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Seth Cohen, General Counsel and Secretary

CERTIFICATION BY CHIEF EXECUTIVE OFFICER  
PURSUANT TO SECURITIES EXCHANGE ACT RULE 13a-14(a) and 15d-14(a),  
AS ADOPTED PURSUANT TO SECTION 302 OF THE SARBANES-OXLEY ACT OF 2002

I, Trevor L. Baldwin, certify that:

1. I have reviewed this Quarterly Report on Form 10-Q of BRP Group, 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)) and internal control over financial reporting (as defined in Exchange Act Rules 13a-15(f) and 15d-15(f)) for the registrant and have:
  - (a) designed such disclosure controls and procedures, or caused such disclosure controls and procedures to be designed under our supervision, to ensure that material information relating to the registrant, including its consolidated subsidiaries, is made known to us by others within those entities, particularly during the period in which this report is being prepared;
  - (b) designed such internal control over financial reporting, or caused such internal control over financial reporting to be designed under our supervision, to provide reasonable assurance regarding the reliability of financial reporting and the preparation of financial statements for external purposes in accordance with generally accepted accounting principles;
  - (c) evaluated the effectiveness of the registrant's disclosure controls and procedures and presented in this report our conclusions about the effectiveness of the disclosure controls and procedures, as of the end of the period covered by this report based on such evaluation; and
  - (d) disclosed in this report any change in the registrant's internal control over financial reporting that occurred during the registrant's most recent fiscal quarter (the registrant's fourth fiscal quarter in the case of an Annual Report) that has materially affected, or is reasonably likely to materially affect, the registrant's internal control over financial reporting; and
5. The registrant's other certifying officer and I have disclosed, based on our most recent evaluation of internal control over financial reporting, to the registrant's auditors and the audit committee of the registrant's board of directors (or persons performing the equivalent functions):
  - (a) all significant deficiencies and material weaknesses in the design or operation of internal control over financial reporting which are reasonably likely to adversely affect the registrant's ability to record, process, summarize and report financial information; and
  - (b) any fraud, whether or not material, that involves management or other employees who have a significant role in the registrant's internal control over financial reporting.

/s/ Trevor L. Baldwin

Trevor L. Baldwin

Chief Executive Officer

Date: May 7, 2024

CERTIFICATION BY CHIEF FINANCIAL OFFICER  
PURSUANT TO SECURITIES EXCHANGE ACT RULE 13a-14(a) and 15d-14(a),  
AS ADOPTED PURSUANT TO SECTION 302 OF THE SARBANES-OXLEY ACT OF 2002

I, Bradford L. Hale, certify that:

1. I have reviewed this Quarterly Report on Form 10-Q of BRP Group, 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)) and internal control over financial reporting (as defined in Exchange Act Rules 13a-15(f) and 15d-15(f)) for the registrant and have:
  - (a) designed such disclosure controls and procedures, or caused such disclosure controls and procedures to be designed under our supervision, to ensure that material information relating to the registrant, including its consolidated subsidiaries, is made known to us by others within those entities, particularly during the period in which this report is being prepared;
  - (b) designed such internal control over financial reporting, or caused such internal control over financial reporting to be designed under our supervision, to provide reasonable assurance regarding the reliability of financial reporting and the preparation of financial statements for external purposes in accordance with generally accepted accounting principles;
  - (c) evaluated the effectiveness of the registrant's disclosure controls and procedures and presented in this report our conclusions about the effectiveness of the disclosure controls and procedures, as of the end of the period covered by this report based on such evaluation; and
  - (d) disclosed in this report any change in the registrant's internal control over financial reporting that occurred during the registrant's most recent fiscal quarter (the registrant's fourth fiscal quarter in the case of an Annual Report) that has materially affected, or is reasonably likely to materially affect, the registrant's internal control over financial reporting; and
5. The registrant's other certifying officer and I have disclosed, based on our most recent evaluation of internal control over financial reporting, to the registrant's auditors and the audit committee of the registrant's board of directors (or persons performing the equivalent functions):
  - (a) all significant deficiencies and material weaknesses in the design or operation of internal control over financial reporting which are reasonably likely to adversely affect the registrant's ability to record, process, summarize and report financial information; and
  - (b) any fraud, whether or not material, that involves management or other employees who have a significant role in the registrant's internal control over financial reporting.

/s/ Bradford L. Hale

Bradford L. Hale

Chief Financial Officer

Date: May 7, 2024

CERTIFICATION PURSUANT TO 18 U.S.C. SECTION 1350,  
AS ADOPTED PURSUANT TO SECTION 906 OF  
THE SARBANES-OXLEY ACT OF 2002

The certification set forth below is being submitted in connection with BRP Group, Inc.'s Quarterly Report on Form 10-Q for the quarter ended March 31, 2024 (the "Report") for the purpose of complying with Rule 13a-14(b) or Rule 15d-14(b) of the Securities Exchange Act of 1934, as amended (the "Exchange Act"), and Section 1350 of Chapter 63 of Title 18 of the United States Code.

Trevor L. Baldwin, Chief Executive Officer, and Bradford L. Hale, Chief Financial Officer, of BRP Group, Inc. (the "Company"), each certify to the best of such officer's knowledge, that:

1. The Report fully complies with the requirements of Section 13(a) or 15(d) of the Exchange Act; 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: May 7, 2024

By: /s/ Trevor L. Baldwin

Trevor L. Baldwin

*Chief Executive Officer*

Date: May 7, 2024

By: /s/ Bradford L. Hale

Bradford L. Hale

*Chief Financial Officer*