As filed with the Securities and Exchange Commission on July 1, 2022.

File No. 001-41370

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

Amendment No. 2 to FORM 10

GENERAL FORM FOR REGISTRATION OF SECURITIES
PURSUANT TO SECTION 12(b) OR (g) OF
THE SECURITIES EXCHANGE ACT OF 1934

FTAI Infrastructure LLC*

(Exact name of Registrant as specified in its charter)

Delaware	**87-4407005**
(State or other jurisdiction of incorporation or organization)	**(I.R.S. Employer Identification Number)**

1345 Avenue of the Americas, 45th Floor
New York, New York 10105
(212) 798-6100
(Registrant's telephone number, including area code)

Kevin Krieger, Esq.
BoHee Yoon, Esq.
c/o Fortress Investment Group LLC
1345 Avenue of the Americas, 45th Floor
New York, New York 10105
(212) 798-6100
(Name, address, including zip code, and telephone number, including area code, of agent for service)

Copies to:
Joseph A. Coco, Esq.
Michael J. Schwartz, Esq.
Blair T. Thetford, Esq.
Skadden, Arps, Slate, Meagher & Flom LLP
One Manhattan West
New York, New York 10001
(212) 735-3000

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

Title of each class to be so registered	**Name of each exchange on which each class is to be registered**
Common Stock, par value $0.01 per share	**The Nasdaq Stock Market LLC**

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

None

Indicate by check mark whether the registrant is a large accelerated filer, an accelerated filer, a non-accelerated filer, 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	☐	Accelerated filer	☐
Non-accelerated filer	☒	Smaller reporting company	☐
		Emerging growth company	☒

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

* The registrant is currently a Delaware limited liability company named FTAI Infrastructure LLC. Prior to the closing of this transaction, the registrant will be converted to a Delaware corporation and change its name to FTAI Infrastructure Inc.

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

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

Item 1. ***Business.***

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

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

The information required by this item is contained under the sections of the Information Statement entitled "Risk Factors" and "Special Note Regarding Forward-Looking Statements." Those sections are incorporated herein by reference.

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

The information required by this item is contained under the sections of the Information Statement entitled "Unaudited Pro Forma Combined Consolidated Financial Information" and "Management's Discussion and Analysis of Financial Condition and Results of Operations." Those sections are incorporated herein by reference.

Item 3. ***Properties.***

The information required by this item is contained under the section of the Information Statement entitled "Business—Properties." That section is incorporated herein by reference.

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

The information required by this item is contained under the section of the Information Statement entitled "Principal Stockholders." That section is incorporated herein by reference.

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

The information required by this item is contained under the sections of the Information Statement entitled "Management" and "Our Manager and Management Agreement." Those sections are incorporated herein by reference.

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

The information required by this item is contained under the sections of the Information Statement entitled "Management—Executive Officer Compensation," "Management—FTAI Infrastructure Nonqualified Stock Option and Incentive Award Plan" and "Our Manager and Management Agreement." Those sections are incorporated herein by reference.

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

The information required by this item is contained under the sections of the Information Statement entitled "Management," "Our Manager and Management Agreement" and "Certain Relationships and Related Party Transactions." Those sections are incorporated herein by reference.

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

The information required by this item is contained under the section of the Information Statement entitled "Business—Legal Proceedings." That section is incorporated herein by reference.

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

The information required by this item is contained under the sections of the Information Statement entitled "Summary—Questions and Answers About FTAI Infrastructure and the Spin-Off," "Our Spin-off from FTAI," "Dividend Policy" and "Description of Our Capital Stock." Those sections are incorporated herein by reference.

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

Not applicable.

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

The information required by this item is contained under the section of the Information Statement entitled "Our Spin-Off from FTAI" and "Description of Our Capital Stock." Those sections are incorporated herein by reference.

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

The information required by this item is contained under the section of the Information Statement entitled "Description of Our Capital Stock—Limitations on Liability and Indemnification of Directors and Officers." That section is incorporated herein by reference.

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

The information required by this item is contained under the sections of the Information Statement entitled "Unaudited Pro Forma Combined Consolidated Financial Information" and "Index to Consolidated and Combined Financial Statements" (and the financial statements and related notes referenced therein). Those sections and the financial statements and related notes referenced therein are incorporated herein by reference.

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

Not applicable.

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

(a) Financial Statements

The information required by this item is contained under the sections of the Information Statement entitled "Unaudited Pro Forma Combined Consolidated Financial Information" and "Index to Consolidated and Combined Financial Statements" (and the financial statements and related notes referenced therein). Those sections and the financial statements and related notes referenced therein are incorporated herein by reference.

(b) Exhibits

See below.

The following documents are filed as exhibits hereto:

Exhibit Number	Exhibit Description
2.1*#	Separation and Distribution Agreement between FTAI Infrastructure Inc. and Fortress Transportation and Infrastructure Investors LLC.
3.1*	Amended and Restated Certificate of Incorporation of FTAI Infrastructure Inc.
3.2*	Amended and Restated Bylaws of FTAI Infrastructure Inc.
4.1*	Form of Certificate of Designations of Series A Preferred Stock of FTAI Infrastructure Inc.
4.2*	Form of Warrant Agreement
10.1**	Form of Management and Advisory Agreement between FTAI Infrastructure Inc. and FIG LLC.
10.2**	Form of Indemnification Agreement by and between FTAI Infrastructure Inc. and its directors and officers.
10.3**†	Form of FTAI Infrastructure Inc. Nonqualified Stock Option and Incentive Award Plan.
10.4**†	Form of Award Agreement pursuant to the FTAI Infrastructure Inc. Nonqualified Stock Option and Incentive Award Plan.
10.5**†	Form of Director Award Agreement pursuant to the FTAI Infrastructure Inc. Nonqualified Stock Option and Incentive Plan.
10.6**	Form of Registration Rights Agreement among FTAI Infrastructure Inc., FIG LLC and Fortress Transportation and Infrastructure Master GP LLC.
10.7	Engineering, Procuring and Construction Agreement dated as of February 15, 2019, between Long Ridge Energy Generation LLC and Kiewit Power Constructors Co. (incorporated by reference to Exhibit 10.17 of Fortress Transportation and Infrastructure Investors LLC's Quarterly Report on Form 10-Q, filed on May 3, 2019).
10.8	Purchase and Sale of Power Generation Equipment and Related Services Agreement dated as of February 15, 2019, between Long Ridge Energy Generation LLC and General Electric Company (incorporated by reference to Exhibit 10.18 of Fortress Transportation and Infrastructure Investors LLC's Quarterly Report on Form 10-Q, filed on May 3, 2019).
10.9	First Lien Credit Agreement dated as of February 15, 2019, among Ohio River PP Holdco LLC, Ohio Gasco LLC, Long Ridge Energy Generation LLC, the lenders and issuing banks from time to time party thereto, and Cortland Capital Market Services LLC, as administrative agent (incorporated by reference to Exhibit 10.19 of Fortress Transportation and Infrastructure Investors LLC's Quarterly Report on Form 10-Q, filed on May 3, 2019).
10.10	Second Lien Credit Agreement dated as of February 15, 2019, among Ohio River PP Holdco LLC, Ohio Gasco LLC, Long Ridge Energy Generation LLC, the lenders from time to time party thereto, and Cortland Capital Market Services LLC, as administrative agent (incorporated by reference to Exhibit 10.20 of Fortress Transportation and Infrastructure Investors LLC's Quarterly Report on Form 10-Q, filed on May 3, 2019).
10.11	Credit Agreement, dated as of February 11, 2020, among Jefferson 2020 Bond Borrower LLC, as the borrower and Fortress Transportation and Infrastructure Investors LLC, acting through one or more affiliates, as the lender (incorporated by reference to Exhibit 10.15 of Fortress Transportation and Infrastructure Investors LLC's Quarterly Report on Form 10-Q, filed on May 1, 2020).
10.12	Senior Loan Agreement, dated as of February 1, 2020, between Port of Beaumont Navigation District of Jefferson County, Texas, as issuer and Jefferson 2020 Bond Borrower LLC, as borrower (incorporated by reference to Exhibit 10.16 of Fortress Transportation and Infrastructure Investors LLC's Quarterly Report on Form 10-Q, filed on May 1, 2020).
10.13	Deed of Trust, Security Agreement, Financing Statement and Fixture Filing, dated February 1, 2020, from Jefferson 2020 Bond Borrower LLC, as grantor, and Jefferson 2020 Bond Lessee LLC, as grantor, to Ken N. Whitlow, as Deed of Trust Trustee for the benefit of Deutsche Bank National Trust Company, as beneficiary (incorporated by reference to Exhibit 10.17 of Fortress Transportation and Infrastructure Investors LLC's Quarterly Report on Form 10-Q, filed on May 1, 2020).

Exhibit Number	Exhibit Description
10.14	Amended and Restated Lease and Development Agreement, effective as of January 1, 2020, by and between Port of Beaumont Navigation District of Jefferson County, Texas, as lessor, and Jefferson 2020 Bond Lessee LLC, as lessee (incorporated by reference to Exhibit 10.18 of Fortress Transportation and Infrastructure Investors LLC's Quarterly Report on Form 10-Q, filed on May 1, 2020).
10.15	Membership Interest Purchase Agreement, dated June 7, 2021, by and between United States Steel Corporation and Percy Acquisition LLC (incorporated by reference to Exhibit 10.1 of Fortress Transportation and Infrastructure Investors LLC's Current Report on Form 8-K, filed on June 8, 2021).
10.16	Railway Services Agreement, dated July 28, 2021, by and among United States Steel Corporation, Transtar, LLC, Delray Connecting Railroad Company, Fairfield Southern Company, Inc., Gary Railway Company, Lake Terminal Railroad Company, Texas & Northern Railroad Company and Union Railroad Company, LLC (incorporated by reference to Exhibit 10.22 of Fortress Transportation and Infrastructure Investors LLC's Quarterly Report on Form 10-Q, filed on July 29, 2021).
10.17*#	Form of Subscription Agreement
10.18*	Form of Investors' Rights Agreement
21.1**	List of Subsidiaries of FTAI Infrastructure Inc.
99.1*	Information Statement of FTAI Infrastructure Inc., subject to completion, dated July 1, 2022.

* Filed herewith.

** Previously filed.

† Management contract or compensatory plan or arrangement.

Schedules and/or exhibits have been omitted from this filing pursuant to Item 601(a)(5) of Regulation S-K. We agree to furnish supplementally a copy of any omitted schedule or exhibit to the Securities and Exchange Commission upon request.

SIGNATURES

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

FTAI Infrastructure LLC

By: /s/ Kenneth J. Nicholson

Name: Kenneth J. Nicholson

Title: Chief Executive Officer and President

Date: July 1, 2022

Exhibit 2.1

FORM OF SEPARATION AND DISTRIBUTION AGREEMENT

by and between

FORTRESS TRANSPORTATION & INFRASTRUCTURE INVESTORS LLC

and

FTAI INFRASTRUCTURE INC.

dated as of

[●], 2022

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SEPARATION AND DISTRIBUTION AGREEMENT

This SEPARATION AND DISTRIBUTION AGREEMENT (this "Agreement") is entered into as of [•], 2022, by and between Fortress Transportation and Infrastructure Investors LLC, a Delaware limited liability company ("FTAI"), and FTAI Infrastructure Inc., a Delaware corporation ("FTAI Infrastructure"). FTAI and FTAI Infrastructure are sometimes referred to herein individually as a "Party," and collectively as the "Parties." Capitalized terms used but not otherwise defined herein shall have the respective meanings set forth or referenced in Section 1.1.

RECITALS

WHEREAS, FTAI, acting through its Subsidiaries, currently conducts its infrastructure business and its aviation business;

WHEREAS, the board of directors of FTAI delegated to a special committee comprised solely of independent and disinterested (under Delaware law for purposes of evaluating the Specified Matters and related actions) board members the full power and responsibility to, among other things, (i) review, consider and evaluate the Specified Matters, (ii) conduct negotiations in respect of such Specified Matters and the terms thereof, (iii) determine whether the terms of such Specified Matters are fair to, and in the best interests of, FTAI and its shareholders and (iv) act with respect to the Specified Matters (including to approve or reject the terms of, and the entry into any agreement providing for, any Specified Matter in its sole discretion);

WHEREAS, the special committee, after consultation with its independent legal and financial advisors, unanimously determined that the terms of the Specified Matters are fair to, and in the best interests of, FTAI and its shareholders and approved the terms of, and the entry into the agreements providing for, the Specified Matters;

WHEREAS, the board of directors of FTAI has determined that it is advisable, fair to and in the best interests of FTAI and its shareholders to enter into the Transactions, including to contribute certain infrastructure assets and liabilities to FTAI Infrastructure and establish FTAI Infrastructure as an independent publicly traded company;

WHEREAS, on [•], 2022, FTAI Infrastructure LLC, a Delaware limited liability company, converted into a Delaware corporation to become FTAI Infrastructure (the "Conversion");

WHEREAS, in furtherance thereof, the board of directors of FTAI and the board of directors of FTAI Infrastructure have approved certain transactions to occur prior to the Effective Time, including the Conversion, all as more fully described and defined in this Agreement and the Ancillary Agreements (together with the other internal restructuring steps set forth in the Plan of Restructuring, the "Restructuring");

WHEREAS, it is appropriate and desirable to set forth the principal corporate transactions required to effect the Restructuring and the Distribution and to set forth certain other agreements that will, following the Distribution, govern certain matters relating to the Restructuring and the Distribution and the relationship between FTAI and/or its Subsidiaries on the one hand, and FTAI Infrastructure and/or its Subsidiaries on the other hand;

WHEREAS, the board of directors of FTAI, in exploring and considering the transactions contemplated by this Agreement, designed the transaction contemplated by this Agreement such that all FTAI Assets and FTAI Liabilities immediately prior to the Transactions would generally be allocated to FTAI, and all FTAI Infrastructure Assets and FTAI Infrastructure Liabilities held by FTAI immediately prior to the Transactions would be allocated to FTAI Infrastructure pursuant to the terms and conditions of this Agreement and the Ancillary Agreements, thereby creating FTAI Infrastructure as a simplified infrastructure company; and

WHEREAS, pursuant to the terms of this Agreement, the Parties intend to effect the separation of FTAI and FTAI Infrastructure whereby (a) Holdco shall distribute to FTAI and Infrastructure Master GP LLC ("Master GP"), on a pro rata basis, all of the outstanding shares of common stock, par value $0.01 per share, of FTAI Infrastructure ("FTAI Infrastructure Common Stock"), owned by Holdco as of the Distribution Date (which shall represent 100% of the issued and outstanding shares of FTAI Infrastructure Common Stock), and (b) FTAI shall subsequently distribute to the holders of FTAI's outstanding Class A common shares, par value $0.01 per share ("FTAI Common Shares"), on a pro rata basis, all of the outstanding shares of FTAI Infrastructure Common Stock, owned by FTAI as of the Distribution Date.

NOW, THEREFORE, in consideration of the foregoing and the covenants and agreements set forth below and other good and valuable consideration, the receipt and sufficiency of which are hereby acknowledged, and intending to be legally bound hereby, the Parties hereby agree as follows:

ARTICLE I

DEFINITIONS

Section 1.1 Definitions. As used in this Agreement, the following terms shall have the meanings set forth or referenced in this Section 1.1:

"Action" means any demand, claim, action, suit, countersuit, arbitration, litigation, inquiry, proceeding or investigation by or before any Governmental Authority or any arbitration or mediation tribunal or authority.

"Adjusted FTAI Options" has the meaning set forth in Section 4.4(b)(ii).

"Affiliate" means, with respect to any specified Person, any other Person that directly, or indirectly through one or more intermediaries, controls, is controlled by, or is under common control with, the specified Person; provided, however, that (a)(i) the members of the FTAI Group and (ii) the members of the FTAI Infrastructure Group shall not be deemed Affiliates of each other following the Distribution and (b) FIG LLC and its Affiliates shall not be deemed Affiliates of either the FTAI Group or the FTAI Infrastructure Group prior to or following the Distribution. For this purpose "control" of a Person means the possession, directly or indirectly, of the power to direct or cause the direction of the management or policies of such Person, whether through ownership of voting securities, by contract or otherwise.

"Agreement" has the meaning set forth in the preamble to this Agreement and includes all Exhibits and Schedules attached hereto or delivered pursuant hereto.

"Agreement Dispute" has the meaning set forth in Section 10.1.

"Ancillary Agreements" has the meaning set forth in Section 3.6.

"Appointed Representative" has the meaning set forth in Section 10.2(a).

"Appropriate Member of the FTAI Group" has the meaning set forth in Section 9.3.

"Appropriate Member of the FTAI Infrastructure Group" has the meaning set forth in Section 9.2.

"Asset" means all rights, properties or other assets, whether real, personal or mixed, tangible or intangible, of any kind, nature and description, whether accrued, contingent or otherwise, and wheresoever situated and whether or not carried or reflected, or required to be carried or reflected, on the books of any Person.

"Business Day" means a day other than a Saturday, a Sunday or a day on which banking institutions located in the State of New York are authorized or obligated by applicable Law or executive order to close.

"Code" means the Internal Revenue Code of 1986, as amended.

"Confidential Information" means any and all information:

(a) that is required to be maintained in confidence by any Law or under any Contract;

(b) concerning market studies, business plans, computer hardware, computer software (including all versions, source and object codes and all related files and data), software and database technologies, systems, structures and architectures, and other similar technical or business information;

(c) concerning any business and its affairs, which includes earnings reports and forecasts, macro-economic reports and forecasts, business and strategic plans, general market evaluations and surveys, litigation presentations and risk assessments, financing and credit-related information, financial projections, tax returns and accountants' materials, historical, business plans, strategic plans, Contracts, however documented, and other similar financial or business information;

(d) constituting communications by or to attorneys (including attorney-client privileged communications), memos and other materials prepared by attorneys or under their direction (including attorney work product), communications and materials otherwise related to or made or prepared in connection with or in preparation for any legal proceeding; or

(e) constituting notes, analyses, compilations, studies, summaries and other material that contain or are based, in whole or in part, upon any information included in the foregoing clauses (a) through (d).

"Consent" means any consent, waiver or approval from, or notification requirement to, any Person other than a member of either Group.

"Contract" means any written, oral, implied or other contract, agreement, addenda, covenant, lease, license, guaranty, indemnity, representation, warranty, assignment, sales order, purchase order, power of attorney, instrument or other commitment, assurance, undertaking, understanding or arrangement that is binding on any Person or entity or any part of its property under applicable Law.

"CPR" means The International Institute for Conflict Prevention & Resolution.

"CPR Rules" has the meaning set forth in Section 10.3(a).

"Deferred Asset" has the meaning set forth in Section 2.1(b)(ii).

"Deferred Liability" has the meaning set forth in Section 2.1(b)(ii).

"Distribution" means the transactions contemplated by Section 4.3.

"Distribution Agent" means American Stock Transfer & Trust Company, LLC.

"Distribution Date" means the date on which the Distribution occurs, such date to be determined by, or under the authority of, the board of directors of FTAI, in its sole and absolute discretion.

"Effective Time" means the time at which the Distribution is effective on the Distribution Date.

"Exchange Act" means the Securities Exchange Act of 1934.

"FTAI" has the meaning set forth in the preamble to this Agreement.

"FTAI Assets" means all Assets owned, directly or indirectly, by FTAI, other than any FTAI Infrastructure Assets.

"FTAI Common Shares" has the meaning set forth in the recitals to this Agreement.

"FTAI D&O Policies" has the meaning set forth in Section 7.1.

"FTAI Debt Agreements" means (i) FTAI's 6.50% senior notes due 2025, issued pursuant to an indenture, dated September 18, 2018, by and between FTAI and U.S. Bank National Association, (ii) FTAI's 9.75% senior notes due 2027, issued pursuant to an indenture, dated July 28, 2020 by and between FTAI and U.S. Bank National Association, (iii) FTAI's 5.50% senior notes due 2028, issued pursuant to an indenture, dated April 12, 2021, by and between FTAI and U.S. Bank National Association, (iv) the Amended and Restated Credit Agreement, dated as of December 2, 2021, by and among FTAI, as borrower, certain lenders and issuing banks from time to time party thereto and JPMorgan Chase Bank, N.A., as administrative agent and (v) the Credit Agreement, dated as of December 2, 2021, among FTAI, as borrower, the guarantors from time to time party thereto, the lenders from time to time party thereto and Morgan Stanley Senior Funding, Inc., as administrative agent.

"FTAI Group" means FTAI and the Subsidiaries of FTAI other than the FTAI Infrastructure Group.

"FTAI Indemnitees" means each member of the FTAI Group and its Affiliates and each of their respective current or former shareholders, directors, officers, agents and employees (in each case, in such Person's respective capacity as such) and their respective heirs, executors, administrators, successors and assigns.

"FTAI Infrastructure" has the meaning set forth in the preamble to this Agreement.

"FTAI Infrastructure Assets" means all Assets owned, directly or indirectly, by FTAI prior to the Effective Time, other than equity of FTAI Subsidiaries and any FTAI Assets identified on [Section 1.1 of the Disclosure Schedule]. For the avoidance of doubt, the FTAI Infrastructure Assets shall include, but not be limited to, all Assets recorded on the consolidated balance sheet of FTAI Infrastructure as of the date of this Agreement. For the avoidance of doubt, the FTAI Infrastructure Assets shall include all equity (or any securities convertible into equity) of the Specified Entities and their Subsidiaries that is owned, directly or indirectly, by FTAI on or prior to the Effective Time.

"FTAI Infrastructure Common Stock" has the meaning set forth in the recitals to this Agreement.

"FTAI Infrastructure Group" means FTAI Infrastructure and the FTAI Infrastructure Subsidiaries.

"FTAI Infrastructure Indemnitees" means each member of the FTAI Infrastructure Group and their Affiliates and each of their respective current or former stockholders, directors, officers, agents and employees (in each case, in such Person's respective capacity as such) and their respective heirs, executors, administrators, successors and assigns.

"FTAI Infrastructure Liabilities" means, except as otherwise expressly provided in this Agreement or one or more Ancillary Agreements, if any:

(a) all Liabilities to the extent relating to or arising out of the FTAI Infrastructure Assets whether arising prior to, at the time of, or after the Effective Time;

(b) all Liabilities arising out of claims made by FTAI Infrastructure's directors, officers and Affiliates after the Effective Time against FTAI or FTAI Infrastructure, to the extent relating to the FTAI Infrastructure Assets; and

(c) any other liabilities or potential liabilities of FTAI other than those identified on, and subject to the limitations set forth on, Section 1.2 of the Disclosure Schedule.

"FTAI Infrastructure Management Agreement" has the meaning set forth in Section 3.4.

"FTAI Infrastructure Options" has the meaning set forth in Section 4.4(b)(i).

"FTAI Infrastructure Subsidiaries" means the Subsidiaries of FTAI Infrastructure as of the date of this Agreement, including, but not limited to, the Subsidiaries of FTAI Infrastructure listed on Exhibit A hereto, and any Subsidiary of FTAI Infrastructure formed after the date of this Agreement and prior to the Distribution Date; provided, that the FTAI Infrastructure Subsidiaries shall not include any of the Specified Entities.

"FTAI Liabilities" means the FTAI Debt Agreements and any other Liabilities of FTAI or any of its Subsidiaries, other than any FTAI Infrastructure Liabilities.

"FTAI Management Agreement" has the meaning set forth in Section 3.4.

"FTAI Option Plan" has the meaning set forth in Section 4.4(a).

"FTAI Options" has the meaning set forth in Section 4.4(a).

"Governmental Approval" means any notice, report or other filing to be given to or made with, or any release, consent, substitution, approval, amendment, registration, permit or authorization from, any Governmental Authority.

"Governmental Authority" means any U.S. federal, state, local or non-U.S. court, government, department, commission, board, bureau, agency, official or other regulatory, administrative or governmental authority.

"Group" means either the FTAI Group or the FTAI Infrastructure Group, as the context requires.

"Guarantee" means any guarantee (including guarantees of performance or payment under Contracts, commitments, Liabilities and permits), letter of credit or other credit or credit support arrangement or similar assurance, including surety bonds, bid bonds, advance payment bonds, performance bonds, payment bonds, retention and/or warranty bonds or other bonds or similar instruments.

"Indebtedness" of any specified Person means (a) all obligations of such specified Person for borrowed money or arising out of any extension of credit to or for the account of such specified Person (including reimbursement or payment obligations with respect to surety bonds, letters of credit, bankers' acceptances and similar instruments), (b) all obligations of such specified Person evidenced by bonds, debentures, notes or similar instruments, (c) all obligations of such specified Person upon which interest charges are customarily paid, (d) all obligations of such specified Person under conditional sale or other title retention agreements relating to Assets purchased by such specified Person, (e) all obligations of such specified Person issued or assumed as the deferred purchase price of property or services, (f) all Liabilities secured by (or for which any Person to which any such Liability is owed has an existing right, contingent or otherwise, to be secured by) any mortgage, lien, pledge or other encumbrance on property owned or acquired by such specified Person (or upon any revenues, income or profits of such specified Person therefrom), whether or not the obligations secured thereby have been assumed by the specified Person or otherwise become Liabilities of the specified Person, (g) all financing lease obligations of such specified Person, (h) all securities or other similar instruments convertible or exchangeable into any of the foregoing, and (i) any Liability of others of a type described in any of the preceding clauses (a) through (h) in respect of which the specified Person has incurred, assumed or acquired a Liability by means of a Guarantee.

"Indemnifiable Loss" has the meaning set forth in Section 9.5.

"Indemnifying Party" has the meaning set forth in Section 9.4(a).

"Indemnitee" means any FTAI Indemnitee or any FTAI Infrastructure Indemnitee.

"Indemnity Payment" has the meaning set forth in Section 9.5.

"Information Statement" means the information statement, attached as an exhibit to the Registration Statement, and any related documentation to be provided to holders of FTAI Common Shares in connection with the Distribution, including any amendments or supplements thereto.

"Insurance Policy" means any insurance policies and insurance Contracts, including, without limitation, general liability, property and casualty, workers' compensation, automobile, directors and officers liability, errors and omissions, employee dishonesty and fiduciary liability policies, whether, in each case, in the nature of primary, excess, umbrella or self-insurance coverage, together with all rights, benefits and privileges thereunder.

"Insurance Proceeds" means those monies (in each case, net of any out-of-pocket costs or expenses incurred in the collection thereof):

(a) received by an insured Person from any insurer, insurance underwriter, mutual protection and indemnity club or other risk collective, excluding any proceeds received directly or indirectly (such as through reinsurance arrangements) from any captive insurance Subsidiary of the insured Person; or

(b) paid on behalf of an insured Person by any insurer, insurance underwriter, mutual protection and indemnity club or other risk collective, excluding any such payment made directly or indirectly (such as through reinsurance arrangements) from any captive insurance Subsidiary of the insured Person, on behalf of the insured.

"Intercompany Account" means any receivable, payable or loan between any member of the FTAI Group, on the one hand, and any member of the FTAI Infrastructure Group, on the other hand, that exists prior to the Effective Time and is reflected in the records of the relevant members of the FTAI Group and the FTAI Infrastructure Group, except for any such receivable, payable or loan that arises pursuant to this Agreement or any Ancillary Agreement.

"Intercompany Agreement" means any Contract, whether or not in writing, between or among any member of the FTAI Group, on the one hand, and any member of the FTAI Infrastructure Group, on the other hand, entered into prior to the Distribution Date, but excluding any Contract (a) to which a Person other than any member of the FTAI Group or the FTAI Infrastructure Group is also a party and (b) that arises pursuant to this Agreement or any Ancillary Agreement.

"Investment Advisors Act" means the Investment Advisors Act of 1940.

"Investment Company Act" means the Investment Company Act of 1940.

"IRS" means the United States Internal Revenue Service.

"Law" means any law, statute, ordinance, code, rule, regulation, order, writ, proclamation, judgment, injunction or decree of any Governmental Authority.

"Liabilities" means any and all Indebtedness, liabilities and obligations, whether accrued, fixed, absolute or contingent, mature or inchoate, known or unknown, reflected on a balance sheet or otherwise, including those arising under any Law, Action or any judgment of any Governmental Authority or any award of any arbitrator of any kind, and those arising under any Contract.

"Losses" means any and all damages, losses, deficiencies, Liabilities, obligations, penalties, judgments, settlements, claims, payments, interest costs, Taxes, fines and expenses (including the costs and expenses of any and all Actions and demands, assessments, judgments, settlements and compromises relating thereto and attorneys', accountants', consultants' and other professionals' fees and expenses incurred in the investigation, defense, litigation or arbitration thereof or the enforcement of rights hereunder).

"Manager" means FIG LLC, a Delaware limited liability company.

"Nasdaq" means the Nasdaq Global Select Market.

"Nasdaq Listing Application" has the meaning set forth in Section 3.2(a).

"Party" or "Parties" has the meaning set forth in the preamble to this Agreement.

"Person" means an individual, a partnership, a corporation, a limited liability company, an association, a joint stock company, a trust, a joint venture, a union, an unincorporated organization or a governmental entity or any department, agency or political subdivision thereof.

"Plan of Restructuring" means the document delivered by FTAI to FTAI Infrastructure that describes the detailed transaction steps to effect the internal restructuring to be undertaken prior to the Effective Time, and substantially in the form attached hereto as Exhibit B, as may be amended by the mutual agreement of FTAI and FTAI Infrastructure.

"Period" has the meaning set forth in Section 8.1(a).

"Post-Distribution FTAI Common Share Price" means the [volume weighted-average trading price for FTAI Common Shares for the five (5) days subsequent to the Distribution Date.]

"Post-Distribution FTAI Infrastructure Common Stock Price" means the [volume weighted-average trading price for FTAI Infrastructure Common Stock for the five (5) days subsequent to the Distribution Date.]

"Post-Distribution Options" has the meaning set forth in Section 4.4(b)(ii).

"Post-Closing Period" means any taxable year or other taxable period beginning after the Distribution Date.

"Pre-Closing Period" means any taxable year or other taxable period that ends on or before the Distribution Date.

"Pre-Distribution Option Price" has the meaning set forth in Section 4.4(b)(i).

"Record Date" means the close of business on the date, to be determined by the board of directors of FTAI, as the record date for determining holders of FTAI Common Shares entitled to receive shares of FTAI Infrastructure Common Stock in the Distribution.

"Record Holders" has the meaning set forth in Section 4.2.

"Registration Rights Agreement" means that certain Registration Rights Agreement dated as of [●], 2022, among FTAI Infrastructure and the shareholders parties thereto.

"Registration Statement" means the registration statement on Form 10 of FTAI Infrastructure with respect to the registration under the Exchange Act of the FTAI Infrastructure Common Stock to be distributed in the Distribution, including any amendments or supplements thereto.

"Restructuring" has the meaning set forth in the recitals to this Agreement.

"SEC" means the United States Securities and Exchange Commission.

"Security Interests" means any mortgage, security interest, pledge, lien, charge, claim, option, indenture, right to acquire, right of first refusal, deed of trust, licenses to third parties, leases to third parties, security agreements, voting or other restriction, covenant, condition, restriction, encroachment, restriction on transfer, restrictions or limitations on use of real or personal property or any other encumbrance of any nature whatsoever, imperfections in or failure of title or defect of title.

"Specified Entities" means, collectively, the following entities: (i) Long Ridge Terminal LLC, (ii) Intermodal Finance I, Ltd., (iii) GM-FTAI Holdco LLC, (iv) Clean Planet Energy USA LLC, (v) Carbonfree Chemical Holdings LLC, and (vi) FYX Trust Holdco LLC.

"Specified Matters" means, in connection with the Transactions, (i) the FTAI Infrastructure Management Agreement; (ii) the FTAI Management Agreement; (iii) the Registration Rights Agreement, (iv) the Board determining the treatment in the Transactions of certain income incentive allocations and capital gains incentive allocations allocable by Fortress Worldwide Transportation and Infrastructure General Partnership to Master GP and (v) the Board determining the treatment in the Transactions of certain outstanding options to acquire common shares of the Company held by the Manager and/or its affiliates or employees.

"Straddle Period" means any taxable period commencing on or prior to, and ending after, the Distribution Date.

"Subsidiary" means, with respect to any specified Person, (i) a corporation, a majority of whose capital stock with voting power, under ordinary circumstances, to elect directors is at the time, directly or indirectly owned by such person, by a Subsidiary of such person, or by such Person and one or more Subsidiaries of such person, without regard to whether the voting of such capital stock is subject to a voting agreement or similar restriction, (ii) a partnership or limited liability company in which such Person or a Subsidiary of such Person is, at the date of determination, (A) in the case of a partnership, a general partner of such partnership with the power affirmatively to direct the policies and management of such partnership or (B) in the case of a limited liability company, the managing member or, in the absence of a managing member, a member with the power affirmatively to direct the policies and management of such limited liability company or (iii) any other Person (other than a corporation) in which such Person, a Subsidiary of such Person or such Person and one or more Subsidiaries of such Person, directly or indirectly, at the date of determination thereof, has (A) the power to elect or direct the election of a majority of the members of the governing body of such Person (whether or not such power is subject to a voting agreement or similar restriction) or (B) in the absence of such a governing body, a majority ownership interest.

"Taxes" means (i) any and all federal, state, local, foreign and other taxes, charges, fees, duties, levies, tariffs, imposts, tolls, customs, or other assessments, including all net income, gross income, gross receipts, sales, use, ad valorem, transfer, franchise, profits, branch profits, profit share, license, lease, service, service use, value added, withholding, payroll, employment, excise, estimated, severance, stamp, occupation, premium, property, windfall profits, wealth, net wealth, net worth, export and import fees and charges, registration fees, tonnage, vessel, or other taxes, charges, fees, duties, levies, tariffs, imposts, tolls, customs, or other assessments of any kind whatsoever imposed by any Governmental Authority, together with any interests, penalties, inflationary adjustments, additions to tax, fines or other additional amounts imposed thereon, with respect thereto, or related thereto and (ii) any liability for the Taxes of any Person under Section 1.1502-6 of the Treasury Regulations (or similar provision of state or local law), and (iii) any and all liability for the payment of any amounts as a result of any successor or transferee liability, in respect of any items described in clause (i) or (ii) above.

"Tax Advisor" means Tax counsel of recognized national standing or a "Big Four" accounting firm, in either case, with experience in the tax area involved in the Tax Dispute or issue.

"Taxing Authority" means any Governmental Authority or any subdivision, agency, commission or authority thereof or any quasi-governmental or private body having jurisdiction over the assessment, determination, collection or imposition of any Tax (including the IRS).

"Tax Contest" means any audit, review, examination, dispute, suit, action, proposed assessment or other administrative or judicial proceeding with respect to Taxes.

"Tax Return" means any return, report, certificate, form, or similar statement or document (including any attachments thereto and any information return, amended tax return, claim for refund, or declaration of estimated tax) supplied to or filed with, or required to be supplied to or filed with, a Taxing Authority, or any bill for or notice related to ad valorem or other similar Taxes received from a Taxing Authority, in each case, in connection with the determination, assessment, or collection of any Tax or the administration of any Laws or administrative requirements relating to any Tax.

"Third-Party Claim" has the meaning set forth in Section 9.4(b).

"Transactions" means the Restructuring, the Distribution and any other transactions contemplated by this Agreement or any Ancillary Agreement.

"Transfer Taxes" means all sales, use, privilege, transfer, documentary, stamp, recording and similar Taxes and fees (including any penalties, interest or additions thereto) imposed upon any Party in connection with the Transactions.

Section 1.2 Interpretation. In this Agreement and the Ancillary Agreements, if any, unless the context clearly indicates otherwise:

(a) words used in the singular include the plural and words used in the plural include the singular;

(b) the words "include," "includes" and "including" shall be deemed to be followed by the words "without limitation";

(c) the word "or" shall have the inclusive meaning represented by the phrase "and/or";

(d) relative to the determination of any period of time, "from" means "from and including," "to" means "to but excluding" and "through" means "through and including";

(e) accounting terms used herein shall have the meanings historically ascribed to them by FTAI and its Subsidiaries in its and their internal accounting and financial policies and procedures in effect immediately prior to the date of this Agreement;

(f) reference to any agreement, instrument or other document means such agreement, instrument or other document as amended, supplemented and modified from time to time to the extent permitted by the provisions thereof and by this Agreement;

(g) reference to any Law means such Law (including any and all rules and regulations promulgated thereunder) as amended, modified, codified or reenacted, in whole or in part, and in effect at the time of determining compliance or applicability;

(h) references to any Person include such Person's successors and assigns but, if applicable, only if such successors and assigns are permitted by this Agreement; a reference to such Person's "Affiliates" shall be deemed to mean such Person's Affiliates following the Distribution and any reference to a third party shall be deemed to mean a Person who is not a Party or an Affiliate of a Party;

(i) if there is any conflict between the provisions of the main body of this Agreement or an Ancillary Agreement and the Exhibits and Schedules hereto or thereto, the provisions of the main body of this Agreement or the Ancillary Agreement, as applicable, shall control unless explicitly stated otherwise in such Exhibit or Schedule;

(j) if there is any conflict between the provisions of this Agreement and any Ancillary Agreement, the provisions of such Ancillary Agreement shall control (but only with respect to the subject matter thereof) unless explicitly stated otherwise therein; and

(k) any portion of this Agreement or any Ancillary Agreement obligating a Party to take any action or refrain from taking any action, as the case may be, shall mean that such Party shall also be obligated to cause its relevant Subsidiaries to take such action or refrain from taking such action, as the case may be.

ARTICLE II

THE RESTRUCTURING

Section 2.1 Transfers of Assets and Assumptions of Liabilities.

(a) Transfer of Assets and Assumption of Liabilities Prior to Effective Time. Subject to Section 2.1(b), and in accordance with the Plan of Restructuring, FTAI and FTAI Infrastructure agree to take all actions necessary so that, immediately prior to the Effective Time, the parties shall complete the Restructuring in accordance with the Plan of Restructuring. As part of the Plan of Restructuring, and without limiting the other steps set forth in the Plan of Restructuring:

(i) FTAI shall, and shall cause its applicable Subsidiaries to, sell, assign, transfer, convey, and deliver to FTAI Infrastructure or its Subsidiaries, and FTAI Infrastructure and such FTAI Infrastructure Subsidiaries shall accept from FTAI and its applicable Subsidiaries, to the extent not already owned, all of FTAI's and such Subsidiaries' respective direct or indirect right, title, and interest in and to all FTAI Infrastructure Assets;

(ii) FTAI shall cause the FTAI Infrastructure Subsidiaries pursuant to this Agreement to, sell, assign, transfer, convey, and deliver to FTAI or its Subsidiaries, and FTAI and such Subsidiaries shall accept from the applicable FTAI Infrastructure Subsidiaries, all of such FTAI Infrastructure Subsidiaries' respective direct or indirect right, title, and interest in and to all other FTAI Assets;

(iii) FTAI Infrastructure or its Subsidiaries shall accept and assume, to the extent the FTAI Infrastructure Group is not already liable therefor, all the FTAI Infrastructure Liabilities in accordance with their respective terms, regardless of when or where such FTAI Infrastructure Liabilities arose or arise, or whether the facts on which they are based occurred prior to or subsequent to the Effective Time, regardless of where or against whom such FTAI Infrastructure Liabilities are asserted or determined (including any FTAI Infrastructure Liabilities arising out of claims made by FTAI's or FTAI Infrastructure's respective directors, officers, employees, agents, managers, trustees, Subsidiaries or Affiliates against any member of the FTAI Group or the FTAI Infrastructure Group) or whether asserted or determined prior to the date hereof, and regardless of whether arising from or alleged to arise from negligence, recklessness, violation of Law, fraud or misrepresentation by any member of the FTAI Group or the FTAI Infrastructure Group, or any of their respective directors, officers, employees, agents, managers, trustees, Subsidiaries or Affiliates; and

(iv) FTAI or its Subsidiaries shall accept and assume, to the extent the FTAI Group is not already liable therefor, all FTAI Liabilities in accordance with their respective terms, regardless of when or where such FTAI Liabilities arose or arise, or whether the facts on which they are based occurred prior to or subsequent to the Effective Time, regardless of where or against whom such FTAI Liabilities are asserted or determined (including any FTAI Liabilities arising out of claims made by FTAI's or FTAI Infrastructure's respective directors, officers, employees, agents, managers, trustees, Subsidiaries or Affiliates against any member of the FTAI Group or the FTAI Infrastructure Group) or whether asserted or determined prior to the date hereof, and regardless of whether arising from or alleged to arise from negligence, recklessness, violation of Law, fraud or misrepresentation by any member of the FTAI Group or the FTAI Infrastructure Group, or any of their respective directors, officers, employees, agents, managers, trustees, Subsidiaries or Affiliates.

(b) Deferred Transfers and Assumptions.

(i) Nothing in this Agreement or in any Ancillary Agreement will be deemed to require the transfer of any Assets or the assumption of any Liabilities that by their terms or by operation of Law cannot be transferred or assumed.

(ii) To the extent that any transfer of Assets or assumption of Liabilities contemplated by this Agreement or any Ancillary Agreement is not consummated prior to the Effective Time as a result of an absence or non-satisfaction of any required Consent, Governmental Approval and/or other condition (such Assets or Liabilities, a "Deferred Asset" or a "Deferred Liability," as applicable), the Parties will use commercially reasonable efforts to effect such transfers or assumptions as promptly following the Effective Time as practicable. If and when the Consents, Governmental Approvals and/or other conditions, the absence or non-satisfaction of which gave rise to the Deferred Asset or Deferred Liability, are obtained or satisfied, the transfer or assumption of the Deferred Asset or Deferred Liability, as applicable, will be effected in accordance with and subject to the terms of this Agreement or the applicable Ancillary Agreement, if any.

(iii) From and after the Effective Time until such time as the Deferred Asset or Deferred Liability is transferred or assumed, as applicable, (A) the Party retaining such Deferred Asset will thereafter hold such Deferred Asset for the use and benefit of the Party entitled thereto (at the expense of the Party entitled thereto) and (B) the Party intended to assume such Deferred Liability will pay or reimburse the Party retaining such Deferred Liability for all amounts paid or incurred in connection with the retention of such Deferred Liability; it being agreed that the Party retaining such Deferred Asset or Deferred Liability will not be obligated, in connection with the foregoing clause (A) and clause (B), to expend any money unless the necessary funds are advanced or agreed in writing to be reimbursed by the Party entitled to such Deferred Asset or intended to assume such Deferred Liability. The Party retaining the Deferred Asset or Deferred Liability will use its commercially reasonable efforts to notify the Party entitled to or intended to assume such Deferred Asset or Deferred Liability of the need for such expenditure. In addition, the Party retaining such Deferred Asset or Deferred Liability will, insofar as reasonably practicable and to the extent permitted by applicable Law, (A) treat such Deferred Asset or Deferred Liability in the ordinary course of business consistent with past practice, (B) promptly take such other actions as may be requested by the Party entitled to such Deferred Asset or by the Party intended to assume such Deferred Liability in order to place such Party in the same position as if the Deferred Asset or Deferred Liability had been transferred or assumed, as applicable, as contemplated hereby, and so that all the benefits and burdens relating to such Deferred Asset or Deferred Liability, including possession, use, risk of loss, potential for gain, and control over such Deferred Asset or Deferred Liability, are to inure from and after the Effective Time to such Party entitled to such Deferred Asset or intended to assume such Deferred Liability and (C) hold itself out to third parties as agent or nominee on behalf of the Party entitled to such Deferred Asset or intended to assume such Deferred Liability.

(iv) In furtherance of the foregoing, the Parties agree that, as of the Effective Time, each Party will be deemed to have acquired beneficial ownership of all of the Assets, together with all rights and privileges incident thereto, and will be deemed to have assumed all of the Liabilities, and all duties, obligations and responsibilities incident thereto, that such Party is entitled to acquire or intended to assume pursuant to the terms of this Agreement or the applicable Ancillary Agreement, if any.

(v) The Parties agree to treat, for all tax purposes, any Asset or Liability that is not transferred or assumed prior to the Effective Time and which is subject to the provisions of this Section 2.1(b), as (A) owned by the Party to which such Asset was intended to be transferred or by the Party which was intended to assume such Liability, as the case may be, from and after the Effective Time, (B) having not been owned by the Party retaining such Asset or Liability, as the case may be, at any time from and after the Effective Time, and (C) having been held by the Party retaining such Asset or Liability, as the case may be, only as agent or nominee on behalf of the other Party from and after the Effective Time until the date such Asset or Liability, as the case may be, is transferred to or assumed by such other Party. The Parties will not take any position inconsistent with the foregoing unless otherwise required by applicable Law (in which case, the applicable Party will provide indemnification for any Taxes attributable to the Asset or Liability during the period beginning on the Distribution Date and ending on the date of the actual transfer).

(c) Misallocated Assets and Liabilities.

(i) In the event that, at any time from and after the Effective Time, either Party discovers that it or another member of its Group is the owner of, receives or otherwise comes to possess or benefit from any Asset (including the receipt of payments made pursuant to Contracts and proceeds from accounts receivable with respect to such Asset) that should have been allocated to a member of the other Group pursuant to this Agreement or any Ancillary Agreement (except in the case of any deliberate acquisition of Assets from a member of the other Group for value subsequent to the Effective Time), such Party shall promptly transfer, or cause to be transferred, such Asset to such member of the other Group, and such member of the other Group shall accept such Asset for no further consideration other than that set forth in this Agreement and such Ancillary Agreement. Prior to any such transfer, such Asset shall be held in accordance with Section 2.1(b).

(ii) In the event that, at any time from and after the Effective Time, either Party discovers that it or another member of its Group is liable for any Liability that should have been allocated to a member of the other Group pursuant to this Agreement or any Ancillary Agreement (except in the case of any deliberate assumption of Liabilities from a member of the other Group for value subsequent to the Effective Time), such Party shall promptly transfer, or cause to be transferred, such Liability to such member of the other Group and such member of the other Group shall assume such Liability for no further consideration than that set forth in this Agreement and such Ancillary Agreement. Prior to any such assumption, such Liabilities shall be held in accordance with Section 2.1(b).

(d) Instruments of Transfer and Assumption. The Parties agree that (i) transfers of Assets that may be required by this Agreement or any Ancillary Agreement shall be effected by delivery by the transferor to the transferee of (A) with respect to those Assets that constitute stock or other equity interests, certificates endorsed in blank or evidenced or accompanied by stock powers or other instruments of transfer endorsed in blank, against receipt and (B) with respect to all other Assets, such good and sufficient instruments of contribution, conveyance, assignment and transfer, in form and substance reasonably satisfactory to the Parties, as shall be necessary, in each case, to vest in the designated transferee all of the title and ownership interest of the transferor in and to any such Asset, and (ii) the assumptions of Liabilities required by this Agreement or any Ancillary Agreement shall be effected by delivery by the transferee to the transferor of such good and sufficient instruments of assumption, in form and substance reasonably satisfactory to the Parties, as shall be necessary, in each case, for the assumption by the transferee of such Liabilities.

(e) Enforcement of Rights Against Third Parties. In the event a third party breaches the terms or conditions of any Contract (including, for the avoidance of doubt, any confidentiality obligations) to which a member of a Party's Group is a party ("Contracting Member") but for which one or more members of the other Party's Group obtains a benefit (each a "Benefiting Member"), such Contracting Member shall continue to enforce the terms and conditions of such Contract, including by using commercially reasonable efforts to prevent or mitigate any third party breach, on behalf of such Benefiting Member or Benefiting Members at such Benefitting Member's or Benefiting Members' sole expense.

Section 2.2 Termination of Intercompany Agreements.

(a) Except as set forth in Section 2.2(b), FTAI, on behalf of itself and each of the other members of the FTAI Group, and FTAI Infrastructure, on behalf of itself and each of the other members of the FTAI Infrastructure Group, hereby terminate, effective as of the Effective Time, any and all Intercompany Agreements. No such terminated Intercompany Agreement will be of any further force or effect from and after the Effective Time and all Parties shall be released from all Liabilities thereunder other than the Liability to settle any Intercompany Accounts as provided in Section 2.3. Each Party shall take, or cause to be taken, any and all actions as may be reasonably necessary to effect the foregoing.

(b) The provisions of Section 2.2(a) shall not apply to any of the following agreements (which agreements shall continue to be outstanding after the Distribution Date and thereafter shall be deemed to be, for each relevant Party (or the member of such Party's Group), an obligation to a third party and shall no longer be an Intercompany Agreement):

(i) this Agreement and the Ancillary Agreements (and each other agreement or instrument expressly contemplated by this Agreement or any Ancillary Agreement), if any;

(ii) any confidentiality or non-disclosure agreements among any members of either Group or employees of the Manager; and

(iii) any agreement listed or described on Section 2.2(b) of the Disclosure Schedule, if any.

Section 2.3 Settlement of Intercompany Account. Each Intercompany Account outstanding immediately prior to the Distribution Date (other than those set forth on Section 2.3 of the Disclosure Schedule, if any), will be satisfied and/or settled in full in cash or otherwise cancelled and terminated or extinguished by the relevant members of the FTAI Group and the FTAI Infrastructure Group prior to the Effective Time, in each case, in the manner agreed to by the Parties. Each Intercompany Account outstanding immediately prior to the Distribution Date set forth on Section 2.3 of the Disclosure Schedule shall continue to be outstanding after the Distribution Date (unless previously satisfied in accordance with its terms) and thereafter shall be deemed to be, for each Party (or the relevant member of such Party's Group), an obligation to a third party and shall no longer be an Intercompany Account.

ARTICLE III

CERTAIN ACTIONS PRIOR TO THE DISTRIBUTION

Section 3.1 SEC and Other Securities Filings.

(a) Prior to the date of this Agreement, the Parties caused the Registration Statement to be prepared and filed with the SEC.

(b) The Registration Statement was declared effective by the SEC on [●], 2022.

(c) As soon as practicable after the [date of this Agreement], FTAI shall cause the Information Statement to be delivered to the Record Holders (or, alternatively, FTAI shall make available the Registration Statement to the applicable Record Holders and cause to be mailed to the applicable Record Holders a notice of internet availability of the Registration Statement and post such notice on its website, in each case in compliance with Rule 14a-16 promulgated by the SEC pursuant to the Exchange Act, as such rule may be amended from time to time).

(d) The Parties shall cooperate in preparing, filing with the SEC and causing to become effective any other registration statements or amendments or supplements thereto that are necessary or appropriate in order to effect the Transactions, or to reflect the establishment of, or amendments to, any employee benefit plans contemplated hereby.

(e) The Parties shall take all such action as may be necessary or appropriate under state and foreign securities or "blue sky" Laws in connection with the Transactions.

Section 3.2 Nasdaq Listing Application.

(a) Prior to the date of this Agreement, the Parties caused an application for the listing on Nasdaq of FTAI Infrastructure Common Stock to be issued to the Record Holders in the Distribution (the "Nasdaq Listing Application") to be prepared and filed.

(b) The Parties shall use commercially reasonable efforts to have the Nasdaq Listing Application approved, subject to official notice of issuance, as soon as reasonably practicable following the date of this Agreement.

(c) FTAI shall give Nasdaq notice of the Record Date in compliance with Rule 10b-17 under the Exchange Act.

Section 3.3 Distribution Agent Agreement. FTAI shall, if requested by the Distribution Agent, enter into a distribution agent agreement and/or a paying agent agreement with the Distribution Agent.

Section 3.4 Management Agreements. On or prior to the Distribution Date, that certain Management and Advisory Agreement, dated as of May 20, 2015, by and between FTAI and the Manager shall be amended and restated and assigned to FTAI Infrastructure and FTAI Infrastructure shall stand in the place of FTAI thereunder, with such changes thereto as are substantially in the form filed by FTAI Infrastructure with the SEC as an exhibit to the Registration Statement (the "FTAI Infrastructure Management Agreement"), and certain members of the FTAI Group shall enter into a new management agreement with the Manager, substantially in the form attached hereto as Exhibit C (the "FTAI Management Agreement").

Section 3.5 Governmental Approvals and Consents. To the extent that any of the Transactions require any Governmental Approval or Consent which has not been obtained prior to the date of this Agreement, the Parties will use commercially reasonable efforts to obtain, or cause to be obtained, such Governmental Approval or Consent prior to the Effective Time; provided, that no Party shall be required to make any payment or provide any other benefit to a third-party to obtain a Consent unless explicitly required under the applicable Contract.

Section 3.6 Ancillary Agreements. Prior to the Effective Time, each Party shall execute and deliver, and shall cause each applicable member of its Group to execute and deliver, as applicable, such other written agreements, documents or instruments (collectively, the "Ancillary Agreements") as the Parties may agree are reasonably necessary or desirable and which specifically state that they are Ancillary Agreements within the meaning of this Agreement.

Section 3.7 Governance Matters.

(a) Certificate of Incorporation and Bylaws. On or prior to the Distribution Date, the Parties shall take all necessary actions to adopt each of the amended and restated certificate of incorporation and the amended and restated bylaws of FTAI Infrastructure, each substantially in the forms filed by FTAI Infrastructure with the SEC as exhibits to the Registration Statement.

(b) Officers and Directors. On or prior to the Distribution Date, the Parties shall take all necessary action so that, as of the Distribution Date, the officers and directors of FTAI Infrastructure will be as set forth in the Information Statement.

Section 3.8 Internal Restructuring. Prior to the Distribution, the Parties shall cause the steps outlined in the Plan of Restructuring, as outlined substantially in the form Exhibit B hereto, to be executed in all material respects.

Section 3.9 Trademark Assignment. FTAI hereby assigns to FTAI Infrastructure all of FTAI's right, title and interest in and to the names, trademarks and service marks: F & Design and the associated logo comprised of two curved chevrons, including U.S. Reg. No. 4,881,568, and the goodwill associated therewith and all rights and remedies with respect to past, present and future enforcement thereof.

ARTICLE IV

THE DISTRIBUTION

Section 4.1 Dividend to FTAI. Prior to the Distribution Date, FTAI Infrastructure shall issue to FTAI or Fortress Worldwide Transportation and Infrastructure General Partnership as a stock dividend such number of shares of FTAI Infrastructure Common Stock (or FTAI and FTAI Infrastructure shall take or cause to be taken such other appropriate actions to ensure that FTAI has the requisite number of shares of FTAI Infrastructure Common Stock) as may be required to effect the Distribution.

Section 4.2 Delivery to Distribution Agent. Subject to Section 5.1, on or prior to the Distribution Date, FTAI will authorize the Distribution Agent, for the benefit of holders of record of FTAI Common Shares at the close of business on the Record Date (the "Record Holders"), to effect the book-entry transfer of all outstanding shares of FTAI Infrastructure Common Stock and will instruct the Distribution Agent to effect the Distribution at the Effective Time in the manner set forth in Section 4.3.

Section 4.3 Mechanics of the Distribution.

(a) On the Distribution Date, FTAI will direct the Distribution Agent to distribute, effective as of the Effective Time, to each Record Holder, one share of FTAI Infrastructure Common Stock for each FTAI Common Share held by such Record Holder on the Record Date. All such shares of FTAI Infrastructure Common Stock to be so distributed shall be distributed as uncertificated shares registered in book-entry form through the direct registration system. No certificates therefor shall be distributed. Following the Distribution, FTAI shall cause the Distribution Agent to deliver an account statement to each holder of FTAI Infrastructure Common Stock reflecting such holder's ownership thereof. All of the shares of FTAI Infrastructure Common Stock distributed in the Distribution will be validly issued, fully paid and non-assessable.

(b) Notwithstanding any other provision of this Agreement, FTAI, the Distribution Agent, or any Person that is a withholding agent under applicable Law shall be entitled to deduct and withhold from any consideration distributable or payable hereunder the amounts required to be deducted and withheld under the Code, or any provision of any U.S. federal, state, local or foreign Tax Law, and, to the extent deduction and withholding is required, such deduction and withholding may be taken in FTAI Infrastructure Common Stock. To the extent that amounts are so withheld and paid over to the appropriate taxing authority (or, if taken in FTAI Infrastructure Common Stock, cash in the amount of the fair market value of such shares is paid over to the appropriate taxing authority), such amounts will be treated for purposes of this Agreement as having been paid to the party in respect of whom such deduction and withholding was made are withheld.

Section 4.4 FTAI Equity Award Adjustment.

(a) Subsequent to the effectiveness of the Registration Statement, but prior to the consummation of the Distribution, and subject to the consummation of the Distribution, each option to purchase FTAI Common Shares ("FTAI Options") that was granted and outstanding under the Fortress Transportation and Infrastructure Investors LLC Nonqualified Stock Option and Incentive Award Plan (the "FTAI Option Plan") shall remain granted and outstanding and shall not, and FTAI shall cause (to the maximum extent permitted under the FTAI Option Plan) the FTAI Options not to, terminate, accelerate or otherwise vest as a result of the Distribution.

(b) Subsequent to the effectiveness of the Registration Statement, but prior to the consummation of the Distribution, and subject to the consummation of the Distribution, each holder of an FTAI Option immediately prior to the Distribution will be entitled to the following, determined in a manner in accordance with, and subject to, the FTAI Option Plan, any award agreement or other document pursuant to which the FTAI Option was awarded or is currently governed, and, to the extent applicable, FASB ASC Topic 718, Compensation-Stock Compensation, and Section 409A of the Code:

(i) an option to purchase a number of shares of FTAI Infrastructure Common Stock (the "FTAI Infrastructure Options") equal to one multiplied by the number of FTAI Common Shares subject to the FTAI Option held by such holder immediately prior to the Distribution, rounded down to the nearest whole share, with an exercise price equal to the product of (1) the per share exercise price of the FTAI Option immediately prior to the Distribution Date (the "Pre-Distribution Option Price") multiplied by (2) a fraction, the numerator of which shall be the Post-Distribution FTAI Infrastructure Common Stock Price and the denominator of which shall be the sum of (x) the Post-Distribution FTAI Common Share Price and (y) the Post-Distribution FTAI Infrastructure Common Stock Price, rounded up to the nearest cent, and

(ii) the adjustment of the exercise price of such holder's FTAI Option, to be equal to the product of (1) the Pre-Distribution Option Price multiplied by (2) a fraction, the numerator of which shall be the Post-Distribution FTAI Common Share Price and the denominator of which shall be the sum of (x) the Post-Distribution FTAI Common Share Price and (y) the Post-Distribution FTAI Infrastructure Common Stock Price, rounded up to the nearest cent (the "Adjusted FTAI Options") (the FTAI Infrastructure Options and the Adjusted FTAI Options, together, the "Post-Distribution Options").

The terms and conditions applicable to the FTAI Infrastructure Options shall be substantially similar to the terms and conditions otherwise applicable to the corresponding FTAI Options.

(c) The exercise price of the FTAI Infrastructure Options and the Adjusted FTAI Options shall be set in compliance with Treasury Regulation Section 1.409A-1(b)(5)(v)(D), regardless whether applicable, to maintain the intrinsic value of the FTAI Options as of the Distribution Date, and to maintain the ratio of exercise price to fair market value of the FTAI Options and the Post-Distribution Options.

(d) Each of FTAI and FTAI Infrastructure intends that, subsequent to the Distribution, FTAI Infrastructure shall establish, or shall cause to be established, one or more equity incentive or similar plans that will allow or provide for the issuance of stock options, appreciation rights, restricted stock, restricted stock units, new rights relating to FTAI Infrastructure Common Stock, or other equity-based awards on such terms, and subject to such conditions (including, without limitation, as to eligibility, vesting and performance criteria), as FTAI Infrastructure may decide in its sole discretion.

ARTICLE V

CONDITIONS

Section 5.1 Conditions Precedent to Consummation of the Distribution. The Distribution shall not be effected unless and until the following conditions have been satisfied or, to the extent permitted by applicable Law, waived by FTAI, in its sole and absolute discretion, at or before the Effective Time:

(a) the board of directors of FTAI shall have declared the Distribution, which declaration may be made or withheld at its sole and absolute discretion;

(b) the Registration Statement shall have been declared effective by the SEC, with no stop order in effect with respect thereto, and no proceedings for such purpose shall be pending before, or threatened by, the SEC;

(c) FTAI shall have mailed the Information Statement (and such other information concerning FTAI Infrastructure, the Distribution and such other matters as the Parties shall determine and as may otherwise be required by Law) to the Record Holders or shall have caused to be mailed the notice of internet availability of the Information Statement to the applicable Record Holders as contemplated by Section 3.1(c);

(d) all other actions and filings necessary or appropriate under applicable federal or state securities Laws and state blue sky Laws in connection with the Transactions shall have been taken;

(e) an outside valuation advisory firm or firms acceptable to FTAI shall have delivered one or more opinions to the board of directors of FTAI regarding solvency and capital adequacy matters with respect to FTAI and FTAI Infrastructure after consummation of the Distribution, and such opinions shall be acceptable to FTAI in form and substance in FTAI's sole discretion, and such opinions shall not have been withdrawn or rescinded;

(f) FTAI shall not be required to register as an investment company under the Investment Company Act;

(g) FTAI Infrastructure shall not be required to register as an investment company under the Investment Company Act;

(h) Nasdaq shall have approved the Nasdaq Listing Application, subject to official notice of issuance;

(i) FTAI and the Manager shall have consented to the assignment of the FTAI Infrastructure Management Agreement;

(j) Certain members of the FTAI Group and the Manager shall have entered into the FTAI Management Agreement, in the form substantially attached hereto as Exhibit C;

(k) the Restructuring shall have been completed in accordance with the Plan of Restructuring in all material respects, including the declaration by FTAI Infrastructure of a dividend payable to Fortress Worldwide Transportation and Infrastructure General Partnership and payable on the Distribution Date, after the Distribution (the "Delayed Dividend");

(l) FTAI Infrastructure shall have secured funding commitments necessary to permit FTAI Infrastructure to fund the payment of the Delayed Dividend;

(m) the Ancillary Agreements, if any, shall have been executed and delivered by each of the parties thereto and no party to any of the Ancillary Agreements will be in material breach of any such agreement;

(n) any material Governmental Approvals and Consents necessary to consummate the Transactions or any portion thereof shall have been obtained and be in full force and effect;

(o) no preliminary or permanent injunction or other order, decree, or ruling issued by a Governmental Authority, and no statute (as interpreted through orders or rules of any Governmental Authority duly authorized to effectuate the statute), rule, regulation or executive order promulgated or enacted by any Governmental Authority shall be in effect preventing the consummation of, or materially limiting the benefits of, the Transactions; and

(p) no other event or development shall have occurred or failed to occur that, in the judgment of the board of directors of FTAI, in its sole discretion, prevents the consummation of the Transactions or any portion thereof or makes the consummation of the Transactions inadvisable.

Section 5.2 Right Not to Close. Each of the conditions set forth in Section 5.1 is for the benefit of FTAI, and the board of directors of FTAI may, in its sole and absolute discretion, determine whether to waive any condition, in whole or in part, to the extent permitted by applicable Law. Any determination made by the board of directors of FTAI concerning the satisfaction or waiver of any or all of the conditions in Section 5.1 will be conclusive and binding on the Parties. The satisfaction of the conditions set forth in Section 5.1 will not create any obligation on the part of FTAI to any other Person to effect any of the Transactions or in any way limit FTAI's right to terminate this Agreement and the Ancillary Agreements as set forth in Section 11.1 or alter the consequences of any termination from those specified in Section 11.2.

ARTICLE VI

NO REPRESENTATIONS OR WARRANTIES

Section 6.1 Disclaimer of Representations and Warranties. EACH PARTY (ON BEHALF OF ITSELF AND EACH OTHER MEMBER OF ITS GROUP) UNDERSTANDS AND AGREES THAT, EXCEPT AS EXPRESSLY SET FORTH HEREIN, IN ANY ANCILLARY AGREEMENT OR IN ANY OTHER AGREEMENT OR DOCUMENT CONTEMPLATED BY THIS AGREEMENT OR ANY ANCILLARY AGREEMENT, NO PARTY IS REPRESENTING OR WARRANTING IN ANY WAY AS TO (A) THE ASSETS, BUSINESSES OR LIABILITIES CONTRIBUTED, TRANSFERRED, DISTRIBUTED OR ASSUMED AS CONTEMPLATED HEREBY OR THEREBY, (B) ANY CONSENTS OR GOVERNMENTAL APPROVALS REQUIRED IN CONNECTION HEREWITH OR THEREWITH, (C) THE VALUE OR FREEDOM FROM ANY SECURITY INTERESTS OF, OR ANY OTHER MATTER CONCERNING, ANY ASSETS OF ANY PARTY, (D) THE ABSENCE OF ANY DEFENSES OR RIGHT OF SETOFF OR FREEDOM FROM COUNTERCLAIM WITH RESPECT TO ANY ACTION OR OTHER ASSET, INCLUDING ACCOUNTS RECEIVABLE, OF ANY PARTY, OR (E) THE LEGAL SUFFICIENCY OF ANY CONTRIBUTION, DISTRIBUTION, ASSIGNMENT, DOCUMENT, CERTIFICATE OR INSTRUMENT DELIVERED HEREUNDER OR THEREUNDER TO CONVEY TITLE TO ANY ASSET UPON THE EXECUTION, DELIVERY AND FILING HEREOF OR THEREOF.

Section 6.2 As Is, Where Is. EACH PARTY (ON BEHALF OF ITSELF AND EACH OTHER MEMBER OF ITS GROUP) UNDERSTANDS AND AGREES THAT, EXCEPT AS OTHERWISE PROVIDED IN ANY ANCILLARY AGREEMENT, ALL ASSETS TRANSFERRED PURSUANT TO THIS AGREEMENT OR ANY ANCILLARY AGREEMENT ARE BEING TRANSFERRED "AS IS, WHERE IS."

ARTICLE VII

CERTAIN COVENANTS AND ADDITIONAL AGREEMENTS

Section 7.1 Insurance Matters. Following the Distribution Date, FTAI shall maintain its directors and officers liability Insurance Policies in effect as of the Distribution Date or substitute Insurance Policies therefor (the "FTAI D&O Policies"). Prior to the Distribution Date, FTAI and FTAI Infrastructure shall use commercially reasonable efforts to obtain separate Insurance Policies for FTAI Infrastructure on substantially similar terms as the FTAI D&O Policies (it being understood that FTAI Infrastructure shall be responsible for all premiums, costs and fees associated with any new insurance policies placed for the benefit of FTAI Infrastructure pursuant to this Section 7.1, which, for the avoidance of doubt, shall exclude any premiums, costs and fees associated with any run-off Insurance Policy obtained by FTAI in connection with the Restructuring).[2]

Section 7.2 Tax Matters.

(a) Liability for Taxes.

(i) FTAI and its Subsidiaries shall assume all liability for any and all Taxes attributable to FTAI and each member of the FTAI Group, without regard to when such Taxes were accrued, and 50% of Transfer Taxes arising from the Transactions.

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2 NTD: FTAI is considering purchasing a tail policy.

(ii) FTAI Infrastructure and its Subsidiaries shall assume all liability for any and all Taxes attributable to FTAI Infrastructure and each member of the FTAI Infrastructure Group, without regard to when such Taxes were accrued, and 50% of Transfer Taxes arising from the Transactions.

(b) Refunds. FTAI Group shall be entitled to any refund of or credit for Taxes for which FTAI or its Subsidiaries are responsible under this Agreement, and FTAI Infrastructure Group shall be entitled to any refund of or credit for Taxes for which FTAI Infrastructure or its Subsidiaries are responsible under this Agreement. Refunds for any Straddle Period shall be equitably apportioned between FTAI and FTAI Infrastructure in accordance with the provisions of this Agreement governing the Taxes with respect to such periods. A Party receiving a refund to which the other Party is entitled pursuant to this Agreement shall pay the amount to which such other Party is entitled within thirty (30) calendar days after the receipt of the refund.

(c) Transfer Taxes Return. FTAI will prepare and file all Tax Returns and other documentation with respect to all Transfer Taxes arising from the Transactions.

(d) Filing of Other Tax Returns.

(i) FTAI will have the sole and exclusive responsibility for the preparation and filing of all Tax Returns that any member of the FTAI Group is obligated to prepare and file.

(ii) FTAI Infrastructure shall have the sole and exclusive responsibility for the preparation and filing of all Tax Returns that any member of the FTAI Infrastructure Group is obligated to file.

(iii) Amended Returns. Without the prior written consent of FTAI, which consent shall not be unreasonably withheld, conditioned, or delayed, FTAI Infrastructure shall not, and shall not permit any member of the FTAI Infrastructure Group to, file any amended Pre-Closing Period Tax Return or Straddle Period Tax Return that includes an FTAI Infrastructure Subsidiary if such amended return could affect the tax paying or reporting obligations of FTAI, its Subsidiaries, or its shareholders.

(e) Dispute Resolution. Subject to the final sentence of this Section 7.2(e) the Parties shall attempt in good faith to resolve any disagreement arising with respect to this Section 7.2, including any dispute in connection with a claim by a third party (a "Tax Dispute"). Either Party may give the other Party written notice of any Tax Dispute not resolved in the normal course of business. Subject to the final sentence of this Section 7.2(e), if the Parties cannot agree within thirty (30) Business Days following the date on which one Party gives such notice, then the Tax Dispute shall be referred to a Tax Advisor acceptable to each of the Parties to act as an arbitrator in order to resolve the Tax Dispute. If the Parties are unable to agree upon a Tax Advisor within fifteen (15) calendar days, the Tax Advisor selected by FTAI and the Tax Advisor selected by FTAI Infrastructure shall jointly select a Tax Advisor that will resolve the Tax Dispute. Such Tax Advisor shall be empowered to resolve the Tax Dispute, including by engaging nationally recognized accountants and other experts. The Tax Advisor chosen to resolve the Tax Dispute shall furnish written notice to the Parties of its resolution of such Tax Dispute as soon as practicable, but in no event later than forty-five (45) Business Days after its acceptance of the matter for resolution. Any such resolution by the Tax Advisor will be conclusive and binding on the Parties. Each of FTAI and FTAI Infrastructure shall bear fifty percent (50%) of the aggregate expenses of the Tax Advisor chosen to resolve the Tax Dispute.

(f) Tax Covenants.

(i) The Parties intend that: (A) all transaction steps comprising the Restructuring shall, for all Tax purposes in all respects, be treated as specified in the Plan of Restructuring, and (B) the Distribution will be treated as a partnership distribution under Code Section 731. The Parties and their respective Subsidiaries shall report the Transactions and the Distribution for all Tax purposes in all respects consistently with the foregoing treatment, and shall not take any position on any Tax Return that is inconsistent with such treatment, absent a final "determination" within the meaning of Section 1313(a) of the Code.

(ii) Each Party shall report the value of the FTAI Infrastructure Common Stock on the Distribution Date as determined by FTAI for all Tax purposes in all respects,[3] and shall not take any position on any Tax Return that is inconsistent with such value, absent a final "determination" within the meaning of Section 1313(a) of the Code.

(g) Tax Indemnification (i) FTAI Infrastructure shall pay or cause to be paid, shall be responsible for, and shall indemnify and hold harmless all members of the FTAI Group from and against:

(1) all Taxes of any member of the FTAI Group attributable to a breach of any covenant in Section 7.2(f) by a member of such group;

(2) all Taxes of any member of the FTAI Group assumed by FTAI Infrastructure pursuant to Section 7.2(a)(i);

(3) any accounting, legal, and other professional fees and court costs incurred in connection with, evaluating, or defending against any claims that result in any member of the FTAI Group becoming entitled to indemnification under this Section 7.3(h); and

(4) any Taxes incurred by the FTAI Group resulting from indemnification payments made pursuant to this Section 7.3(h).

(ii) FTAI shall pay or cause to be paid, shall be responsible for, and shall indemnify and hold harmless all members of the FTAI Infrastructure Group from and against:

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[3] NTD: Methodology used to determine the value of the FTAI Infrastructure Common Stock remains TBD.

(1) all Taxes of any member of the FTAI Infrastructure Group attributable to a breach of any covenant in Section 7.2(f) by a member of such Group;

(2) all Taxes of any member of the FTAI Infrastructure Group assumed by FTAI pursuant to Section 7.2(a)(ii);

(3) any accounting, legal, and other professional fees and court costs incurred in connection with, evaluating, or defending against any claims that result in any member of the FTAI Infrastructure Group becoming entitled to indemnification under this Section 7.2(h); and

(4) any Taxes incurred by the FTAI Infrastructure Group resulting from indemnification payments made pursuant to this 7.2(h).

(iii) Furthermore, indemnification under this Section 7.2(h) shall follow the procedures described in Section 9.4, except to the extent such procedures conflict with anything described herein.

(h) Tax Contests. (i) Notice of Tax Contests. FTAI Infrastructure shall promptly notify FTAI in writing upon receipt by FTAI Infrastructure or any member of the FTAI Infrastructure Group of a written communication from any Taxing Authority with respect to any Tax Contest concerning any Tax Return or otherwise concerning Taxes for which FTAI or its Subsidiaries or shareholders may be liable. FTAI shall promptly notify FTAI Infrastructure in writing upon receipt by FTAI or any member of the FTAI Group of a written communication from any Taxing Authority with respect to any Tax Contest concerning any Tax Return or otherwise concerning Taxes for which FTAI Infrastructure or its Subsidiaries may be liable.

(ii) [Control of Tax Contests. FTAI shall have the sole responsibility and control over the handling of any Tax Contest, including the exclusive right to communicate with agents of the Taxing Authority, involving (A) any Pre-Closing Period Tax Return of FTAI Infrastructure or any member of the FTAI Infrastructure Group or otherwise relating to the FTAI Infrastructure Assets or FTAI Infrastructure Liabilities for a Pre-Closing Period or (B) any Straddle Period Tax Return of FTAI Infrastructure or any member of the FTAI Infrastructure Group or otherwise relating to the FTAI Infrastructure Assets or FTAI Infrastructure Liabilities for a Straddle Period, in each case if the liability for the accompanying Tax Contest would be imposed on FTAI, its Subsidiaries, or its Shareholders. Upon FTAI Infrastructure's request, FTAI Infrastructure shall be allowed to participate in, but not to control, at FTAI Infrastructure's expense, the handling of any such Tax Contest with respect to any item that may affect FTAI Infrastructure's (or its Subsidiaries or its Shareholders') liability for Taxes pursuant to this Agreement, and upon FTAI's request, FTAI shall be allowed to participate in, but not to control, at FTAI's expense, the handling of any other Tax Contest with respect to any item that may affect FTAI's (or its Subsidiaries or its Shareholders') liability for Taxes pursuant to this Agreement. Neither FTAI nor FTAI Infrastructure shall settle or concede any Tax Contest with respect to any item in excess of $50,000 for which the other party or an affiliate of the other party is liable without the prior written consent of such party, which consent shall not be unreasonably withheld, delayed, or conditioned.]

(iii) Cooperation. Each Party shall, and shall cause all of such Party's Subsidiaries and, to the extent capable of so doing, Affiliates to, fully cooperate with the other Party in connection with the preparation and filing of any Tax Return, the conduct of any Tax Contest (including, where appropriate or necessary, providing a power of attorney) concerning any issues or any other matter contemplated under this Section 7.2, and use commercially reasonable efforts to mitigate the net economic impact of any Tax Contest. Each Party shall make its employees and facilities available on a mutually convenient basis to facilitate such cooperation.

(i) Retention of Records; Access In General. The Parties shall and shall cause the other members of their Group to (i) retain records, documents, accounting data, and other information (including computer data) necessary for the preparation and filing of all Tax Returns in respect of Taxes of either the FTAI Group or the FTAI Infrastructure Group for any taxable period, or for any Tax Contests relating to such Tax Returns and (ii) using commercially reasonable efforts to do so within five (5) Business Days, give to the other Party reasonable access to such records, documents, accounting data, and other information (including computer data) and to its personnel (insuring their cooperation) and premises, for the purpose of the review or audit of such Tax Returns to the extent relevant to an obligation or liability of a Party under this Agreement or for purposes of the preparation or filing of any such Tax Return, the conduct of any Tax Contest or any other matter reasonably and in good faith related to the Tax affairs of the requesting Party. The requesting party shall bear all reasonable out-of-pocket costs and expenses in connection therewith. At any time after the Distribution Date that FTAI or any member of the FTAI Group proposes to destroy such material or information, FTAI shall first notify FTAI Infrastructure in writing and FTAI Infrastructure shall be entitled to receive such materials or information proposed to be destroyed. At any time after the Distribution Date that FTAI Infrastructure or any member of the FTAI Infrastructure Group proposes to destroy such material or information, FTAI Infrastructure shall first notify FTAI in writing and FTAI shall be entitled to receive such materials or information proposed to be destroyed.

(j) Continuation of Retention of Information, Access Obligations. The obligations set forth above in Section 7.2(i) shall continue until the longer of (x) the time of a final determination within the meaning of Section 1313(a) of the Code or (y) expiration of all applicable statutes of limitations to which the records and information relate. For purposes of the preceding sentence, each Party shall assume that no applicable statute of limitations has expired unless such Party has received notification or otherwise has actual knowledge that such statute of limitations has expired.

Section 7.3 No Restrictions on Post-Closing Competitive Activities. Each of the Parties agrees that this Agreement shall not include any non-competition or other similar restrictive arrangements with respect to the range of business activities that may be conducted, or investments that may be made, by the Groups. Accordingly, each of the Parties acknowledges and agrees that nothing set forth in this Agreement shall be construed to create any explicit or implied restriction or other limitation on the ability of any Group to engage in any business or other activity that overlaps or competes with the business of the other Group, including investing in the infrastructure or aviation industry. Except as expressly provided herein, or in the Ancillary Agreements, if any, each Group shall have the right to, and shall have no duty to abstain from exercising such right to, (i) engage or invest, directly or indirectly, in the same, similar or related business activities or lines of business as the other Group, (ii) make investments in the same or similar types of investments as the other Group, (iii) do business with any client, customer, vendor or lessor of any of the other Group or (iv) employ or otherwise engage any officer, director or employee of the other Group. Neither Party nor Group, nor any officer or director thereof, shall be liable to the other Party or Group or its shareholders for breach of any fiduciary duty by reason of any such activities of such Party or Group or of any such Person's participation therein.

ARTICLE VIII

ACCESS TO INFORMATION; CONFIDENTIALITY; PRIVILEGE

Section 8.1 Agreement for Exchange of Information.

(a) Subject to Section 8.1(b) and except as provided in Section 7.2(j), for a period of six (6) years (the "Period") following the Distribution Date, as soon as reasonably practicable after written request (and using reasonable efforts to do so within five (5) Business Days): (i) FTAI shall afford to any member of the FTAI Infrastructure Group and their authorized Representatives reasonable access during normal business hours to, or, at the FTAI Infrastructure Group's expense, provide copies of, all books, records, Contracts, instruments, data, documents and other information in the possession or under the control of any member of the FTAI Group immediately following the Distribution Date that relates to any member of the FTAI Infrastructure Group or the FTAI Infrastructure Assets or the Specified Entities (to the extent such information regarding the Specified Entities has been made available to any member of the FTAI Group) or FTAI Infrastructure Liabilities and (ii) FTAI Infrastructure shall afford to any member of the FTAI Group and their authorized Representatives reasonable access during normal business hours to, or, at the FTAI Group's expense, provide copies of, all books, records, Contracts, instruments, data, documents and other information in the possession or under the control of any member of the FTAI Infrastructure Group immediately following the Distribution Date that relates to any member of the FTAI Group or the FTAI Assets or the FTAI Liabilities; provided, further, that in the event that FTAI Infrastructure or FTAI or any other Person required to provide information under this Article VIII, as applicable, determine that any such provision of or access to any information in response to a request under this Section 8.1(a) would be commercially detrimental in any material respect, violate any Law or agreement or waive any attorney-client privilege, the work product doctrine or other applicable privilege, the Parties shall take all reasonable measures to permit compliance with such request in a manner that avoids any such harm or consequence; provided, further, that to the extent specific information- or knowledge-sharing provisions are contained in any of the Ancillary Agreements, such other provisions (and not this Section 8.1(a)) shall govern; provided, further, that the Period shall be extended with respect to requests related to any third party Action or other dispute filed prior to the end of such period until such Action or dispute is finally resolved.

(b) A request for information under Section 8.1(a) may be made: (i) to comply with reporting, disclosure, filing or other requirements imposed on the requesting party (including under applicable securities laws) by a Governmental Authority having jurisdiction over such requesting party, (ii) for use in any other judicial, regulatory, administrative or other proceeding or in order to satisfy audit, accounting, claims defense, regulatory filings, litigation, arbitration or other similar requirements (other than in connection with any Action in which any member of a Group is adverse to any member of the other Group), (iii) for use in compensation, benefit or welfare plan administration or other bona fide business purposes, or (iv) to comply with any obligations under this Agreement or any Ancillary Agreement.

(c) Without limiting the generality of Section 8.1(a), until the end of the first full fiscal year following the Distribution Date (and for a reasonable period of time thereafter as required for any party to prepare consolidated financial statements or complete a financial statement audit for the fiscal year during which the Distribution Date occurs), FTAI Infrastructure shall use its commercially reasonable efforts to cooperate with any requests from any member of the FTAI Group pursuant to Section 8.1(a) and FTAI shall use its commercially reasonable efforts to cooperate with any requests from any member of the FTAI Infrastructure Group pursuant to Section 8.1(a), in each case to enable the requesting Party to meet its timetable for dissemination of its earnings releases and financial statements and to enable such requesting party's auditors to timely complete their audit of the annual financial statements and review of the quarterly financial statements.

Section 8.2 Ownership of Information. Any information owned by any Person that is provided pursuant to Section 8.1(a) shall be deemed to remain the property of the providing Person. Unless specifically set forth herein, nothing contained in this Agreement shall be construed to grant or confer rights of license or otherwise to the requesting Person with respect to any such information.

Section 8.3 Compensation for Preserving, Gathering or Providing Information. A Person requesting information pursuant to Section 8.1(a) agrees to reimburse the providing Person for the reasonable expenses, if any, of gathering and copying such information, or of preserving such information beyond the Period for reasons related to a legal hold or any third-party Action or other dispute filed before the end of the Period, to the extent that such expenses are reasonably incurred for the benefit of the requesting Person.

Section 8.4 Retention of Records. Except as provided in Section 7.2(j), to facilitate the exchange of information pursuant to this Article VIII after the Distribution Date, for a period of three (3) years following the Distribution Date, except as otherwise required (whether pursuant to Law, court order, legal hold or otherwise) or agreed in writing, the Parties agree to use commercially reasonable efforts to retain, or cause to be retained, all information in their, or any member of their Group's, respective possession or control on the Distribution Date in accordance with the policies and procedures of FTAI as in effect on the Distribution Date.

Section 8.5 Limitation of Liability. No Person required to provide information under this Article VIII shall have any Liability (a) if any historical information provided pursuant to this Article VIII is found to be inaccurate, in the absence of gross negligence or willful misconduct by such Person, or (b) if any information is lost or destroyed despite using commercially reasonable efforts to comply with the provisions of Section 8.4.

Section 8.6 Production of Witnesses. At all times from and after the Distribution Date, upon reasonable request:

(a) FTAI Infrastructure shall use commercially reasonable efforts to make available, or cause to be made available, to any member of the FTAI Group, the directors, officers, employees, managers, trustees and agents of any member of the FTAI Infrastructure Group as witnesses to the extent that the same may reasonably be required by the requesting party (giving consideration to business demands of such directors, officers, employees, managers, trustees and agents) in connection with any legal, administrative or other proceeding in which the requesting party may from time to time be involved, except in the case of any Action in which any member of the FTAI Infrastructure Group is adverse to any member of the FTAI Group; and

(b) FTAI shall use commercially reasonable efforts to make available, or cause to be made available, to any member of the FTAI Infrastructure Group, the directors, officers, employees, managers, trustees and agents of any member of the FTAI Group as witnesses to the extent that the same may reasonably be required by the requesting party (giving consideration to business demands of such directors, officers, employees, managers, trustees and agents) in connection with any legal, administrative or other proceeding in which the requesting party may from time to time be involved, except in the case of any Action in which any member of the FTAI Group is adverse to any member of the FTAI Infrastructure Group.

(c) The requesting Party shall bear all reasonable costs and expenses in connection with any production of witnesses under this Section 8.6.

Section 8.7 Confidentiality.

(a) FTAI Infrastructure (on behalf of itself and each other member of its Group) and FTAI (on behalf of itself and each other member of its Group) shall hold, and shall cause each of their respective Affiliates to hold, and each of the foregoing shall cause their respective directors, officers, employees, agents, consultants, managers, trustees, insurers, insurance brokers and advisors to hold, in strict confidence, and not to disclose or release or use, for any purpose other than as expressly permitted pursuant to this Agreement or the Ancillary Agreements, if any, any and all Confidential Information concerning any member of the other Group (or the Specified Entities, as applicable) without the prior written consent of such member of the other Group; provided, that each Party and the members of its Group may disclose, or may permit disclosure of, such Confidential Information (i) to other members of their Group and their respective auditors, attorneys, financial advisors, bankers, accountants, agents and other appropriate consultants and advisors (including the Manager) (collectively, "Representatives") who have a need to know such information for purposes of performing services for a member of such Group and who are informed of their obligation to hold such information confidential to the same extent as is applicable to the Parties and in respect of whose failure to comply with such obligations, such Party will be responsible, (ii) if it or any of its Affiliates are required or compelled to disclose any such Confidential Information by judicial or administrative process or by other requirements of Law or stock exchange rule, or (iii) as necessary in order to permit such Party to prepare and disclose its financial statements, or other disclosures required by Law or such applicable stock exchange. Notwithstanding the foregoing, in the event that any demand or request for disclosure of Confidential Information is made pursuant to the foregoing clause (ii) above, the Party requested to disclose Confidential Information concerning a member of the other Group (or the Specified Entities) shall promptly notify such member of the other Group (or, with respect to the Specified Entities, FTAI Infrastructure) of the existence of such request or demand and, to the extent commercially practicable, shall provide such member of the other Group (or, with respect to the Specified Entities, FTAI Infrastructure) thirty (30) days (or such lesser period as is commercially practicable) to seek an appropriate protective order or other remedy, which the Parties will cooperate in obtaining. In the event that such appropriate protective order or other remedy is not obtained, the Party that is required to disclose Confidential Information about a member of the other Group (or the Specified Entities) shall furnish, or cause to be furnished, only that portion of the Confidential Information that is legally required to be disclosed and shall use commercially reasonable efforts to ensure that confidential treatment is accorded such information.

(b) Notwithstanding anything to the contrary set forth herein, the Parties shall be deemed to have satisfied their obligations hereunder with respect to Confidential Information of any member of the other Group (or the Specified Entities, as applicable) if they exercise the same degree of care (but no less than a reasonable degree of care) as they exercise to preserve confidentiality for their own similar Confidential Information.

(c) Upon the written request of a Party or a member of its Group, the other Party shall take, and shall cause the applicable members of its Group to take, reasonable steps to promptly (i) deliver to the requesting Person all original copies of Confidential Information (whether written or electronic) concerning the requesting Person or any member of its Group (or the Specified Entities) that is in the possession of the other Party or any member of its Group and (ii) if specifically requested by the requesting Person, destroy any copies of such Confidential Information (including any extracts therefrom), unless such delivery or destruction would violate any Law; provided, that (x) the other Party shall not be obligated to destroy Confidential Information that is required by or relates to the business of the other Party or any member of such other Party's Group (or, with respect to the FTAI Infrastructure Group, the Specified Entities) and (y) with respect to such other Party's Representatives, such Representatives may keep a copy or copies of the Confidential Information if required by policies and procedures implemented by such Representatives in order to comply with applicable Law, professional standards or bona fide document retention policy. In addition, the other Party and its Representatives may retain Confidential Information to the extent it is "backed-up" on its or their (as the case may be) electronic information management and communications systems or servers, so long as it is not available to an end user without the use of procedures for which end users are not typically trained, and cannot be expunged without considerable effort. Upon the written request of the requesting Person, the other Party shall, or shall cause another member of its Group to, cause its duly authorized officers to certify in writing to the requesting party that the requirements of this Section 8.7(c) have been satisfied in full. Any information retained pursuant to this Section 8.7(c) shall remain subject to the confidentiality provisions of this Section 8.7.

Section 8.8 Privileged Matters.

(a) Pre-Distribution Services. The Parties recognize that legal and other professional services that have been and will be provided prior to the Effective Time have been and will be rendered for the collective benefit of the Parties and their Affiliates, and that each of the Parties should be deemed to be the client with respect to such pre-Distribution services for the purposes of asserting all privileges that may be asserted under applicable Law. The Parties agree that such privileged information shall not be used by or against any member of the FTAI Group or FTAI Infrastructure Group in any Action in which any member of a Group is adverse to any member of the other Group. The Parties also agree to take, and cause the other members of their respective Groups to take, all reasonable steps to preserve shared privileges after the Effective Time.

(b) Post-Distribution Services. The Parties recognize that legal and other professional services will be provided following the Effective Time that will be rendered solely for the benefit of FTAI Infrastructure and its Affiliates or FTAI and its Affiliates, as the case may be. With respect to such post-Distribution services, the Parties agree as follows:

(i) FTAI shall be entitled, in perpetuity, to control the assertion or waiver of all privileges in connection with privileged information that relates solely to the FTAI Assets or the FTAI Liabilities, whether or not the privileged information is in the possession of or under the control of FTAI or FTAI Infrastructure. FTAI shall also be entitled, in perpetuity, to control the assertion or waiver of all privileges in connection with privileged information that relates solely to the subject matter of any claims constituting FTAI Liabilities, now pending or which may be asserted in the future, in any lawsuits or other proceedings initiated by or against any member of the FTAI Group, whether or not the privileged information is in the possession of or under the control of FTAI or FTAI Infrastructure; and

(ii) FTAI Infrastructure shall be entitled, in perpetuity, to control the assertion or waiver of all privileges in connection with privileged information that relates solely to the FTAI Infrastructure Assets or the Specified Entities (with respect to such information regarding the Specified Entities that has been made available to any member of the FTAI Group) or FTAI Infrastructure Liabilities, whether or not the privileged information is in the possession of or under the control of FTAI or FTAI Infrastructure. FTAI Infrastructure shall also be entitled, in perpetuity, to control the assertion or waiver of all privileges in connection with privileged information that relates solely to the subject matter of any claims constituting FTAI Infrastructure Liabilities, now pending or which may be asserted in the future, in any lawsuits or other proceedings initiated by or against any member of the FTAI Infrastructure Group, whether or not the privileged information is in the possession of or under the control of FTAI or FTAI Infrastructure.

(c) The Parties agree that they shall have a shared privilege, with equal right to assert or waive, subject to the restrictions in this Section 8.8, with respect to all privileges not allocated pursuant to the terms of Section 8.8(b). FTAI Infrastructure may not waive, and shall cause each other member of the FTAI Infrastructure Group not to waive, any privilege that could be asserted by a member of the FTAI Group under any applicable Law, and in which a member of the FTAI Group has a shared privilege, without the consent of FTAI, which consent shall not be unreasonably withheld, conditioned or delayed or as provided in Section 8.8(d) or Section 8.8(e) below. FTAI may not waive, and shall cause each other member of the FTAI Group not to waive, any privilege that could be asserted by a member of the FTAI Infrastructure Group under any applicable Law, and in which a member of the FTAI Infrastructure Group has a shared privilege, without the consent of FTAI Infrastructure, which consent shall not be unreasonably withheld, conditioned or delayed or as provided in Section 8.8(d) or Section 8.8(e) below.

(d) Notwithstanding any of the other provisions of this Section 8.8, to the fullest extent permitted by Law, in the event of any Action or dispute between or among FTAI Infrastructure and FTAI, or any members of their respective Groups, the Parties may waive a privilege in which a member of the other Group has a shared privilege, without obtaining the consent from any other party; provided, that such waiver of a shared privilege shall be effective only as to the use of information with respect to the Action or dispute between the relevant Parties and/or the applicable members of their respective Groups, and shall not operate as a waiver of the shared privilege with respect to any Action, disputes or other matters involving third parties or with respect to any other Actions. In the event of any such waiver, the Parties and the members of their respective Groups shall take all reasonable measures to ensure the confidentiality of the privileged information that is the subject of such waiver, including, as necessary, making any necessary applications to an arbitral tribunal or court of law, as applicable, to preserve the confidentiality of such information; and any such privileged information shall otherwise be held confidential by the Parties and the members of their respective Groups in accordance with the provisions of Section 8.7. For the avoidance of doubt, this Section 8.8(d) provides the only circumstances, and the only conditions, under which a Party or a member of its respective Group may unilaterally waive any shared applicable legal privilege.

(e) If a dispute arises between or among FTAI Infrastructure and FTAI, or any members of their respective Groups, regarding whether a privilege should be waived to protect or advance the interest of a party, each Party agrees that it shall negotiate in good faith, shall endeavor to minimize any prejudice to the rights of such party and shall not unreasonably withhold consent to any request for waiver by such party. Each Party agrees that it will not withhold consent to waiver for any purpose except to protect its own legitimate interests or the legitimate interests of any other member of its Group.

(f) Upon receipt by either Party, or by any member of its Group, of any subpoena, discovery or other request which requires the production or disclosure of information which such Party knows is subject to a shared privilege or as to which a member of the other Group has the sole right hereunder to assert or waive a privilege, or if either Party obtains knowledge that any of its or any other member of its Group's current or former directors, officers, agents, managers, trustees or employees have received any subpoena, discovery or other requests which requires the production or disclosure of such privileged information, such Party shall promptly notify the other Party of the existence of the request and shall provide the other Party a reasonable opportunity to review the information and to assert any rights it or they may have under this Section 8.8 or otherwise to prevent the production or disclosure of such privileged information.

(g) The access to information being granted pursuant to Section 8.1, the agreement to provide witnesses and individuals pursuant to Section 8.6 hereof, and the transfer of privileged information between and among the Parties and the members of their respective Groups pursuant to this Agreement shall not be deemed a waiver of any privilege that has been or may be asserted under this Agreement, any of the Ancillary Agreements or otherwise.

Section 8.9 Financial Information Certifications. The Parties agree to cooperate with each other in such manner as is necessary to enable the principal executive officer or officers, principal financial officer or officers and controller or controllers of each of the Parties to make the certifications required of them under Sections 302, 404 and 906 of the Sarbanes-Oxley Act of 2002.

ARTICLE IX

MUTUAL RELEASES; INDEMNIFICATION

Section 9.1 Release of Pre-Distribution Claims.

(a) Except as provided in Section 9.1(d), effective as of the Effective Time, FTAI Infrastructure does hereby, for itself and each other member of the FTAI Infrastructure Group, release and forever discharge each FTAI Indemnitee from any and all Liabilities whatsoever to any member of the FTAI Infrastructure Group, whether at law or in equity (including any right of contribution), whether arising under any Contract, by operation of Law or otherwise, existing or arising from any acts or events occurring or failing to occur or alleged to have occurred or to have failed to occur or any conditions existing or alleged to have existed at or before the Effective Time, including in connection with the Transactions.

(b) Except as provided in Section 9.1(d), effective as of the Effective Time, FTAI does hereby, for itself and each other member of the FTAI Group, release and forever discharge each FTAI Infrastructure Indemnitee from any and all Liabilities whatsoever to any member of the FTAI Group, whether at law or in equity (including any right of contribution), whether arising under any Contract, by operation of Law or otherwise, existing or arising from any acts or events occurring or failing to occur or alleged to have occurred or to have failed to occur or any conditions existing or alleged to have existed at or before the Effective Time, including in connection with the Transactions.

(c) The Parties expressly understand and acknowledge that it is possible that unknown losses or claims exist or might come to exist or that present losses may have been underestimated in amount, severity, or both. Accordingly, the Parties are deemed expressly to understand provisions and principles of law such as Section 1542 of the Civil Code of the State of California (as well as any and all provisions, rights and benefits conferred by any Law of any state or territory of the United States, or principle of common law, which is similar or comparable to Section 1542), which Section provides: **A GENERAL RELEASE DOES NOT EXTEND TO CLAIMS WHICH THE CREDITOR DOES NOT KNOW OR SUSPECT TO EXIST IN HIS OR HER FAVOR AT THE TIME OF EXECUTING THE RELEASE, WHICH IF KNOWN BY HIM OR HER MUST HAVE MATERIALLY AFFECTED HIS OR HER SETTLEMENT WITH THE DEBTOR.** The Parties are hereby deemed to agree that the provisions of Section 1542 and all similar federal or state laws, rights, rules, or legal principles of California or any other jurisdiction that may be applicable herein, are hereby knowingly and voluntarily waived and relinquished with respect to the releases in Section 9.1(a) and Section 9.1(b), which include a release of any rights and benefits with respect to such Liabilities that each Party and each member of such Party's Group, and its successors and assigns, now has or in the future may have conferred upon them by virtue of any statute or common law principle which provides that a general release does not extend to claims which a Party does not know or suspect to exist in its favor at the time of executing the release, if knowledge of such claims would have affected such Party's settlement with the obligor. Each Party hereby expressly understands and acknowledges that it is aware that factual matters now unknown to it may have given or may hereafter give rise to Liabilities that are presently unknown, unanticipated and unsuspected and that present losses may have been underestimated in amount, severity, or both, and further expressly agrees that this release has been negotiated and agreed upon in light of that understanding and awareness and each such Party nevertheless hereby intends to release the Persons described in Section 9.1(a) and Section 9.1(b) from the Liabilities described in Section 9.1(a) and Section 9.1(b), as applicable.

(d) Nothing contained in Section 9.1(a) or Section 9.1(b) shall impair any right of any Person to enforce this Agreement, any Ancillary Agreement or any agreements, arrangements, commitments or understandings that are specified in, or contemplated to continue pursuant to, this Agreement or any Ancillary Agreement. Without limiting the foregoing, nothing contained in Section 9.1(a) or Section 9.1(b) shall release any Person from:

(i) any Liability, contingent or otherwise, assumed by, or allocated to, such Person in accordance with this Agreement or any Ancillary Agreement;

(ii) any Liability that such Person may have with respect to indemnification or contribution pursuant to this Agreement or any Ancillary Agreement for claims brought by third Persons, which Liability shall be governed by the provisions of this Article IX and, if applicable, the appropriate provisions of the Ancillary Agreements, if any;

(iii) any unpaid accounts payable or receivable arising from or relating to the sale, provision, or receipt of goods, payment for goods, property or services purchased, obtained or used in the ordinary course of business by any member of the FTAI Group from any member of the FTAI Infrastructure Group, or by any member of the FTAI Infrastructure Group from any member of the FTAI Group from and after the Effective Time;

(iv) any Liability the release of which would result in the release of any Person other than an Indemnitee; provided, that the Parties agree not to bring suit, or permit any other member of their respective Group to bring suit, against any Indemnitee with respect to such Liability; or

(v) any agreements set forth in Section 2.2(b).

(e) FTAI Infrastructure shall not make, and shall not permit any other member of the FTAI Infrastructure Group to make, any claim or demand, or commence any Action asserting any claim or demand, including any claim of contribution or indemnification, against any FTAI Indemnitee with respect to any Liabilities released pursuant to Section 9.1(a). FTAI shall not make, and shall not permit any member of the FTAI Group to make, any claim or demand, or commence any Action asserting any claim or demand, including any claim of contribution or any indemnification, against any FTAI Infrastructure Indemnitee with respect to any Liabilities released pursuant to Section 9.1(b).

Section 9.2 Indemnification by FTAI Infrastructure. Except as provided in Section 7.2, Section 9.5 and Section 9.6, and except with respect to any agreements set forth in Section 2.2(b), FTAI Infrastructure shall, and, in the case of Section 9.2(a) or Section 9.2(b), shall in addition cause each Appropriate Member of the FTAI Infrastructure Group to, indemnify, defend and hold harmless, the FTAI Indemnitees from and against any and all Losses of the FTAI Indemnitees relating to, arising out of or resulting from any of the following (without duplication):

(a) any FTAI Infrastructure Liabilities, including the failure of any member of the FTAI Infrastructure Group or any other Person to pay, perform or otherwise promptly discharge any FTAI Infrastructure Liabilities in accordance with their respective terms, whether prior to, at or after the Effective Time;

(b) any breach by any member of the FTAI Infrastructure Group of any provision of this Agreement or of any of the Ancillary Agreements, subject to any limitations of liability provisions and other provisions applicable to any such breach set forth therein; and

(c) any untrue statement or alleged untrue statement of a material fact or omission or alleged omission to state a material fact required to be stated therein or necessary to make the statements therein not misleading, with respect to all information contained in or incorporated by reference in the Registration Statement or the Information Statement other than information that relates solely to the FTAI Assets or the FTAI Liabilities; in each case, regardless of when or where the loss, claim, accident, occurrence, event or happening giving rise to the Loss took place, or whether any such loss, claim, accident, occurrence, event or happening is known or unknown, or reported or unreported and regardless of whether such loss, claim, accident, occurrence, event or happening giving rise to the Loss existed prior to, on or after the Distribution Date or relates to, arises out of or results from actions, inactions, events, omissions, conditions, facts or circumstances occurring or existing prior to, on or after the Distribution Date. As used in this Section 9.2, "Appropriate Member of the FTAI Infrastructure Group" means the member or members of the FTAI Infrastructure Group, if any, whose acts, conduct or omissions or failures to act caused, gave rise to or resulted in the Loss from and against which indemnity is provided.

Section 9.3 Indemnification by FTAI. Except as provided in Section 7.2, Section 9.5 and Section 9.6, and except with respect to any agreements set forth in Section 2.2(b), FTAI shall, and, in the case of Section 9.3(a) or Section 9.3(b), shall in addition cause each Appropriate Member of the FTAI Group to, indemnify, defend and hold harmless the FTAI Infrastructure Indemnitees from and against any and all Losses of the FTAI Infrastructure Indemnitees relating to, arising out of or resulting from any of the following (without duplication):

(a) any FTAI Liabilities, including the failure of any member of the FTAI Group or any other Person to pay, perform or otherwise promptly discharge any FTAI Liabilities in accordance with their respective terms, whether prior to, at or after the Effective Time;

(b) any breach by any member of the FTAI Group of any provision of this Agreement or of any of the Ancillary Agreements, subject to any limitations of liability provisions and other provisions applicable to any such breach set forth therein; and

(c) any untrue statement or alleged untrue statement of a material fact or omission or alleged omission to state a material fact required to be stated therein or necessary to make the statements therein not misleading, solely with respect to information contained in or incorporated by reference in the Registration Statement or the Information Statement that relates solely to the FTAI Assets or the FTAI Liabilities; in each case, regardless of when or where the loss, claim, accident, occurrence, event or happening giving rise to the Loss took place, or whether any such loss, claim, accident, occurrence, event or happening is known or unknown, or reported or unreported and regardless of whether such loss, claim, accident, occurrence, event or happening giving rise to the Loss existed prior to, on or after the Distribution Date or relates to, arises out of or results from actions, inactions, events, omissions, conditions, facts or circumstances occurring or existing prior to, on or after the Distribution Date. As used in this Section 9.3, "Appropriate Member of the FTAI Group" means the member or members of the FTAI Group, if any, whose acts, conduct or omissions or failures to act caused, gave rise to or resulted in the Loss from and against which indemnity is provided.

Section 9.4 Procedures for Indemnification.

(a) An Indemnitee shall give notice of any matter that such Indemnitee has determined has given or would reasonably be expected to give rise to a right of indemnification under this Agreement or any Ancillary Agreement (other than a Third-Party Claim which shall be governed by Section 9.4(b)) to any Party that is or may be required pursuant to this Agreement or any Ancillary Agreement to make such indemnification (the "Indemnifying Party") promptly (and in any event within fifteen (15) days) after making such a determination. Such notice shall state the amount of the Loss claimed, if known, and method of computation thereof, and containing a reference to the provisions of this Agreement or the applicable Ancillary Agreement in respect of which such right of indemnification is claimed by such Indemnitee; provided, however, that the failure to provide such notice shall not release the Indemnifying Party from any of its obligations except and solely to the extent the Indemnifying Party shall have been materially prejudiced as a result of such failure.

(b) If a claim or demand is made against an Indemnitee by any Person who is not a Party to this Agreement or an Affiliate of a Party (a "Third-Party Claim") as to which such Indemnitee is or reasonably expects to be entitled to indemnification pursuant to this Agreement, such Indemnitee shall notify the Indemnifying Party in writing, and in reasonable detail, of the Third-Party Claim promptly (and in any event within thirty (30) days) after receipt by such Indemnitee of written notice of the Third-Party Claim; provided, however, that the failure to provide notice of any such Third-Party Claim pursuant to this sentence shall not release the Indemnifying Party from any of its obligations except and solely to the extent the Indemnifying Party shall have been materially prejudiced as a result of such failure (except that the Indemnifying Party or Parties shall not be liable for any expenses incurred by the Indemnitee in defending such Third-Party Claim during the period in which the Indemnitee failed to give such notice). Thereafter, the Indemnitee shall deliver to the Indemnifying Party, promptly (and in any event within ten (10) days) after the Indemnitee's receipt thereof, copies of all notices and documents (including court papers) received by the Indemnitee relating to the Third-Party Claim.

(c) An Indemnifying Party shall be entitled (but shall not be required) to assume, control the defense of, and settle any Third-Party Claim, at such Indemnifying Party's own cost and expense and by such Indemnifying Party's own counsel, which counsel must be reasonably acceptable to the Indemnitee, if it gives written notice of its intention to do so (including a statement that the Indemnitee is entitled to indemnification under this Article IX) to the applicable Indemnitees within thirty (30) days of the receipt of notice from such Indemnitees of the Third-Party Claim (failure of the Indemnifying Party to respond within such thirty (30) day period shall be deemed to be an election by the Indemnifying Party not to assume the defense for such Third-Party Claim). After a notice from an Indemnifying Party to an Indemnitee of its election to assume the defense of a Third-Party Claim, such Indemnitee shall have the right to employ separate counsel and to participate in (but not control) the defense, compromise or settlement thereof, at its own expense and, in any event, shall reasonably cooperate with the Indemnifying Party in such defense and make available to the Indemnifying Party all witnesses and information in such Indemnitee's possession or under such Indemnitee's control relating thereto as are reasonably required by the Indemnifying Party; provided, however, that such access shall not require the Indemnitee to disclose any information the disclosure of which would, in the good faith judgment of the Indemnitee, result in the loss of any existing privilege with respect to such information or violate any applicable Law.

(d) Notwithstanding anything to the contrary in this Section 9.4, in the event that (i) an Indemnifying Party elects not to assume the defense of a Third-Party Claim, (ii) there exists a conflict of interest or potential conflict of interest between the Indemnifying Party and the Indemnitee, (iii) any Third-Party Claim seeks an order, injunction or other equitable relief or relief for other than money damages against the Indemnitee, (iv) the Indemnitee's exposure to Liability in connection with such Third-Party Claim is reasonably expected to exceed the Indemnifying Party's exposure in respect of such Third-Party Claim taking into account the indemnification obligations hereunder, or (v) the Person making such Third-Party Claim is a Governmental Authority with regulatory authority over the Indemnitee or any of its material Assets, such Indemnitee shall be entitled to control the defense of such Third-Party Claim, at the Indemnifying Party's expense, with counsel of such Indemnitee's choosing (such counsel to be reasonably acceptable to the Indemnifying Party). If the Indemnitee is conducting the defense against any such Third-Party Claim, the Indemnifying Party shall reasonably cooperate with the Indemnitee in such defense and make available to the Indemnitee all witnesses and information in such Indemnifying Party's possession or under such Indemnifying Party's control relating thereto as are reasonably required by the Indemnitee; provided, however, that such access shall not require the Indemnifying Party to disclose any information the disclosure of which would, in the good faith judgment of the Indemnifying Party, result in the loss of any existing privilege with respect to such information or violate any applicable Law. The Indemnifying Party shall timely and regularly pay or reimburse the Indemnitee's expenses incurred in defense of such Third-Party Claim, including all attorney's fees and litigation costs, as such expenses are incurred by Indemnitee.

(e) No Indemnitee may settle or compromise any Third-Party Claim without the consent of the Indemnifying Party (not to be unreasonably withheld, conditioned or delayed). If an Indemnifying Party has failed to assume the defense of the Third-Party Claim, it shall not be a defense to any obligation to pay any amount in respect of such Third-Party Claim that the Indemnifying Party was not consulted in the defense thereof, that such Indemnifying Party's views or opinions as to the conduct of such defense were not accepted or adopted, that such Indemnifying Party does not approve of the quality or manner of the defense thereof or that such Third-Party Claim was incurred by reason of a settlement rather than by a judgment or other determination of liability.

(f) In the case of a Third-Party Claim, no Indemnifying Party shall consent to entry of any judgment or enter into any settlement of the Third-Party Claim without the consent (not to be unreasonably withheld, conditioned or delayed) of the Indemnitee if the effect thereof is to permit any injunction, declaratory judgment, consent decree, other order or other non-monetary relief to be entered, directly or indirectly, against any Indemnitee, does not release the Indemnitee from all liabilities and obligations with respect to such Third-Party Claim or includes an admission of guilt or liability on behalf of the Indemnitee.

(g) Absent fraud or intentional misconduct by an Indemnifying Party, the indemnification provisions of this Article IX shall be the sole and exclusive remedy of an Indemnitee for any monetary or compensatory damages or Losses resulting from any breach of this Agreement or any Ancillary Agreement, and each Indemnitee expressly waives and relinquishes any and all rights, claims or remedies such Person may have with respect to the foregoing other than under this Article IX against any Indemnifying Party.

Section 9.5 Indemnification Obligations Net of Insurance Proceeds. The Parties intend that any Loss subject to indemnification or reimbursement pursuant to this Article IX (an "Indemnifiable Loss") will be net of Insurance Proceeds that actually reduce the amount of the Loss. Accordingly, the amount which an Indemnifying Party is required to pay to any Indemnitee will be reduced by any Insurance Proceeds actually recovered by or on behalf of the Indemnitee in reduction of the related Loss. If an Indemnitee receives a payment (an "Indemnity Payment") required by this Agreement from an Indemnifying Party in respect of any Loss and subsequently receives Insurance Proceeds, the Indemnitee will pay to the Indemnifying Party an amount equal to the excess of the Indemnity Payments received over the amount of the Indemnity Payments that would have been due if the Insurance Proceeds recovery had been received, realized or recovered before the Indemnity Payments were made. The Indemnitee shall use and cause its Affiliates to use commercially reasonable efforts to recover any Insurance Proceeds to which the Indemnitee is entitled with respect to any Indemnifiable Loss. The existence of a claim by an Indemnitee for insurance or against a third party in respect of any Indemnifiable Loss shall not, however, delay any payment pursuant to the indemnification provisions contained in this Article IX and otherwise determined to be due and owing by an Indemnifying Party; rather, the Indemnifying Party shall make payment in full of such amount so determined to be due and owing by it against a concurrent written assignment by the Indemnitee to the Indemnifying Party of the portion of the claim of the Indemnitee for such insurance or against such third party equal to the amount of such payment. The Indemnitee shall use and cause its Affiliates to use commercially reasonable efforts to assist the Indemnifying Party in recovering or to recover on behalf of the Indemnifying Party, any Insurance Proceeds to which the Indemnifying Party is entitled with respect to any Indemnifiable Loss as a result of such assignment. The Indemnitee shall make available to the Indemnifying Party and its counsel all employees, books and records, communications, documents, items or matters within its knowledge, possession or control that are necessary, appropriate or reasonably deemed relevant by the Indemnifying Party with respect to the recovery of such Insurance Proceeds; provided, however, that nothing in this sentence shall be deemed to require a Party to make available books and records, communications, documents or items which (i) in such Party's good faith judgment could result in a waiver of any privilege even if the Parties cooperated to protect such privilege as contemplated by this Agreement or (ii) such Party is not permitted to make available because of any Law or any confidentiality obligation to a third party, in which case such Party shall use commercially reasonable efforts to seek a waiver of or other relief from such confidentiality restriction. Unless the Indemnifying Party has made payment in full of any Indemnifiable Loss, such Indemnifying Party shall use and cause its Affiliates to use commercially reasonable efforts to recover any Insurance Proceeds to which it or such Affiliate is entitled with respect to any Indemnifiable Loss.

Section 9.6 Indemnification Obligations Net of Taxes. The Parties intend that any Indemnifiable Loss will be net of Taxes. Accordingly, the amount which an Indemnifying Party is required to pay to an Indemnitee will be adjusted to reflect any tax benefit actually received by the Indemnitee from the underlying Loss and to reflect any Taxes imposed upon the Indemnitee as a result of the receipt of such payment. Such an adjustment will first be made at the time that the Indemnity Payment is made and will further be made, as appropriate, to take into account any change in the liability of the Indemnitee for Taxes that occurs in connection with the final resolution of an audit by a Taxing Authority. To the extent permitted by Law, the Parties will treat any Indemnity Payment paid pursuant to this Agreement as a capital contribution made by FTAI to FTAI Infrastructure or as a distribution made by FTAI Infrastructure to FTAI, as the case may be, on the date of this Agreement.

Section 9.7 Contribution. If the indemnification provided for in this Article IX is unavailable to an Indemnitee in respect of any Indemnifiable Loss, then the Indemnifying Party, in lieu of indemnifying such Indemnitee, shall contribute to the Losses paid or payable by such Indemnitee as a result of such Indemnifiable Loss in such proportion as is appropriate to reflect the relative fault of FTAI Infrastructure and each other member of the FTAI Infrastructure Group, on the one hand, and FTAI and each other member of the FTAI Group, on the other hand, in connection with the circumstances which resulted in such Indemnifiable Loss.

Section 9.8 Remedies Cumulative. The remedies provided in this Article IX shall be cumulative and, subject to the provisions of Article X, shall not preclude assertion by any Indemnitee of any other rights or the seeking of any and all other remedies against any Indemnifying Party.

Section 9.9 Survival of Indemnities. The rights and obligations of each of the Parties and their respective Indemnitees under this Article IX shall survive the Distribution Date indefinitely, unless a specific survival or other applicable period is expressly set forth herein, and shall survive the sale or other transfer by any Party or any of its Subsidiaries of any Assets or businesses or the assignment by it of any Liabilities.

Section 9.10 Limitation of Liability. EXCEPT TO THE EXTENT SPECIFICALLY PROVIDED IN ANY ANCILLARY AGREEMENT, IN NO EVENT SHALL EITHER PARTY BE LIABLE TO THE OTHER PARTY FOR ANY EXEMPLARY, PUNITIVE, SPECIAL, INDIRECT, CONSEQUENTIAL, REMOTE OR SPECULATIVE DAMAGES (INCLUDING IN RESPECT OF LOST PROFITS OR REVENUES), HOWEVER CAUSED AND ON ANY THEORY OF LIABILITY (INCLUDING NEGLIGENCE) ARISING IN ANY WAY OUT OF ANY PROVISION OF THIS AGREEMENT, WHETHER OR NOT SUCH PARTY HAS BEEN ADVISED OF THE POSSIBILITY OF SUCH DAMAGES (OTHER THAN ANY SUCH LIABILITY WITH RESPECT TO A THIRD-PARTY CLAIM, WHICH SHALL BE CONSIDERED DIRECT DAMAGES HEREUNDER).

ARTICLE X

DISPUTE RESOLUTION

Section 10.1 Agreement Dispute. Except as otherwise provided in this Agreement or in any Ancillary Agreement, any controversy, dispute or claim arising out of, in connection with, or in relation to the interpretation, performance, nonperformance, validity, termination or breach of this Agreement or any Ancillary Agreement or otherwise arising out of, or in any way related to this Agreement or any Ancillary Agreement or any of the transactions contemplated hereby or thereby (each, an "Agreement Dispute"), shall be finally resolved in accordance with the procedures set forth in this Article X.

Section 10.2 Negotiation and Dispute Resolution.

(a) Appointed Representative. Each Party shall appoint a representative who shall be responsible for administering the dispute resolution provisions in this Section 10.2 (each, an "Appointed Representative"). Each Appointed Representative shall have the authority to resolve any Agreement Dispute on behalf of the Party that appointed such representative.

(b) At such time as an Agreement Dispute arises, any Party may deliver written notice of such Agreement Dispute ("Dispute Notice"). The Appointed Representatives shall negotiate in good faith for thirty (30) days from the date of receipt by a Party of a Dispute Notice ("Dispute Negotiation Period") to resolve the Agreement Dispute.

(c) Nothing said or disclosed, nor any document produced, in the course of any negotiations, conferences and discussions in connection with efforts to settle an Agreement Dispute under this Section 10.2 that is not otherwise independently discoverable shall be offered or received as evidence or used for impeachment or for any other purpose, but shall be considered as to have been disclosed solely for confidential settlement purposes.

Section 10.3 Arbitration.

(a) If a mutually-agreeable resolution of any Agreement Dispute is not achieved by the Appointed Representatives, in writing, within the Negotiation Period, such Agreement Dispute may be submitted, at the request of either Party, to arbitration administered by the CPR under its administered arbitration rules in effect at the time (the "CPR Rules").

(b) The arbitration shall be seated in New York, New York.

(c) There shall be three arbitrators. Each Party shall appoint one arbitrator within thirty (30) days of receipt by the respondent of the notice of arbitration. The two Party-appointed arbitrators shall appoint the third arbitrator, who shall chair the arbitral tribunal, within thirty (30) days of the appointment of the second arbitrator. If any Party fails to appoint an arbitrator, or if the two Party-appointed arbitrators fail to appoint the chair, within the time periods specified herein, then any such arbitrator shall, upon any Party's request, be appointed by the CPR in accordance with the CPR Rules.

(d) Any controversy concerning whether an Agreement Dispute is an arbitrable Agreement Dispute, whether arbitration has been waived, whether an assignee of this Agreement is bound to arbitrate, or as to the interpretation or enforceability of this Section 10.3 shall be determined by the arbitrators.

(e) In resolving any Agreement Dispute, the arbitrators shall apply the substantive laws of the State of New York, without regard to any choice of law principles thereof that would mandate the application of the laws of another jurisdiction.

(f) The Parties agree that the provisions to arbitrate set forth herein be valid, enforceable and irrevocable, and any award rendered by the arbitrators shall be final and binding on the Parties and the sole and exclusive remedy between the Parties regarding any Agreement Dispute presented to the arbitrators.

(g) By agreeing to arbitration, the Parties do not intend to deprive any court of its jurisdiction to issue a pre-arbitral injunction, pre-arbitral attachment or other order in aid of arbitration proceedings. Without prejudice to such provisional remedies that may be granted by a court, the arbitrators shall have full authority to grant provisional remedies, to order a Party to request that a court modify or vacate any temporary or preliminary relief issued by such court, and to award damages for the failure of any Party to respect the arbitrators' orders to that effect.

(h) The Parties agree to comply with any award and agree to enforcement of or entry of judgment upon such award, in any court of competent jurisdiction. The Parties consent and submit to the non-exclusive jurisdiction of any federal court located in the State of New York and any New York state court, in either case located in the Borough of Manhattan, New York City, New York ("New York Court") for the enforcement of any arbitral award rendered hereunder and to compel arbitration or for interim or provisional remedies in aid of arbitration. In any such action, the Parties irrevocably waive to the fullest extent they may do so, any objection, including any objection to the laying of venue or based on the grounds of *forum non conveniens* or any right of objection to jurisdiction on account of its place of incorporation or domicile, which it may now or hereafter have, to the bringing of any such action or proceeding in any New York Court.

(i) The arbitrators shall be entitled, if appropriate, to award monetary damages and other remedies, subject to the provisions of Section 9.10.

(j) The Parties shall use commercially reasonable efforts to encourage the arbitrators to resolve any arbitration related to any Agreement Dispute as promptly as practicable.

(k) Except as required by applicable Law, including disclosure or reporting requirements, the arbitrators and the Parties shall maintain the confidentiality of all information, records, reports, or other documents obtained in the course of the arbitration, and of all awards, orders, or other arbitral decisions rendered by the arbitrators.

(l) The arbitrators may consolidate any arbitration under this Agreement with any arbitration arising under or relating to any of the Ancillary Agreements if the subjects of the disputes arise out of or relate essentially to the same set of facts or transactions. The arbitrators that will preside over any such consolidated arbitration shall be the arbitrators appointed for the arbitration proceeding that was commenced first in time.

(m) Unless otherwise agreed in writing, the Parties shall continue to provide service and honor all other commitments under this Agreement and each Ancillary Agreement during the course of dispute resolution pursuant to the provisions of this Article X with respect to all matters not subject to such dispute resolution.

ARTICLE XI

TERMINATION

Section 11.1 Termination. Upon written notice, this Agreement and each of the Ancillary Agreements, if any, may be terminated at any time prior to the Effective Time by and in the sole discretion of FTAI without the approval of any other Party.

Section 11.2 Effect of Termination. In the event of termination pursuant to Section 11.1, neither Party shall have any Liability of any kind to the other Party.

ARTICLE XII

MISCELLANEOUS

Section 12.1 Further Assurances. Subject to the limitations or other provisions of this Agreement, (a) each Party shall, and shall cause the other members of its Group to, use commercially reasonable efforts (subject to, and in accordance with applicable Law) to take promptly, or cause to be taken promptly, all actions, and to do promptly, or cause to be done promptly, and to assist and cooperate with the other Party in doing, all things reasonably necessary, proper or advisable to consummate and make effective the Transactions and to carry out the intent and purposes of this Agreement, including using commercially reasonable efforts to obtain satisfaction of the conditions precedent in Article V within its reasonable control and to perform all covenants and agreements herein applicable to such Party or any member of its Group and (b) neither Party will, nor will either Party allow any other member of its Group to, without the prior written consent of the other Party, take any action which would reasonably be expected to prevent or materially impede, interfere with or delay any of the Transactions. Without limiting the generality of the foregoing, where the cooperation of third parties, such as insurers or trustees, would be necessary in order for a Party to completely fulfill its obligations under this Agreement, such Party shall use commercially reasonable efforts to cause such third parties to provide such cooperation.

Section 12.2 Payment of Expenses. All costs and expenses incurred and directly related to the Transactions shall: (i) to the extent incurred and payable on or prior to the Distribution Date, be paid by FTAI; and (ii) to the extent arising and payable following the Distribution Date, be paid by the Party incurring such cost or expense.

Section 12.3 Amendments and Waivers.

(a) Subject to Section 11.1, this Agreement may not be amended except by an agreement in writing signed by both Parties.

(b) Any term or provision of this Agreement may be waived, or the time for its performance may be extended, by the Party entitled to the benefit thereof and any such waiver shall be validly and sufficiently given for the purposes of this Agreement if it is in writing signed by an authorized representative of such Party. No delay or failure in exercising any right, power or remedy hereunder shall affect or operate as a waiver thereof; nor shall any single or partial exercise thereof or any abandonment or discontinuance of steps to enforce such a right, power or remedy preclude any further exercise thereof or of any other right, power or remedy. The rights and remedies hereunder are cumulative and not exclusive of any rights or remedies that either Party would otherwise have.

Section 12.4 Entire Agreement. This Agreement, the Ancillary Agreements, if any, and the Exhibits and Schedules referenced herein and therein and attached hereto or thereto, constitute the entire agreement and understanding between the Parties with respect to the subject matter hereof and supersede all prior negotiations, agreements, commitments, writings, courses of dealing and understandings with respect to the subject matter hereof.

Section 12.5 Survival of Agreements. Except as otherwise expressly contemplated by this Agreement, all covenants and agreements of the Parties contained in this Agreement shall survive the Effective Time and remain in full force and effect in accordance with their applicable terms.

Section 12.6 Third Party Beneficiaries. Except (a) as provided in Article IX relating to Indemnitees and for the release of any Person provided under Section 9.1, (b) as provided in Section 7.1 relating to insured persons and (c) as provided in Section 8.1(a), this Agreement is solely for the benefit of the Parties and should not be deemed to confer upon third parties any remedy, claim, liability, reimbursement, cause of action or other right in excess of those existing without reference to this Agreement.

Section 12.7 Notices. All notices, requests, permissions, waivers and other communications hereunder shall be in writing and shall be deemed to have been duly given (a) five (5) Business Days following sending by registered or certified mail, postage prepaid, (b) when sent, if sent by email (with confirmation of transmission) if sent during normal business hours of the recipient, and on the next Business Day if sent after normal business hours of the recipient, (c) when delivered, if delivered personally to the intended recipient, and (d) one (1) Business Day following sending by overnight delivery via a national courier service and, in each case, addressed to a Party at the following address for such Party:

(a) If to FTAI:

Fortress Transportation and Infrastructure Investors LLC
c/o Fortress Investment Group
1345 Avenue of the Americas, 45th Floor
New York, New York 10105
Attention: Joseph Adams; BoHee Yoon
Email: jadams@fortress.com; byoon@fortress.com

(b) If to FTAI Infrastructure:

FTAI Infrastructure Inc.
1345 Avenue of the Americas, 45th Floor
New York, New York 10105
Attention: Kenneth Nicholson; Kevin Krieger
Email: knicholson@fortress.com; kkrieger@fortress.com

Section 12.8 Counterparts; Electronic Delivery. This Agreement may be executed in multiple counterparts, each of which when executed shall be deemed to be an original, but all of which together shall constitute one and the same agreement. Execution and delivery of this Agreement or any other documents pursuant to this Agreement by facsimile, .pdf or other electronic means shall be deemed to be, and shall have the same legal effect as, execution by an original signature and delivery in person.

Section 12.9 Severability. If any term or other provision of this Agreement or the Exhibits and Schedules attached hereto or thereto is determined by a nonappealable decision by a court, administrative agency or arbitrator to be invalid, illegal or incapable of being enforced by any rule of law or public policy, all other conditions and provisions of this Agreement shall nevertheless remain in full force and effect so long as the economic or legal substance of the Transactions is not affected in any manner materially adverse to either Party. Upon such determination that any term or other provision is invalid, illegal or incapable of being enforced, the court, administrative agency or arbitrator shall interpret this Agreement so as to affect the original intent of the Parties as closely as possible in an acceptable manner to the end that the Transactions are fulfilled to the fullest extent possible. If any sentence in this Agreement is so broad as to be unenforceable, the provision shall be interpreted to be only as broad as is enforceable.

Section 12.10 Assignability; Binding Effect. This Agreement shall be binding upon and inure to the benefit of the Parties and their successors and permitted assigns; provided, however, that the rights and obligations of each Party under this Agreement shall not be assignable, in whole or in part, directly or indirectly, whether by operation of law or otherwise, by such Party without the prior written consent of the other Party (such consent not to be unreasonably withheld, conditioned or delayed) and any attempt to assign any rights or obligations under this Agreement without such consent shall be null and void. Notwithstanding the foregoing, either Party may assign its rights and obligations under this Agreement to any of their respective Affiliates provided that no such assignment shall release such assigning Party from any liability or obligation under this Agreement.

Section 12.11 Governing Law. This Agreement shall be governed by, and construed and enforced in accordance with, the substantive Laws of the State of New York, without regard to any conflicts of law provisions thereof that would result in the application of the Laws of any other jurisdiction.

Section 12.12 Construction. This Agreement shall be construed as if jointly drafted by the Parties and no rule of construction or strict interpretation shall be applied against either Party. The Parties represent that this Agreement is entered into with full consideration of any and all rights which the Parties may have. The Parties have relied upon their own knowledge and judgment. The Parties have had access to independent legal advice, have conducted such investigations they thought appropriate, and have consulted with such other independent advisors as they deemed appropriate regarding this Agreement and their rights and asserted rights in connection therewith. The Parties are not relying upon any representations or statements made by the other Party, or such other Party's employees or Representatives, regarding this Agreement, except to the extent such representations are expressly set forth or incorporated in this Agreement. The Parties are not relying upon a legal duty, if one exists, on the part of the other Party (or such other Party's employees or Representatives) to disclose any information in connection with the execution of this Agreement or their preparation, it being expressly understood that neither Party shall ever assert any failure to disclose information on the part of the other Party as a ground for challenging this Agreement.

Section 12.13 Performance. Each Party shall cause to be performed, and hereby guarantees the performance of, all actions, agreements and obligations set forth herein to be performed by any Subsidiary or Affiliate of such Party.

Section 12.14 Title and Headings. Titles and headings to Sections and Articles are inserted for the convenience of reference only and are not intended to be a part of or to affect the meaning or interpretation of this Agreement.

Section 12.15 Exhibits and Schedules. The Exhibits and Schedules attached hereto are incorporated herein by reference and shall be construed with and as an integral part of this Agreement to the same extent as if the same had been set forth verbatim herein.

[Signature Page Follows]

IN WITNESS WHEREOF, the Parties have caused this Agreement to be executed by their respective officers as of the date first set forth above.

FORTRESS TRANSPORTATION & INFRASTRUCTURE INVESTORS LLC

By: _____
Name:
Title:

FTAI INFRASTRUCTURE INC.

By: _____
Name:
Title:

[Signature Page to Separation and Distribution Agreement]

Exhibit A

FTAI Infrastructure Subsidiaries

Subsidiary	State of Formation
1. FTAI Energy Holdings LLC	Delaware
2. FTAI Energy Holdings Sub II LLC	Delaware
3. FTAI Energy Holdings Sub I LLC	Delaware
4. Transtar, LLC	Delaware
5. Aleon Renewable Metals LLC and Gladieux Metals Recycling	Delaware
6. Katahdin Railcar Services LLC	Delaware
7. [FYX Holdco LLC]	Delaware
8. WWTAI Container Holdco Ltd.	Bermuda
9. WWTAI Container 1 Ltd.	Bermuda
10. Delaware River Partners Holdco LLC	Delaware
11. Ohio River Partners Holdco LLC	Delaware

Disclosure Schedules:

Section 1.1	Assets of FTAI Infrastructure other than Equity of Subsidiaries
Section 1.2	Potential Liabilities
Section 2.2(b)	Intercompany Agreements
Section 2.3	Intercompany Accounts

Exhibit 3.1

AMENDED AND RESTATED

CERTIFICATE OF INCORPORATION

OF

FTAI INFRASTRUCTURE INC.

[●], 2022

FTAI Infrastructure Inc. (the "Corporation"), a corporation organized and existing under the General Corporation Law of the State of Delaware (the "DGCL"), hereby certifies as follows:

(1) The name of the Corporation is FTAI Infrastructure Inc. The Corporation was originally formed as a Delaware limited liability company under the name FTAI Infrastructure LLC (the "LLC"). The original Certificate of Formation of the LLC was filed with the office of the Secretary of State of the State of Delaware on December 13, 2021, and a Certificate of Conversion, converting the LLC from a Delaware limited liability company to a Delaware corporation, was filed with the office of the Secretary of State of the State of Delaware on [●], 2022.

(2) This Amended and Restated Certificate of Incorporation, which restates and amends the Certificate of Incorporation of the Corporation, has been duly adopted in accordance with the provisions of Sections 242 and 245 of the DGCL by the board of directors and sole stockholder of the Corporation, acting by written consent in lieu of a meeting in accordance with Section 228 of the DGCL.

(3) This Amended and Restated Certificate of Incorporation shall become effective at 12:01 a.m. (Eastern Time) on [●], 2022 (the "Effective Time").

(4) The Certificate of Incorporation of the Corporation is hereby amended and restated in its entirety to read as follows:

FIRST: The name of the Corporation is: FTAI Infrastructure Inc. (the "Corporation"). The Corporation's business may be conducted in accordance with applicable law under any other name or names, as determined by the Board of Directors of the Corporation (the "Board of Directors"). The words "Inc.," "corporation," or similar words or letters shall be included in the Corporation's name where necessary for the purpose of complying with the General Corporation Law of the State of Delaware as set forth in Title 8 of the Delaware Code (the "DGCL"). The Board of Directors may change the name of the Corporation at any time and from time to time in accordance with the DGCL and shall notify the Corporation's stockholders of such change as required by the DGCL or other applicable law.

SECOND: The registered office of the Corporation in the State of Delaware shall be located at 1209 Orange Street, Wilmington, Delaware 19801, and the registered agent for service of process on the Corporation in the State of Delaware at such registered office shall be Corporation Trust Company. The principal office of the Corporation shall be located at 1345 Avenue of the Americas, 45th Floor, New York, New York 10105 or such other place as the Board of Directors may from time to time designate by notice to the stockholders. The Corporation may maintain offices at such other place or places within or outside the State of Delaware as the Board of Directors determines to be necessary or appropriate.

THIRD: The purpose of the Corporation is to engage in any lawful act or activity for which a corporation may be organized under the DGCL. The Corporation shall be empowered to do any and all acts and things necessary and appropriate for the furtherance and accomplishment of the purposes described in this Article THIRD. The Corporation's term shall be perpetual, unless and until it is dissolved in accordance with the provisions of the DGCL.

FOURTH: The Corporation is authorized to issue up to two billion (2,000,000,000) shares of Common Stock (as defined below), par value $0.01 per share, and two hundred million (200,000,000) shares of preferred stock, par value $0.01 per share ("Preferred Stock"). All shares of Capital Stock issued pursuant to, and in accordance with the requirements of, this Article FOURTH shall be validly issued, fully paid and nonassessable shares in the Corporation, except to the extent otherwise provided in the DGCL or this Certificate of Incorporation (including any Share Designation (as defined below)).

Each outstanding share of Common Stock shall be entitled to one (1) vote on all matters submitted to stockholders for approval and in the election of the Board of Directors.

Each outstanding share of Preferred Stock that is entitled to vote on any matters as set forth in a Share Designation shall be entitled to the number of votes as set forth in such Share Designation.

Subject to applicable law and the rights, if any, of holders of any outstanding series of Preferred Stock, the Corporation may issue Capital Stock, and options, rights, warrants and appreciation rights relating to Capital Stock, for any corporate purpose at any time and from time to time to such Persons for such consideration (which may be cash, property, services or any other lawful consideration) and on such terms and conditions as the Board of Directors shall determine, all without the approval of any stockholders (except as otherwise provided by applicable law or in any Share Designation). Each share of Capital Stock shall have the rights and be governed by the provisions set forth in this Certificate of Incorporation (which shall, whenever used herein, include any Share Designation). Except to the extent expressly provided in this Certificate of Incorporation or as otherwise agreed by the Corporation, no Capital Stock shall entitle any stockholder to any preemptive, preferential, or similar rights with respect to the issuance of Capital Stock.

In addition to the Capital Stock outstanding on the date hereof, and without the consent or approval of any stockholders to the extent permitted by applicable law and the rights, if any, of holders of any outstanding series of Preferred Stock, the Board of Directors is hereby authorized to provide, out of the unissued shares of Preferred Stock, for one more series of Preferred Stock and, with respect to each such series, to fix the number of shares constituting such series and the designations, preferences, rights, qualifications, limitations and restrictions in respect thereof (which may be junior to, equivalent to, or senior or superior to, any existing classes of Capital Stock), including without limitation (i) the right to share Corporation profits and losses or items thereof; (ii) the right to share in Corporation distributions, the dates distributions will be payable and whether distributions with respect to such series will be cumulative or non-cumulative; (iii) rights upon dissolution and liquidation of the Corporation; (iv) whether, and the terms and conditions upon which, the Corporation may redeem such Capital Stock; (v) whether such Capital Stock are issued with the privilege of conversion or exchange and, if so, the conversion or exchange price or prices or rate or rates, or any adjustments thereto, the date or dates on which, or the period or periods during which, the Capital Stock will be convertible or exchangeable and all other terms and conditions upon which the conversion or exchange may be made; (vi) the terms and conditions upon which such Capital Stock will be issued, evidenced by certificates and assigned or transferred; (vii) the terms and amounts of any sinking fund provided for the purchase or redemption of such Capital Stock; (viii) whether there will be restrictions on the issuance of Capital Stock of the same series or any other class or series; (ix) the right, if any, of the holder of each such Capital Stock to vote on Corporation matters, including matters relating to the relative rights, preferences and privileges of such Capital Stock; and (x) the terms and conditions upon which the size of the Board of Directors is automatically increased, and upon certain conditions, the right of holders of such series of Preferred Stock to elect members of the Board of Directors ("Preferred Stock Directors"). The creation of any such series of Preferred Stock shall become effective upon the effectiveness of the filing with the office of the Secretary of State of the State of Delaware a certificate (a "Share Designation") setting forth the terms of such series of Preferred Stock as authorized by the preceding sentence. Unless otherwise provided in the applicable Share Designation, the Board of Directors may at any time increase or decrease the authorized number of shares of any series of Preferred Stock, but not (i) below the number of shares of Preferred Stock of such series then outstanding nor (ii) above the aggregate number of shares of Preferred Stock authorized by the first paragraph of this Article FOURTH.

To the extent permitted by the DGCL and any Share Designation, the Board of Directors may, without the consent or approval of any stockholders, amend this Certificate of Incorporation and make any filings under the DGCL or otherwise, to the extent the Board of Directors determines that it is necessary or desirable in order to reflect any Share Designation of Preferred Stock pursuant to this Article FOURTH.

FIFTH: Subject to applicable law and the rights, if any, of the holders of any outstanding series of Preferred Stock, each distribution in respect of any Capital Stock shall be paid by the Corporation, directly or through the Transfer Agent or through any other Person or agent, only to the Record Stockholder of such Capital Stock as of the Record Date set for such distribution. Such payment shall constitute full payment and satisfaction of the Corporation's liability in respect of such payment, regardless of any claim of any Person who may have an interest in such payment by reason of an assignment or otherwise.

SIXTH: The following provisions are inserted for the management of the business and the conduct of the affairs of the Corporation, and for further definition, limitation and regulation of the powers of the Corporation and of its Directors and stockholders:

(1) The business and affairs of the Corporation shall be managed by or under the direction of the Board of Directors.

(2) Except as otherwise provided for or fixed pursuant to the terms of any Share Designation relating to the rights of holders of any series of Preferred Stock to elect Preferred Stock Directors, the number of Directors which shall constitute the whole Board of Directors shall be determined from time to time by resolution adopted by a majority of the Board of Directors then in office, but shall be not fewer than three (3) and no more than nine (9). The Directors (other than any Preferred Stock Directors) shall be divided into three classes, designated Class I, Class II and Class III. Each class shall consist, as nearly as may be possible, of one-third of the total number of Directors constituting the whole Board of Directors (other than any Preferred Stock Directors). The initial division of the Board of Directors into classes shall be made by the decision of the affirmative vote of a majority of the entire Board of Directors. At the time of the execution of this Certificate of Incorporation, the Class I Directors shall have a term expiring on the date of the 2023 annual meeting of stockholders, the Class II Directors shall have a term expiring on the date of the 2024 annual meeting of stockholders, and the Class III Directors shall have a term expiring on the date the 2025 annual meeting of stockholders. At each succeeding annual meeting of stockholders beginning in 2023, successors to the class of Directors whose term expires at that annual meeting shall be elected for a three (3)-year term and until their successors are duly elected or appointed and qualified. If the number of Directors is changed, any increase or decrease shall be apportioned among the classes so as to maintain the number of Directors in each class as nearly equal as possible, and any additional Director of any class elected to fill a vacancy resulting from an increase in such class or from the death, resignation or removal from office of a Director or other cause shall hold office for a term that shall coincide with the remaining term of the Directors of that class, but in no case shall a decrease in the number of Directors shorten the term of any incumbent Director. Directors need not be stockholders. Each Director (other than any Preferred Stock Directors) elected shall hold office until the third succeeding meeting next after such Director's election and until such Director's successor is duly elected and qualified, or until such Director's death or until such Director resigns or is removed in the manner hereinafter provided. Directors (other than any Preferred Stock Directors) shall be elected by a plurality of the votes of Outstanding Voting Stock present in person or represented by proxy and entitled to vote on the election of Directors at any annual or special meeting of stockholders. Except with respect to Preferred Stock Directors, the Board of Directors shall present to the stockholders holding Outstanding Voting Stock nominations of candidates for election to the Board of Directors (or recommend the election of such candidates as nominated by others) such that, and shall take such other corporate actions as may be reasonably required to provide that, to the best knowledge of the Board of Directors, if such candidates are elected by the stockholders holding Outstanding Voting Stock, at least a majority of the members of the Board of Directors shall be Independent Directors. The Board of Directors shall only elect any Person to fill a vacancy on the Board of Directors (other than a vacancy in respect of a Preferred Stock Director) if, to the best knowledge of the Board of Directors, after such person's election at least a majority of the members of the Board of Directors (other than any Preferred Stock Directors) shall be Independent Directors. The foregoing provisions of this paragraph shall not cause a Director who, upon commencing his or her service as a member of the Board of Directors was determined by the Board of Directors to be an Independent Director but did not in fact qualify as such, or who by reason of any change in circumstances ceases to qualify as an Independent Director, from serving the remainder of the term as a Director for which he or she was selected. Notwithstanding the foregoing provisions of this paragraph, no action of the Board of Directors shall be invalid solely by reason of the failure at any time for a majority of the members of the Board of Directors to be Independent Directors. Any Director or the whole Board of Directors (other than any Preferred Stock Directors) may be removed, only for cause, by the affirmative vote of holders of at least eighty percent (80%) of the then issued and Outstanding Voting Stock, given at an annual meeting or at a special meeting of stockholders holding Outstanding Voting Stock called for that purpose. A vacancy in the Board of Directors caused by any such removal shall be filled by the Board of Directors as provided in clause (3) of this Article SIXTH. Any Director serving on a committee of the Board of Directors may be removed from such committee at any time by the Board of Directors.

(3) Subject to the rights of holders of any one or more series of Preferred Stock then outstanding with respect to the election of Preferred Stock Directors or vacancies in respect thereof, any vacancy on the Board of Directors that results from newly created directorships resulting from any increase in the authorized number of Directors may be filled by a majority of the Directors then in office, provided that a quorum is present, and any other vacancies may be filled by a majority of the Directors then in office, though less than a quorum, or by a sole remaining Director or, solely in the event of the removal of the entire Board of Directors, by the affirmative vote of the holders of at least eighty percent (80%) of the voting power of the then issued and Outstanding Voting Stock. Any Director of any class elected to fill a vacancy resulting from an increase in the number of Directors of such class pursuant to the foregoing sentence shall hold office for a term that shall coincide with the remaining term of that class and until such Director's successor is duly elected or appointed and qualified, or until his or her earlier death, resignation or removal. Any Director elected to fill a vacancy not resulting from an increase in the number of Directors shall have the same remaining term as that of such Director's predecessor and until such Director's successor is duly elected or appointed and qualified, or until his or her earlier death, resignation or removal.

(4) No Director shall be personally liable to the Corporation or any of its stockholders for monetary damages for breach of fiduciary duty as a Director, except to the extent such exemption from liability or limitation thereof is not permitted under the DGCL as the same exists or may hereafter be amended. If the DGCL is amended hereafter to authorize the further elimination or limitation of the liability of Directors, then the liability of a Director of the Corporation shall be eliminated or limited to the fullest extent authorized by the DGCL, as so amended. If the DGCL is amended hereafter to authorize the elimination of personal liability of any officers of the Corporation for monetary damages for breach of fiduciary duty as an officer, then the personal liability of such officers for monetary damages for breach of fiduciary duty as an officer, shall be eliminated to the fullest extent authorized by the DGCL, as so amended. Any repeal or modification of this Article SIXTH shall not adversely affect any right or protection of a Director or (if applicable) officer of the Corporation existing at the time of such repeal or modification with respect to acts or omissions occurring prior to such repeal or modification.

(5) In addition to the powers and authority hereinbefore or by statute expressly conferred upon them, the Directors are hereby empowered to exercise all such powers and do all such acts and things as may be exercised or done by the Corporation, subject, nevertheless, to the provisions of the DGCL, this Certificate of Incorporation, and any by-laws of the Corporation (the "By-Laws") adopted by the stockholders; provided, however, that no By-Laws hereafter adopted by the stockholders shall invalidate any prior act of the Directors which would have been valid if such By-Laws had not been adopted.

SEVENTH: Meetings of stockholders may be held within or without the State of Delaware, as the By-Laws may provide. The books of the Corporation may be kept (subject to any provision contained in the DGCL) outside the State of Delaware at such place or places as may be designated from time to time by the Board of Directors or in the By-Laws of the Corporation. Subject to the rights of holders of any one or more series of Preferred Stock then outstanding, any action required or permitted to be taken by the stockholders of the Corporation must be effected at a duly called annual or special meeting of the stockholders of the Corporation, and the ability of the stockholders to consent in writing to the taking of any action is hereby specifically denied.

EIGHTH: The Corporation shall indemnify any Indemnified Person who was or is a party or is threatened to be a party to any threatened, pending or completed action, suit or proceeding, whether civil, criminal, administrative or investigative (each, a "Proceeding"), by reason the Indemnified Person's status as such, to the fullest extent authorized or permitted by applicable law, as now or hereafter in effect, and such right to indemnification shall continue as to a Person who has ceased to be an Indemnified Person and shall inure to the benefit of his or her heirs, executors and personal and legal representatives; provided, however, that, except for Proceedings to enforce rights to indemnification, the Corporation shall not be obligated to indemnify any Indemnified Person (or his or her heirs, executors or personal or legal representatives) in connection with a Proceeding (or part thereof) initiated by such Person unless such proceeding (or part thereof) was authorized or consented to by the Board of Directors. The right to indemnification conferred by this Article EIGHTH shall include the right to be paid by the Corporation the expenses incurred in defending or otherwise participating in any Proceeding in advance of its final disposition upon receipt by the Corporation of a written undertaking by or on behalf of the Indemnified Person receiving advancement to repay the amount advanced if it shall ultimately be determined that such Indemnified Person is not entitled to be indemnified by the Corporation under this Article EIGHTH.

The Corporation may, to the extent authorized from time to time by the Board of Directors, provide rights to indemnification and to the advancement of expenses to employees and agents of the Corporation similar to those conferred in this Article EIGHTH to Indemnified Persons.

The rights to indemnification and to the advancement of expenses conferred in this Article EIGHTH shall not be exclusive of any other right which any Person may have or hereafter acquire under this Certificate of Incorporation, the By-Laws, any statute, agreement, vote of stockholders or disinterested Directors or otherwise.

The Corporation may purchase and maintain at its expense insurance on behalf of any Person entitled to indemnification under this Article EIGHTH against any liability asserted against such Person and incurred by such Person in any such capacity, or arising out of such Person's status as such, whether or not the Corporation would have the power or the obligation to indemnify such Person against such liability under the provisions of this Article EIGHTH.

Any repeal or modification of this Article EIGHTH shall not adversely affect any rights to indemnification and to the advancement of expenses of an Indemnified Person existing at the time of such repeal or modification with respect to any acts or omissions occurring prior to such repeal or modification.

NINTH:

(1) Fortress Stockholders. In anticipation and in recognition that any one or more directors, officers, partners, members, investment professionals or employees of the Fortress Stockholders and their Affiliates may serve as any one or more directors, officers or employees of the FTAI Infrastructure Entities and their Affiliates;

(i) the FTAI Infrastructure Entities and their Affiliates, on the one hand, and the Fortress Stockholders and their Affiliates, on the other hand, may engage in the same, similar or related lines of business and may have an interest in the same, similar or related areas of corporate opportunities;

(ii) the FTAI Infrastructure Entities and their Affiliates, on the one hand, and the Fortress Stockholders and their Affiliates, on the other hand, may enter into, engage in, perform and consummate contracts, agreements, arrangements, transactions and other business relations including one or more management agreements and amendments thereof; and

(iii) the FTAI Infrastructure Entities and their Affiliates will derive benefits therefrom and through their continued contractual, corporate and business relations with the Fortress Stockholders and their Affiliates, the provisions of this Article NINTH are set forth to regulate, define and guide, to the fullest extent permitted by law, the conduct of certain affairs of the FTAI Infrastructure Entities and their Affiliates as they may involve the Fortress Stockholders and their Affiliates and their directors, officers, partners, members, investment professionals or employees, and the powers, rights, duties and liabilities of the FTAI Infrastructure Entities and their Affiliates and their officers, directors and stockholders in connection therewith.

(2) Related Business Activities. Except as the Fortress Stockholders and their Affiliates, on the one hand, and the FTAI Infrastructure Entities and their Affiliates, on the other hand, may otherwise agree in writing, the Fortress Stockholders and their Affiliates shall have the right to, and shall have no duty to abstain from exercising such right to, (i) engage or invest, directly or indirectly, in the same, similar, or related business activities or lines of business as the FTAI Infrastructure Entities or their Affiliates; (ii) do business with any client, customer, vendor or lessor of any of the FTAI Infrastructure Entities or their Affiliates; or (iii) employ or otherwise engage any officer, director or employee of the FTAI Infrastructure Entities or their Affiliates, and, to the fullest extent permitted by law, the Fortress Stockholders and their Affiliates and directors, officers, partners, members, investment professionals or employees thereof (subject to the provisions of subsection (4) of this Article NINTH), shall not have or be under any fiduciary duty, duty of loyalty or duty to act in good faith or in the best interests of the Corporation or its stockholders and shall not be liable to the Corporation or its stockholders for any breach or alleged breach thereof or for any derivation of any personal economic gain by reason of any such activities of the Fortress Stockholders or any of their Affiliates or of any of their directors', officers', partners', members', investment professionals' or employees' participation therein.

(3) Corporate Opportunity. If the Fortress Stockholders or any of their Affiliates, or any directors, officers, partners, members, investment professionals or employees thereof (subject to the provisions of subsection (4) of this Article NINTH), acquires knowledge of a potential transaction or matter that may be a Corporate Opportunity for the Fortress Stockholders or any of their Affiliates, then none of the FTAI Infrastructure Entities or their Affiliates or any stockholder thereof shall have an interest in, or expectation that, such Corporate Opportunity be offered to it or that it be offered an opportunity to participate therein, and any such interest, expectation, offer or opportunity to participate, and any other interest or expectation otherwise due to the Corporation or any other FTAI Entity with respect to such Corporate Opportunity, is hereby renounced by the Corporation on its behalf and on behalf of the other FTAI Infrastructure Entities and their respective Affiliates and stockholders to the fullest extent permitted by law, including in accordance with the provisions of Section 122(17) of the DGCL. Accordingly, subject to the provisions of subsection (4) of this Article NINTH, (i) none of the Fortress Stockholders or their Affiliates or any directors, officers, partners, members, investment professionals or employees thereof will be under any obligation to present, communicate or offer any such Corporate Opportunity to the FTAI Infrastructure Entities or their Affiliates and (ii) the Fortress Stockholders and any of their Affiliates shall have the right to hold any such Corporate Opportunity for their own account, or to direct, recommend, sell, assign or otherwise transfer such Corporate Opportunity to any person or persons other than the FTAI Infrastructure Entities and their Affiliates, and, to the fullest extent permitted by law, the Fortress Stockholders and their respective Affiliates and directors, officers, partners, members, investment professionals or employees thereof (subject to subsection (5) of this Article NINTH) shall not have or be under any fiduciary duty, duty of loyalty or duty to act in good faith or in the best interests of the stockholders, the other FTAI Infrastructure Entities and their respective Affiliates and stockholders and shall not be liable to the Corporation, the other FTAI Infrastructure Entities or their respective Affiliates and stockholders for any breach or alleged breach thereof or for any derivation of personal economic gain by reason of the fact that any of the Fortress Stockholders or any of their Affiliates or any of their directors, officers, partners, members, investment professionals or employees pursues or acquires the Corporate Opportunity for itself, or directs, recommends, sells, assigns, or otherwise transfers the Corporate Opportunity to another person, or any of the Fortress Stockholders or any of their Affiliates or any of their directors, officers, partners, members, investment professionals or employees does not present, offer or communicate information regarding the Corporate Opportunity to the FTAI Infrastructure Entities or their Affiliates.

(4) In the event that a director or officer of any of the FTAI Infrastructure Entities or their Affiliates who is also a director, officer, partner, member, investment professional or employee of any Fortress Stockholder or its Affiliates acquires knowledge of a potential transaction or matter that may be a Corporate Opportunity or is offered a Corporate Opportunity, if such knowledge of such potential transaction or matter was not obtained solely in connection with, or such Corporate Opportunity was not offered to such Person solely in, such person's capacity as director or officer of any of the FTAI Infrastructure Entities or their Affiliates, then (A) such director, officer or employee, to the fullest extent permitted by law, (1) shall be deemed to have fully satisfied and fulfilled such person's fiduciary duty to the Corporation, the other FTAI Infrastructure Entities and their respective Affiliates and stockholders with respect to such Corporate Opportunity; (2) shall not have or be under any fiduciary duty to the Corporation, the other FTAI Infrastructure Entities and their respective Affiliates and stockholders and shall not be liable to the Corporation, the other FTAI Infrastructure Entities or their respective Affiliates and stockholders for any breach or alleged breach thereof by reason of the fact that any of the Fortress Stockholders or their Affiliates pursues or acquires the Corporate Opportunity for itself, or directs, recommends, sells, assigns or otherwise transfers the Corporate Opportunity to another person, or any of the Fortress Stockholders or their Affiliates or such director, officer or employee does not present, offer or communicate information regarding the Corporate Opportunity to the FTAI Infrastructure Entities or their Affiliates; (3) shall be deemed to have acted in good faith and in a manner such Person reasonably believes to be in, and not opposed to, the best interests of the Corporation and its Common Stockholders for the purposes of this Certificate of Incorporation; and (4) shall not have any duty of loyalty to the Corporation, the other FTAI Infrastructure Entities and their respective Affiliates and stockholders or any duty not to derive any personal benefit therefrom and shall not be liable to the Corporation, the other FTAI Infrastructure Entities or their respective Affiliates and stockholders for any breach or alleged breach thereof for purposes of this Certificate of Incorporation as a result thereof and (B) such potential transaction or matter that may be a Corporate Opportunity, or the Corporate Opportunity, shall belong to the applicable Fortress Stockholder or respective Affiliates thereof (and not to any of the FTAI Infrastructure Entities or Affiliates thereof).

(5) Agreements with Fortress Stockholders. Subject to any Share Designation, the FTAI Infrastructure Entities and their Affiliates may from time to time enter into and perform one or more agreements (or modifications or supplements to pre-existing agreements) with the Fortress Stockholders and their respective Affiliates pursuant to which the FTAI Infrastructure Entities and their Affiliates, on the one hand, and the Fortress Stockholders and their respective Affiliates, on the other hand, agree to engage in transactions of any kind or nature with each other and/or agree to compete, or to refrain from competing or to limit or restrict their competition, with each other, including to allocate and to cause their respective directors, officers, partners, members, investment professionals or employees (including any who are directors, officers, partners, members, investment professionals or employees of both) to allocate corporate opportunities between or to refer corporate opportunities to each other. Subject to any Share Designation and this Article NINTH, except as otherwise required by law, and except as the Fortress Stockholders and their Affiliates, on the one hand, and the FTAI Infrastructure Entities or their Affiliates, on the other hand, may otherwise agree in writing, no such agreement, or the performance thereof by the FTAI Infrastructure Entities and their Affiliates, or the Fortress Stockholders or their Affiliates, shall be considered contrary to or inconsistent with any fiduciary duty to the Corporation, any other FTAI Entity or their respective Affiliates and stockholders of any director, officer, partner, member, investment professional or employee of the Corporation, any other FTAI Entity or any Affiliate thereof who is also a director, officer, partner, member, investment professional or employee of the Fortress Stockholders or their Affiliates or to any stockholder thereof solely by virtue of the relationship among the parties to such agreement. Subject to any Share Designation and this Article NINTH, to the fullest extent permitted by law, and except as the Fortress Stockholders or their Affiliates, on the one hand, and the FTAI Infrastructure Entities or their Affiliates, on the other hand, may otherwise agree in writing, none of the Fortress Stockholders or their Affiliates shall have or be under any fiduciary duty to refrain from entering into any agreement or participating in any transaction referred to in this Article NINTH and no director, officer, partner, member, investment professional or employee of the Corporation, any other FTAI Entity or any Affiliate thereof who is also a director, officer, partner, member, investment professional or employee of the Fortress Stockholders or their Affiliates shall have or be under any fiduciary duty to the Corporation, the other FTAI Infrastructure Entities and their respective Affiliates and stockholders to refrain from acting on behalf of the Fortress Stockholders or their Affiliates in respect of any such agreement or transaction or performing any such agreement in accordance with its terms.

(6) Ambiguity. For the avoidance of doubt and in furtherance of the foregoing, nothing contained in this Article NINTH amends or modifies, or will amend or modify, in any respect, any written contractual arrangement between the Fortress Stockholders or any of their Affiliates, on the one hand and the FTAI Infrastructure Entities or any of their Affiliates, on the other hand.

(7) Application of Provision. This Article NINTH shall apply as set forth above except as otherwise provided by law. It is the intention of this Article NINTH to take full advantage of statutory amendments, the effect of which may be to specifically authorize or approve provisions such as this Article NINTH . No alteration, amendment, termination, expiration or repeal of this Article NINTH nor the adoption of any provision of this Certificate of Incorporation inconsistent with this Article NINTH shall eliminate, reduce, apply to or have any effect on the protections afforded hereby to any director, officer, partner, member, investment professional, employee or stockholder of the FTAI Infrastructure Entities or their Affiliates for or with respect to any investments, activities or opportunities of which such director, officer, partner, member, investment professional, employee or stockholder becomes aware prior to such alteration, amendment, termination, expiration, repeal or adoption, or any matters occurring, or any cause of action, suit or claim that, but for this Article NINTH, would accrue or arise, prior to such alteration, amendment, termination, expiration, repeal or adoption.

(8) Deemed Notice. Any person or entity purchasing or otherwise acquiring any interest in any Capital Stock shall be deemed to have notice of and to have consented to the provisions of this Article NINTH, in addition to all other provisions of this Certificate of Incorporation.

(9) Chairman or Chairman of a Committee. For purposes of this Article NINTH, a Director who is the Chairman of the Board or chairman of a committee of the Board of Directors is not deemed an officer of the Corporation by reason of holding that position unless that Person is otherwise appointed as an officer of the Corporation by the Board of Directors.

(10) Severability. If this Article NINTH or any portion hereof shall be invalidated or held to be unenforceable on any ground by any court of competent jurisdiction, the decision of which shall not have been reversed on appeal, this Article NINTH shall be deemed to be modified to the minimum extent necessary to avoid a violation of law and, as so modified, this Article NINTH and the remaining provisions hereof shall remain valid and enforceable in accordance with their terms to the fullest extent permitted by law.

(11) Share Designations. This Article NINTH shall be subject in all respects to the Share Designation adopted in connection with the issuance of the Series A Preferred Stock.

(12) Neither the alteration, amendment or repeal of this Article NINTH nor the adoption of any provision of this Certificate of Incorporation inconsistent with this Article NINTH shall eliminate or reduce the effect of this Article NINTH in respect of any matter occurring, or any cause of action, suit or claim that, but for this Article NINTH, would accrue or arise, prior to such alteration, amendment, repeal or adoption.

TENTH:

(1) Ares Holders. In anticipation and in recognition that any one or more directors, officers, partners, members, investment professionals or employees of the Ares Holders and their Affiliates may serve as any one or more directors, officers or employees of the FTAI Infrastructure Entities and their Affiliates;

(i) the FTAI Infrastructure Entities and their Affiliates, on the one hand, and the Ares Holders and their Affiliates, on the other hand, may engage in the same, similar or related lines of business and may have an interest in the same, similar or related areas of corporate opportunities;

(ii) the FTAI Infrastructure Entities and their Affiliates, on the one hand, and the Ares Holders and their Affiliates, on the other hand, may enter into, engage in, perform and consummate contracts, agreements, arrangements, transactions and other business relations; and

(ii) the FTAI Infrastructure Entities and their Affiliates will derive benefits therefrom and through their continued contractual, corporate and business relations with the Ares Holders and their Affiliates, the provisions of this Article TENTH are set forth to regulate, define and guide, to the fullest extent permitted by law, the conduct of certain affairs of the FTAI Infrastructure Entities and their Affiliates as they may involve the Ares Holders and their Affiliates and their directors, officers, partners, members, investment professionals or employees, and the powers, rights, duties and liabilities of the FTAI Infrastructure Entities and their Affiliates and their officers, directors and stockholders in connection therewith.

(2) Related Business Activities. Except as the Ares Holders and their Affiliates, on the one hand, and the FTAI Infrastructure Entities and their Affiliates, on the other hand, may otherwise agree in writing, the Ares Holders and their Affiliates shall have the right to, and shall have no duty to abstain from exercising such right to, (i) engage or invest, directly or indirectly, in the same, similar, or related business activities or lines of business as the FTAI Infrastructure Entities or their Affiliates; (ii) do business with any client, customer, vendor or lessor of any of the FTAI Infrastructure Entities or their Affiliates; or (iii) employ or otherwise engage any officer, director or employee of the FTAI Infrastructure Entities or their Affiliates, and, to the fullest extent permitted by law, the Ares Holders and their Affiliates and directors, officers, partners, members, investment professionals or employees thereof (subject to the provisions of subsection (4) of this Article TENTH), shall not have or be under any fiduciary duty, duty of loyalty or duty to act in good faith or in the best interests of the Corporation or its stockholders and shall not be liable to the Corporation or its stockholders for any breach or alleged breach thereof or for any derivation of any personal economic gain by reason of any such activities of the Ares Holders or any of their Affiliates or of any of their directors', officers', partners', members', investment professionals' or employees' participation therein.

(3) Corporate Opportunity. If the Ares Holders or any of their Affiliates, or any directors, officers, partners, members, investment professionals or employees thereof (subject to the provisions of subsection (4) of this Article TENTH), acquires knowledge of a potential transaction or matter that may be a Corporate Opportunity for the Ares Holders or any of their Affiliates, then none of the FTAI Infrastructure Entities or their Affiliates or any stockholder thereof shall have an interest in, or expectation that, such Corporate Opportunity be offered to it or that it be offered an opportunity to participate therein, and any such interest, expectation, offer or opportunity to participate, and any other interest or expectation otherwise due to the Corporation or any other FTAI Entity with respect to such Corporate Opportunity, is hereby renounced by the Corporation on its behalf and on behalf of the other FTAI Infrastructure Entities and their respective Affiliates and stockholders to the fullest extent permitted by law, including in accordance with the provisions of Section 122(17) of the DGCL. Accordingly, subject to the provisions of subsection (4) of this Article TENTH, (i) none of the Ares Holders or their Affiliates or any directors, officers, partners, members, investment professionals or employees thereof will be under any obligation to present, communicate or offer any such Corporate Opportunity to the FTAI Infrastructure Entities or their Affiliates and (ii) the Ares Holders and any of their Affiliates shall have the right to hold any such Corporate Opportunity for their own account, or to direct, recommend, sell, assign or otherwise transfer such Corporate Opportunity to any person or persons other than the FTAI Infrastructure Entities and their Affiliates, and, to the fullest extent permitted by law, the Ares Holders and their respective Affiliates and directors, officers, partners, members, investment professionals or employees thereof (subject to subsection (5) of this Article TENTH) shall not have or be under any fiduciary duty, duty of loyalty or duty to act in good faith or in the best interests of the stockholders, the other FTAI Infrastructure Entities and their respective Affiliates and stockholders and shall not be liable to the Corporation, the other FTAI Infrastructure Entities or their respective Affiliates and stockholders for any breach or alleged breach thereof or for any derivation of personal economic gain by reason of the fact that any of the Ares Holders or any of their Affiliates or any of their directors, officers, partners, members, investment professionals or employees pursues or acquires the Corporate Opportunity for itself, or directs, recommends, sells, assigns, or otherwise transfers the Corporate Opportunity to another person, or any of the Ares Holders or any of their Affiliates or any of their directors, officers, partners, members, investment professionals or employees does not present, offer or communicate information regarding the Corporate Opportunity to the FTAI Infrastructure Entities or their Affiliates.

(4) In the event that a director or officer of any of the FTAI Infrastructure Entities or their Affiliates who is also a director, officer, partner, member, investment professional or employee of any Ares Holder or its Affiliates acquires knowledge of a potential transaction or matter that may be a Corporate Opportunity or is offered a Corporate Opportunity, if such knowledge of such potential transaction or matter was not obtained solely in connection with, or such Corporate Opportunity was not offered to such Person solely in, such person's capacity as director or officer of any of the FTAI Infrastructure Entities or their Affiliates, then (A) such director, officer or employee, to the fullest extent permitted by law, (1) shall be deemed to have fully satisfied and fulfilled such person's fiduciary duty to the Corporation, the other FTAI Infrastructure Entities and their respective Affiliates and stockholders with respect to such Corporate Opportunity; (2) shall not have or be under any fiduciary duty to the Corporation, the other FTAI Infrastructure Entities and their respective Affiliates and stockholders and shall not be liable to the Corporation, the other FTAI Infrastructure Entities or their respective Affiliates and stockholders for any breach or alleged breach thereof by reason of the fact that any of the Ares Holders or their Affiliates pursues or acquires the Corporate Opportunity for itself, or directs, recommends, sells, assigns or otherwise transfers the Corporate Opportunity to another person, or any of the Ares Holders or their Affiliates or such director, officer or employee does not present, offer or communicate information regarding the Corporate Opportunity to the FTAI Infrastructure Entities or their Affiliates; (3) shall be deemed to have acted in good faith and in a manner such Person reasonably believes to be in, and not opposed to, the best interests of the Corporation and its Common Stockholders for the purposes of this Certificate of Incorporation; and (4) shall not have any duty of loyalty to the Corporation, the other FTAI Infrastructure Entities and their respective Affiliates and stockholders or any duty not to derive any personal benefit therefrom and shall not be liable to the Corporation, the other FTAI Infrastructure Entities or their respective Affiliates and stockholders for any breach or alleged breach thereof for purposes of this Certificate of Incorporation as a result thereof and (B) such potential transaction or matter that may be a Corporate Opportunity, or the Corporate Opportunity, shall belong to the applicable Ares Holder or respective Affiliates thereof (and not to any of the FTAI Infrastructure Entities or Affiliates thereof).

(5) Agreements with Ares Holders. The FTAI Infrastructure Entities and their Affiliates may from time to time enter into and perform one or more agreements (or modifications or supplements to pre-existing agreements) with the Ares Holders and their respective Affiliates pursuant to which the FTAI Infrastructure Entities and their Affiliates, on the one hand, and the Ares Holders and their respective Affiliates, on the other hand, agree to engage in transactions of any kind or nature with each other. Subject to any Share Designation and this Article TENTH, except as otherwise required by law, and except as the Ares Holders and their Affiliates, on the one hand, and the FTAI Infrastructure Entities or their Affiliates, on the other hand, may otherwise agree in writing, no such agreement, or the performance thereof by the FTAI Infrastructure Entities and their Affiliates, or the Ares Holders or their Affiliates, shall be considered contrary to or inconsistent with any fiduciary duty to the Corporation, any other FTAI Entity or their respective Affiliates and stockholders of any director, officer, partner, member, investment professional or employee of the Corporation, any other FTAI Entity or any Affiliate thereof who is also a director, officer, partner, member, investment professional or employee of the Ares Holders or their Affiliates or to any stockholder thereof solely by virtue of the relationship among the parties to such agreement. Subject to this Article TENTH, to the fullest extent permitted by law, and except as the Ares Holders or their Affiliates, on the one hand, and the FTAI Infrastructure Entities or their Affiliates, on the other hand, may otherwise agree in writing, none of Ares Holders or their Affiliates shall have or be under any fiduciary duty to refrain from entering into any agreement or participating in any transaction referred to in this Article TENTH and no director, officer, partner, member, investment professional or employee of the Corporation, any other FTAI Entity or any Affiliate thereof who is also a director, officer, partner, member, investment professional or employee of the Ares Holders or their Affiliates shall have or be under any fiduciary duty to the Corporation, the other FTAI Infrastructure Entities and their respective Affiliates and stockholders to refrain from acting on behalf of the Ares Holders or their Affiliates in respect of any such agreement or transaction or performing any such agreement in accordance with its terms.

(6) Ambiguity. For the avoidance of doubt and in furtherance of the foregoing, nothing contained in this Article TENTH amends or modifies, or will amend or modify, in any respect, any written contractual arrangement between the Ares Holders or any of their Affiliates, on the one hand and the FTAI Infrastructure Entities or any of their Affiliates, on the other hand.

(7) Application of Provision. This Article TENTH shall apply as set forth above except as otherwise provided by law. It is the intention of this Article TENTH to take full advantage of statutory amendments, the effect of which may be to specifically authorize or approve provisions such as this Article TENTH. No alteration, amendment, termination, expiration or repeal of this Article TENTH nor the adoption of any provision of this Certificate of Incorporation inconsistent with this Article TENTH shall eliminate, reduce, apply to or have any effect on the protections afforded hereby to any director, officer, partner, member, investment professional, employee or stockholder of the FTAI Infrastructure Entities or their Affiliates for or with respect to any investments, activities or opportunities of which such director, officer, partner, member, investment professional, employee or stockholder becomes aware prior to such alteration, amendment, termination, expiration, repeal or adoption, or any matters occurring, or any cause of action, suit or claim that, but for this Article TENTH, would accrue or arise, prior to such alteration, amendment, termination, expiration, repeal or adoption.

(8) Deemed Notice. Any person or entity purchasing or otherwise acquiring any interest in any Capital Stock shall be deemed to have notice of and to have consented to the provisions of this Article TENTH, in addition to all other provisions of this Certificate of Incorporation.

(9) Chairman or Chairman of a Committee. For purposes of Article TENTH, a Director who is the Chairman of the Board or chairman of a committee of the Board of Directors is not deemed an officer of the Corporation by reason of holding that position unless that Person is otherwise appointed as an officer of the Corporation by the Board of Directors.

(10) Severability. If this Article TENTH or any portion hereof shall be invalidated or held to be unenforceable on any ground by any court of competent jurisdiction, the decision of which shall not have been reversed on appeal, this Article TENTH shall be deemed to be modified to the minimum extent necessary to avoid a violation of law and, as so modified, this Article TENTH and the remaining provisions hereof shall remain valid and enforceable in accordance with their terms to the fullest extent permitted by law.

(11) Neither the alteration, amendment or repeal of this Article TENTH nor the adoption of any provision of this Certificate of Incorporation inconsistent with this Article TENTH shall eliminate or reduce the effect of this Article TENTH in respect of any matter occurring, or any cause of action, suit or claim that, but for this Article TENTH, would accrue or arise, prior to such alteration, amendment, repeal or adoption.

ELEVENTH: The Corporation hereby expressly elects not to be governed by Section 203 of the DGCL.

TWELFTH: Special meetings of the stockholders may be called at any time by either (i) the Chairman of the Board, if there be one, or (ii) the Chief Executive Officer, if there be one, and shall be called by any such officer at the request in writing of (i) a majority of the Board of Directors, (ii) a committee of the Board of Directors that has been duly designated by the Board of Directors and whose powers include the authority to call such meetings or (iii) as contemplated by a Share Designation. Except as otherwise provided by any Share Designation, no stockholders or group of stockholders, acting in its or their capacity as stockholders, shall have the right to call a special meeting of the stockholders.

THIRTEENTH: Subject to the terms of any Share Designation, the Corporation reserves the right to amend, alter, change, or repeal any provision of this Certificate of Incorporation, in the manner now or hereafter prescribed by applicable law, and all rights at any time conferred upon the stockholders of the Corporation by this Certificate of Incorporation are granted subject to the provisions of this Article THIRTEENTH.

FOURTEENTH:

(1) Except as provided in clauses (2) and (3) of this Article FOURTEENTH and subject to any Share Designation, the Board of Directors may amend any of the terms of this Certificate of Incorporation or the By-Laws but only in compliance with the terms, conditions and procedures set forth in this clause (1). If the Board of Directors desires to amend any provision of this Certificate of Incorporation or the By-Laws other than, with respect to the By-Laws, pursuant to Article X of the By-Laws, then it shall first adopt a resolution setting forth the amendment proposed, declaring its advisability, and then, to the extent required by the DGCL, (i) call a special meeting of the stockholders entitled to vote in respect thereof for the consideration of such amendment, (ii) direct that the amendment proposed be considered at the next annual meeting of the stockholders or (iii) in the case of any series of Preferred Stock the holders of which are permitted to act by written consent pursuant to the Share Designation in respect thereof, seek the written consent of such stockholders. Amendments to this Certificate of Incorporation or the By-Laws may be proposed only by or with the consent of the Board of Directors. Such special or annual meeting shall be called and held upon notice in accordance with the By-Laws. The notice shall set forth such amendment in full or a brief summary of the changes to be effected thereby, as the Board of Directors shall deem advisable. At the meeting, a vote of stockholders entitled to vote thereon shall be taken for and against the proposed amendment. A proposed amendment (other than amendments that do not require stockholder approval under the DGCL) shall require for its approval the affirmative vote of a Share Majority (as defined below), unless a greater percentage is required under his Certificate of Incorporation, the By-Laws, any Share Designation, applicable law or the rules and regulations of any securities exchange or quotation system on which the Corporation Securities (as defined below) are listed or quoted for trading. An amendment to this Certificate of Incorporation that has been duly approved in accordance with this Article FOURTEENTH, shall be effective upon the effectiveness of its filing with the office of the Secretary of State of the State of Delaware. Notwithstanding the foregoing, except otherwise required by law, holders of Common Stock shall not be entitled to vote on any amendment to this Certificate of Incorporation (for the avoidance of doubt, including any Share Designation) that relates solely to the terms of one or more series of Preferred Stock if the holders of such series are entitled either separately or together with the holders of one or more other such series, to vote thereon pursuant to this Certificate of Incorporation (for the avoidance of doubt, including any Share Designation) or applicable law.

(2) Notwithstanding clause (1) of this Article FOURTEENTH, the affirmative vote of the holders of Outstanding Voting Stock representing at least two-thirds of the total votes that may be cast by all Outstanding Voting Stock, voting together as a single class, shall be required to alter or amend any provision of this clause (2) or clause (3)(ii) of this Article FOURTEENTH.

(3) (i) Notwithstanding the provisions of clause (1) of this Article FOURTEENTH, no provision of this Certificate of Incorporation or the By-Laws that establishes a percentage of Outstanding Voting Stock required to take any action shall be amended, altered, changed, repealed or rescinded in any respect that would have the effect of reducing such voting percentage unless such amendment is approved by the affirmative vote of holders of Outstanding Voting Stock whose aggregate Outstanding Voting Stock constitute not less than the voting requirement sought to be reduced.

(ii) Notwithstanding the provisions of clause (1) of this Article FOURTEENTH, but subject to the provisions of clause (2) of this Article FOURTEENTH, no amendment to this Certificate of Incorporation or the By-Laws may change the term of the Corporation.

(iii) Without limitation of the Board of Directors' authority to adopt amendments to this Certificate of Incorporation or the By-Laws without the approval of any stockholders as contemplated in clause (1) of this Article FOURTEENTH, and notwithstanding the provisions of clause (1) of this Article FOURTEENTH, any amendment that would adversely affect the rights or preferences of any class or series of Capital Stock in relation to other classes or series of Capital Stock must be approved by the holders of a majority of the Outstanding Capital Stock of the class or series affected.

FIFTEENTH:

(1) Certain Definitions. For purposes of this Article FIFTEENTH, the following terms shall have the following meanings:

"Agent" shall mean an agent designated by the Board of Directors of the Corporation.

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

"Corporation Securities" shall mean (i) Common Stock, (ii) Preferred Stock (except to the extent described in Section 1504(a)(4) of the Code), (iii) warrants, rights, or options (within the meaning of Treasury Regulation Section 1.382-4(d)(9)) to purchase Capital Stock (other than preferred stock described in Section 1504(a)(4) of the Code), and (iv) any other interests that would be treated as "stock" of the Corporation pursuant to Treasury Regulation Section 1.382-2T(f)(18), or any successor provision.

"Effective Date" shall mean immediately after the Effective Time.

"Excess Securities" shall mean the Corporation Securities which are the subject of the Prohibited Transfer.

"Initial Substantial Shareholder" shall mean a Person who was a Substantial Shareholder as of the Effective Date, other than the initial direct Public Group of the Corporation; provided, however, that if an Initial Substantial Shareholder ceases to be a Substantial Shareholder at any time after the Effective Date, such Person shall cease to be treated as an Initial Substantial Shareholder for purposes of this Article FIFTEENTH.

"Percentage Stock Ownership" shall mean the percentage stock ownership interest in the Corporation of any Person for purposes of Section 382 of the Code as determined in accordance with Treasury Regulation Sections 1.382-2(a)(3), 1.382-2T(g), (h), (j) and (k), 1.382-3(a), and 1.382-4(d) (*i.e.*, the constructive ownership and attribution rules of the Treasury Regulations), including, without limitation, the deemed exercise of options warrants and other rights to acquire stock under certain circumstances; provided, however, that (i) for purposes of applying Treasury Regulation Section 1.382-2T(k)(2), the Corporation shall be treated as having "actual knowledge" of the beneficial ownership of all outstanding Corporation Securities that would be attributed to any Person, and (ii) for the sole purpose of determining the Percentage Stock Ownership of any entity (and not for the purpose of determining the percentage stock ownership of any other Person), Treasury Regulation Section 1.382-2T(h)(2)(i)(A) (treating stock attributed to an entity pursuant to Section 318(a)(2) of the Code as no longer being owned by the entity from which it is being attributed) shall not apply.

"Person" shall mean any individual, firm, corporation, partnership, limited liability company, limited liability partnership, trust, syndicate, estate, association, joint venture or similar organization, other entity, or group of persons making a "coordinated acquisition" of Corporation Securities or otherwise treated as an "entity" within the meaning of Treasury Regulation Section 1.382-3(a)(1) or otherwise, and includes, without limitation, an unincorporated group of persons who, by formal or informal agreement or arrangement (whether or not in writing), have embarked on a common purpose or act, and also includes any successor (by merger or otherwise) of any such individual or entity.

"Prohibited Distributions" shall mean any dividends or other distributions that were paid by the Corporation and received by a Purported Transferee with respect to any Excess Securities.

"Prohibited Transfer" shall mean any purported Transfer of Corporation Securities to the extent that such Transfer is prohibited and/or void under this Article FIFTEENTH.

"Public Group" shall mean a "public group" as that term is defined in Section 382 of the Code and the Treasury Regulations thereunder.

"Purported Transferee" shall mean the purported transferee of a Prohibited Transfer.

"Restriction Release Date" shall mean the earlier of (i) the date on which Section 382 of the Code (and any comparable successor provisions) are repealed, amended or modified in such a way as to render the restrictions imposed by Section 382 of the Code no longer applicable to the Corporation or (ii) the determination by the Board of Directors that (1) an ownership change (within the meaning of Section 382 of the Code and the Treasury Regulations thereunder) would not result in a substantial limitation on the ability of the Corporation (or a direct or indirect subsidiary of the Corporation) to use otherwise available Tax Benefits, (2) no significant value attributable to the Tax Benefits would be preserved by continuing the Transfer restrictions herein, or (3) it is not in the best interests of the Corporation to continue the Transfer restrictions herein.

"Substantial Shareholder" shall mean a Person with a Percentage Stock Ownership of 4.8% or more.

"Tax Benefits" shall mean the net operating loss carryovers, capital loss carryovers, general business credit carryovers, disallowed net business interest expense carryforwards under Section 163(j), foreign tax credit carryovers and any other item that may reduce or result in any credit against any income taxes owed by the Corporation or any of its subsidiaries or refundable credits, including, but not limited to, any item subject to limitation under Section 382 or Section 383 of the Code and Treasury Regulations, as well as any "net unrealized built-in loss" within the meaning of Section 382 of the Code of the Corporation or any direct or indirect subsidiary thereof.

"Transfer" shall mean, subject to the last sentence of this definition, any direct or indirect sale, transfer, assignment, conveyance, pledge, other disposition or other action taken by a Person, other than the Corporation, that alters the Percentage Stock Ownership of any Person. A Transfer also shall include the creation or grant of an option (within the meaning of Treasury Regulation Section 1.382-4(d)(9)) other than the grant of an option by the Corporation or the modification, amendment or adjustment of an existing option granted by the Corporation. A Transfer shall not include an issuance or grant of Corporation Securities by the Corporation, the modification, amendment or adjustment of an existing option by the Corporation and the exercise by an employee of the Corporation of any option to purchase Corporation Securities granted to such employee pursuant to contract or any stock option plan or other equity compensation plan of the Corporation.

"Treasury Regulation" shall mean the income tax regulations (whether temporary, proposed or final) promulgated under the Code and any successor regulations. References to any subsection of such regulations include references to any successor subsection thereof.

(2) Investors' Rights Agreement. Notwithstanding anything contained in this Article FIFTEENTH, any action taken by the Corporation or the Board of Directors or any committee thereof shall be taken in accordance with, and remain subject to in all respects, the terms and conditions of the Investors' Rights Agreement.

(3) Restrictions on Transfer. In order to preserve the Tax Benefits, subject to clause (4) of this Article FIFTEENTH, any attempted Transfer of Corporation Securities prior to the Restriction Release Date, or any attempted Transfer of Corporation Securities pursuant to an agreement entered into prior to the Restriction Release Date, shall be prohibited and void *ab initio* if (a) the transferor is a Substantial Shareholder other than an Initial Substantial Shareholder or (b) to the extent that, as a result of such Transfer (or any series of Transfers of which such Transfer is a part), either (i) any Person or group of Persons shall become a Substantial Shareholder (other than a Public Group by reason of a Transfer from an Initial Substantial Shareholder) or (ii) the Percentage Stock Ownership interest in the Corporation of any Substantial Shareholder shall be increased (other than that of a Public Group by reason of a Transfer from an Initial Substantial Shareholder).

(4) Certain Exceptions. The restrictions set forth in clause (3) of this Article FIFTEENTH shall not apply to an attempted Transfer of Corporation Securities if the transferor or the transferee obtains the written approval of the Board of Directors of the Corporation, whether or not a request has been made to the Board of Directors, which approval may be granted or denied in the sole discretion of the Board of Directors. As a condition to granting its approval, the Board of Directors may, in its discretion, require (at the expense of the transferor and/or transferee) an opinion of counsel selected by the Board of Directors that the Transfer will not result in the application of any limitation on the use of the Tax Benefits under Section 382 of the Code; provided that the Board of Directors may grant such approval notwithstanding the effect of such approval on the Tax Benefits if it determines that the approval is in the best interests of the Corporation. The Board of Directors may grant its approval in whole or in part with respect to such Transfer and may impose any conditions that it deems reasonable and appropriate in connection with such approval, including, without limitation, restrictions on the ability of any transferee to Transfer Corporation Securities acquired through a Transfer. Approvals of the Board of Directors hereunder may be given prospectively or retroactively. The Board of Directors, to the fullest extent permitted by law, may exercise the authority granted by this Article FIFTEENTH through duly authorized officers or agents of the Corporation. Nothing in this Article FIFTEENTH shall be construed to limit or restrict the Board of Directors in the exercise of its fiduciary duties under applicable law.

(5) Treatment of Excess Securities.

(i) No officer, director, employee or agent of the Corporation shall record any Prohibited Transfer, and a Purported Transferee shall not be recognized as a stockholder of the Corporation for any purpose whatsoever in respect of Excess Securities. The Purported Transferee shall not be entitled with respect to such Excess Securities to any rights of stockholders of the Corporation, including, without limitation, the right to vote such Excess Securities and to receive dividends or distributions, whether liquidating or otherwise, in respect thereof, if any, and the Excess Securities shall be deemed to remain with the transferor unless and until the Excess Securities are transferred to the Agent pursuant to clause (5)(iii) of this Article FIFTEENTH or until approval is obtained under clause (4)(i) of this Article FIFTEENTH. Once the Excess Securities have been acquired in a Transfer that is not a Prohibited Transfer, the Securities (as defined below) shall cease to be Excess Securities. For this purpose, any Transfer of Excess Securities not in accordance with the provisions of clauses (5)(i) or (5)(iii) of this Article FIFTEENTH shall also be a Prohibited Transfer.

(ii) The Corporation may require as a condition to the registration of the Transfer of any Corporation Securities or the payment of any distribution on any Corporation Securities that the proposed transferee or payee furnish the Corporation all information reasonably requested by the Corporation with respect to all the direct and indirect ownership interests in such Corporation Securities. The Corporation may make such arrangements or issue such instructions to its stock transfer agent as may be determined by the Board of Directors to be necessary or advisable to implement this Article FIFTEENTH, including, without limitation, authorizing such transfer agent to require an affidavit from a Purported Transferee regarding such Person's actual and constructive ownership of Corporation Securities and other evidence that a Transfer will not be prohibited by clause (3) of this Article FIFTEENTH as a condition to registering any Transfer.

(iii) If the Board of Directors determines that a Transfer of Corporation Securities constitutes a Prohibited Transfer then, upon written demand by the Corporation. the Purported Transferee shall transfer or cause to be transferred any certificate or other evidence of ownership of the Excess Securities within the Purported Transferee's possession or control, together with Prohibited Distributions, to the Agent. The Agent shall thereupon sell to a buyer or buyers, which may include the Corporation, the Excess Securities transferred to it in one or more arm's-length transactions (on the public securities market on which the Corporation Securities may be traded, if possible, or otherwise privately); provided, however, that any such sale must not constitute a Prohibited Transfer and provided, further, that the Agent shall effect such sale or sales in an orderly fashion and shall not be required to effect any such sale within any specific time frame if, in the Agent's discretion, such sale or sales would disrupt the market for the Corporation Securities or otherwise would adversely affect the value of the Corporation Securities. If the Purported Transferee has resold the Excess Securities before receiving the Corporation's demand to surrender the Excess Securities to the Agent, the Purported Transferee shall be deemed to have sold the Excess Securities for the Agent, and shall be required to transfer to the Agent any Prohibited Distributions and proceeds of such sale, except to the extent that the Corporation grants written permission to the Purported Transferee to retain a portion of such sales proceeds not exceeding the amount that the Purported Transferee would have received from the Agent pursuant to clause (4)(iv) of this Article FIFTEENTH if the Agent rather than the Purported Transferee had resold the Excess Securities.

(iv) The Agent shall apply any proceeds of a sale by it of Excess Securities, and if the Purported Transferee had previously resold the Excess Securities, any amounts received by the Agent from a Purported Transferee, together, in either case, with any Prohibited Distributions, as follows: (A) first, such amounts shall be paid to the Agent to the extent necessary to cover its costs and expenses incurred in connection with its duties hereunder; (B) second, any remaining amounts shall be paid to the Purported Transferee, up to the amount paid by the Purported Transferee for the Excess Securities (or their fair market value at the time of the Transfer, in the event the purported Transfer of the Excess Securities was, in whole or in part, a gift, inheritance, or similar Transfer) which amount shall be determined at the discretion of the Board of Directors; and (C) third, any remaining amounts, subject to the limitations imposed by the following proviso, shall be paid to one or more organizations qualifying under Section 501(c)(3) of the Code (or any comparable or successor provision), contributions to which are eligible for deduction under each of Sections 170(b)(1)(A), 2055 and 2552 of the Code, selected by the Board of Directors in its discretion; provided, however, that if the Excess Securities (including any Excess Securities arising from a previous Prohibited Transfer not sold by the Agent in a prior sale or sales), represent a 4.8% or greater Percentage Stock Ownership in any class of Corporation Securities, then any such remaining amounts to the extent attributable to the disposition of the portion of such Excess Securities exceeding a 4.79% Percentage Stock Ownership interest in such class shall be paid to two or more such organizations. The Purported Transferee's sole right with respect to such Corporation Securities shall be limited to the amount payable to the Purported Transferee pursuant to this clause (5)(iv) of this Article FIFTEENTH. In no event shall the proceeds of any sale of Excess Securities pursuant to this Article FIFTEENTH inure to the benefit of the Corporation.

(v) In the event of any Transfer which does not involve a transfer of securities of the Corporation within the meaning of Delaware law ("Securities," and individually, a "Security") but which would cause a Substantial Shareholder to violate a restriction on Transfers provided for in this Article FIFTEENTH, the application of clauses (5)(iii) and (5)(iv) of this Article FIFTEENTH shall be modified as described in this clause (5)(v) of this Article FIFTEENTH. In such case, no such Substantial Shareholder shall be required to dispose of any interest that is not a Security, but such Substantial Shareholder and/or any Person whose ownership of Securities is attributed to such Substantial Shareholder shall be deemed to have disposed of and shall be required to dispose of sufficient Securities (which Securities shall be disposed of in the inverse order in which they were acquired) to cause such Substantial Shareholder, following such disposition, not to be in violation of this Article FIFTEENTH. Such disposition shall be deemed to occur simultaneously with the Transfer giving rise to the application of this provision, and such number of Securities that are deemed to be disposed of shall be considered Excess Securities and shall be disposed of through the Agent as provided in clauses (5)(iii) and (5)(iv) of this Article FIFTEENTH, except that the maximum aggregate amount payable either to such Substantial Shareholder, or to such other Person that was the direct holder of such Excess Securities, in connection with such sale shall be the fair market value of such Excess Securities at the time of the purported Transfer. All expenses incurred by the Agent in disposing of such Excess Securities shall be paid out of any amounts due such Substantial Shareholder or such other Person. The purpose of this clause (5)(v) of this Article FIFTEENTH is to extend the restrictions in clauses (3) and (5)(iii) of this Article FIFTEENTH to situations in which there is a Prohibited Transfer without a direct Transfer of Securities, and this clause (5)(v) of this Article FIFTEENTH, along with the other provisions of this Article FIFTEENTH, shall be interpreted to produce the same results, with differences as the context requires, as a direct Transfer of Corporation Securities.

(6) Board Determinations.

(i) The Board of Directors of the Corporation shall have the power to determine all matters necessary for determining compliance with this Article FIFTEENTH, including, without limitation: (A) the identification of Substantial Shareholders; (B) whether a Transfer is a Prohibited Transfer; (C) the Percentage Stock Ownership in the Corporation of any Substantial Shareholder; (D) whether an instrument constitutes a Corporation Security; (E) the amount (or fair market value) due to a Purported Transferee pursuant to clause (5)(iv)(B) of this Article FIFTEENTH; (F) whether compliance with any restriction or limitation on stock ownership and transfers set forth in this Article FIFTEENTH is no longer required; and (G) any other matters which the Board of Directors determines to be relevant; and the determination of the Board of Directors on such matters shall be conclusive and binding absent manifest error for all the purposes of this Article FIFTEENTH. In addition, the Board of Directors may, to the extent permitted by law, from time-to-time establish, modify, amend or rescind the By-Laws, regulations and procedures of the Corporation not inconsistent with the provisions of this Article FIFTEENTH for purposes of determining whether any Transfer of Corporation Securities would jeopardize the Corporation's ability to preserve and use the Tax Benefits and for the orderly application, administration and implementation of this Article FIFTEENTH.

(ii) Nothing contained in this Article FIFTEENTH shall limit the authority of the Board of Directors to take such other action to the extent permitted by law as it deems necessary or advisable to protect the Corporation and its stockholders in preserving the Tax Benefits. Without limiting the generality of the foregoing, in the event of a change in law making one or more of the following actions necessary or desirable, the Board of Directors may, by adopting a written resolution, (A) accelerate or extend the Restriction Release Date, (B) to the extent permitted by law and the DGCL, authorizes the Corporation to engage in such transactions with the stockholder as to reduce the number of shares in the Corporation owned by such stockholder, Persons or groups covered by this Article FIFTEENTH, (C) modify the definitions of any terms set forth in this Article FIFTEENTH, or (D) modify the terms of this Article FIFTEENTH as appropriate, in each case, in order to prevent an ownership change for purposes of Section 382 of the Code as a result of any changes in applicable Treasury Regulations or other provisions of law; provided, however, that the Board of Directors shall not cause there to be such acceleration, extension or modification unless it determines, by adopting a written resolution, that (i) such action is reasonably necessary or advisable to preserve the Tax Benefits, (ii) that the continuation of these restrictions is no longer reasonably necessary for the preservation of the Tax Benefits, or (iii) that the continuation of these restrictions is not in the best interests of the Corporation. Stockholders of the Corporation shall be notified of such determination through such method of notice as the Secretary of the Corporation shall deem appropriate.

(iii) In the case of an ambiguity in the application of any of the provisions of this Article FIFTEENTH, including any definition used herein, the Board of Directors shall have the power to determine the application of such provisions with respect to any situation based on its reasonable belief, understanding or knowledge of the circumstances. In the event this Article FIFTEENTH requires an action by the Board of Directors but fails to provide specific guidance with respect to such action, the Board of Directors shall have the power to determine the action to be taken so long as such action is not contrary to the provisions of this Article FIFTEENTH. All such actions, calculations, interpretations and determinations which are done or made by the Board of Directors in good faith shall be conclusive and binding on the Corporation, the Agent, and all other parties for all other purposes of this Article FIFTEENTH absent manifest error. The Board of Directors may delegate all or any portion of its duties and powers under this Article FIFTEENTH to a committee of the Board of Directors as it deems necessary or advisable and, to the fullest extent permitted by law, may exercise the authority granted by this Article FIFTEENTH through duly authorized officers or agents of the Corporation. Nothing in this Article FIFTEENTH shall be construed to limit or restrict the Board of Directors in the exercise of its fiduciary duties under applicable law.

(7) Securities Exchange Transactions. Nothing in this Article FIFTEENTH shall preclude the settlement of any transaction entered into through the facilities of a national securities exchange or any national securities quotation system. The fact that the settlement of any transaction occurs shall not negate the effect of any other provision of this Article FIFTEENTH and any Purported Transferee in such a transaction shall be subject to all of the provisions and limitations set forth in this Article FIFTEENTH.

(8) Legal Proceedings; Prompt Enforcement. If the Purported Transferee fails to surrender the Excess Securities or the proceeds of a sale thereof to the Agent within thirty days from the date on which the Corporation makes a written demand pursuant to clause (5)(iii) of this Article FIFTEENTH, then the Corporation shall promptly take all cost effective actions which it believes are appropriate to enforce the provisions hereof, including the institution of legal proceedings to compel the surrender. Nothing in this clause (8) of this Article FIFTEENTH shall (a) be deemed inconsistent with any Transfer of the Excess Securities provided in this Article FIFTEENTH being void *ab initio* or (b) preclude the Corporation in its discretion from immediately bringing legal proceedings without a prior demand. The Board of Directors may authorize such additional actions as it deems advisable to give effect to the provisions of this Article FIFTEENTH.

(9) Liability. To the fullest extent permitted by law, any stockholder subject to the provisions of this Article FIFTEENTH who knowingly violates the provisions of this Article FIFTEENTH and any Persons controlling, controlled by or under common control with such stockholder shall be jointly and severally liable to the Corporation for, and shall indemnify and hold the Corporation harmless against, any and all damages suffered as a result of such violation, including but not limited to damages resulting from a reduction in, or elimination of, the Corporation's ability to utilize its Tax Benefits, and attorneys' and auditors' fees incurred in connection with such violation.

(10) Notice to Corporation. Any Person who acquires or attempts to acquire Corporation Securities in excess of the limitations set forth in this Article FIFTEENTH shall immediately give written notice to the Corporation of such event and shall provide to the Corporation such other information as the Corporation may request in order to determine the effect, if any, of such Prohibited Transfer on the preservation and usage of the Tax Benefits. As a condition to the registration of the Transfer of any Corporation Securities, any Person who is a beneficial, legal, or record holder of Corporation Securities, and any proposed transferee and any Person controlling, controlled by, or under common control with the proposed transferee, shall use commercially reasonable efforts to promptly provide such information as the Corporation may request from time to time in order to determine compliance with this Article FIFTEENTH or the status of the Tax Benefits of the Corporation.

(11) By-Laws. The By-Laws of the Corporation may make appropriate provisions to effectuate the requirements of this Article FIFTEENTH.

(12) Certificates. All certificates representing Corporation Securities on or after the Effective Date shall, until the Restriction Release Date, bear a conspicuous legend in substantially the following form:

THE TRANSFER OF SECURITIES REPRESENTED HEREBY IS SUBJECT TO RESTRICTION PURSUANT TO ARTICLE FOURTEENTH OF THE CERTIFICATE OF INCORPORATION OF FTAI INFRASTRUCTURE INC., AS AMENDED AND IN EFFECT FROM TIME TO TIME, A COPY OF WHICH MAY BE OBTAINED FROM THE CORPORATION UPON REQUEST.

(13) Reliance. To the fullest extent permitted by law, the Corporation and the members of the Board of Directors shall be fully protected in relying in good faith upon the information, opinions, reports or statements of the chief executive officer, the chief financial officer, the chief accounting officer or the corporate controller of the Corporation or of the Corporation's legal counsel, independent auditors, transfer agent, investment bankers or other employees and agents in making the determinations and findings contemplated by this Article FIFTEENTH, and the members of the Board of Directors shall not be responsible for any good faith errors made in connection therewith. For purposes of determining the existence and identity of, and the amount of any Corporation Securities owned by any stockholder, the Corporation is entitled to rely on the existence and absence of filings of Schedule 13D or 13G under the Securities Exchange Act of 1934, as amended (or similar filings), if any, as of any date, subject to its actual knowledge of the ownership of Corporation Securities.

(14) Benefits of Article FIFTEENTH. Nothing in this Article FIFTEENTH shall be construed to give to any Person other than the Corporation or the Agent any legal or equitable right, remedy or claim under this Article FIFTEENTH. This Article FOURTEENTH shall be for the sole and exclusive benefit of the Corporation and the Agent.

(15) Severability. The purpose of this Article FIFTEENTH is to facilitate the Corporation's ability to maintain or preserve its Tax Benefits. If any provision of this Article FIFTEENTH or the application of any such provision to any Person or under any circumstance shall be held invalid, illegal or unenforceable in any respect by a court of competent jurisdiction, such invalidity, illegality or unenforceability shall not affect any other provision of this Article FIFTEENTH.

(16) Waiver. With regard to any power, remedy or right provided herein or otherwise available to the Corporation or the Agent under this Article FIFTEENTH, (i) no waiver will be effective unless expressly contained in a writing signed by the waiving party; and (ii) no alteration, modification or impairment will be implied by reason of any previous waiver, extension of time, delay or omission in exercise, or other indulgence.

SIXTEENTH: Notwithstanding anything contained in this Certificate of Incorporation or the By-Laws, any action taken by the Corporation or the Board of Directors or any committee thereof shall be taken in accordance with, and remain subject to in all respects, the terms and conditions of any Share Designation and the Investors' Rights Agreement.

SEVENTEENTH: Any of the actions or omissions specifically prohibited by this Certificate of Incorporation (for the avoidance of doubt, including any Share Designation) shall be null, void ab initio and of no force or effect. The Corporation shall not, and shall cause its Subsidiaries not to (either directly or indirectly, including by merger, consolidation, operation of law or otherwise), by amendment, modification, repeal, restatement, supplementation, termination or waiver of, or consent to any departure by the Corporation or any of its Subsidiaries from, any provision of this Certificate of Incorporation or through any change of control or any other reorganization, recapitalization, transfer of assets, consolidation, merger, dissolution, issue or sale of securities, agreement or any other voluntary action, avoid or seek to avoid the observance or performance of any of the terms to be observed or performed under this Certificate of Incorporation (for the avoidance of doubt, including any Share Designation).

EIGHTEENTH: For purposes of this Certificate of Incorporation:

"Ares Holders" shall mean Ares Management LLC and its affiliated or managed funds and their respective Affiliates.

"Affiliate" means, with respect to a given person, any other Person that, directly or indirectly, controls, is controlled by or is under common control with, such Person; provided, however, that for purposes of this definition and this Article EIGHTEENTH, none of (i) the FTAI Infrastructure Entities and any entities (including corporations, partnerships, limited liability companies or other persons) in which such FTAI Infrastructure Entities hold, directly or indirectly, an ownership interest, on the one hand, or (ii) the Fortress Stockholders and their Affiliates (excluding any FTAI Infrastructure Entities or other entities described in clause (i)), on the other hand, shall be deemed to be "Affiliates" of one another. For purposes of this definition, "control" (including, with correlative meanings, the terms "controlled by" and "under common control with") as applied to any Person, means the possession, directly or indirectly, of beneficial ownership of, or the power to vote, 10% or more of the securities having voting power for the election of directors (or other persons acting in similar capacities) of such Person or the power otherwise to direct or cause the direction of the management and policies of such Person, whether through the ownership of voting securities, by contract or otherwise.

"beneficially own" and "beneficial ownership" and similar terms used herein shall be determined in accordance with Rules 13d-3 and 13d-5 under the Securities Exchange Act of 1934.

"Business Day" means any weekday in New York, New York that is not a day on which banking institutions in that city are authorized or required by law, regulation, or executive order to be closed.

"Capital Stock" means a share issued by the Corporation that evidences a stockholder's rights, powers and duties with respect to the Corporation pursuant to this Certificate of Incorporation (for the avoidance of doubt, including any applicable Share Designation) and the DGCL. Capital Stock may be Common Stock or Preferred Stock, and may be issued in different classes or series.

"Common Stock" means any Capital Stock that is not Preferred Stock.

"Corporate Opportunity" shall include, but not be limited to, business opportunities that the Corporation is financially able to undertake, which are, from their nature, in the line of the Corporation's business, are of practical advantage to it and are ones in which the Corporation has an interest or a reasonable expectancy, and in which, by embracing the opportunities, the self-interest of the Fortress Stockholders or any of their Affiliates or their officers or directors will be brought into conflict with that of any of the FTAI Infrastructure Entities or their Affiliates.

"Director" means a member of the Board of Directors of the Corporation.

"Exchange Act" means the Securities Exchange Act of 1934, as amended, supplemented or restated from time to time and any successor to such statute, and the rules and regulations promulgated thereunder.

"Fortress Affiliate Stockholders" shall mean (i) any Director of the Corporation who may be deemed an Affiliate of Fortress Investment Group LLC ("FIG" or the "Manager"), (ii) any director or officer of FIG or its Affiliates and (ii) any investment funds (including any managed accounts) managed directly or indirectly by FIG or its Affiliates or the Manager or its Affiliates.

"Fortress Stockholders" shall mean each Fortress Affiliate Stockholder and each Permitted Transferee.

"FTAI Infrastructure Entities" means the Corporation and its Subsidiaries, and "FTAI Entity" shall mean any of the FTAI Infrastructure Entities.

"Governmental Entity" shall mean any national, state, provincial, municipal, local or foreign government, any court, arbitral tribunal, administrative agency or commission, or other governmental or regulatory authority, commission, or agency, or any non-governmental, self-regulatory authority, commission, or agency.

"Indemnified Person" means (a) any Person who is or was a Director, officer or tax matters partner of the Corporation, (b) any Person who, while serving as a Director of officer of the Corporation, is or was serving at the request of the Corporation as an officer, director, member, manager, partner, tax matters partner, fiduciary or trustee of another Person (including any Subsidiary); provided that a Person shall not be an Indemnified Person by reason of providing, on a fee-for-services basis, trustee, fiduciary or custodial services and (c) any Person the Board of Directors designates as an "Indemnified Person" for purposes of this Certificate of Incorporation.

"Independent Director" means a Director who (i) qualifies as an "independent director" within the meaning of the corporate governance listing standards from time to time adopted by Nasdaq (or, if at any time the Common Stock is not listed on the Nasdaq and are listed on a stock exchange other than the Nasdaq, the applicable corporate governance listing standards of such stock exchange) with respect to the composition of the board of directors of a listed company (without regard to any independence criteria applicable under such standards only to the members of a committee of the board of directors), (ii) in the case of Directors elected other than pursuant to a Share Designation, also satisfies the minimum requirements of director independence of Rule 10A-3(b)(1) under the Exchange Act (as from time to time in effect), whether or not such Director is a member of the audit committee and (iii) is not a Related Party of FIG, any other manager or sub-manager of the Corporation or any of its subsidiaries, or any other Person performing similar duties or functions.

"Investors' Rights Agreement" means Investors' Rights Agreement, dated as of [ ], by and among [ ].

"Outstanding" means, with respect to a class or series of Capital Stock, all Capital Stock of such class or series that are issued by the Corporation and reflected as outstanding on the Corporation's books and records as of the date of determination.

"Permitted Transferee" shall mean, with respect to each Fortress Stockholder, and subject to the restrictions set forth in Article FIFTEENTH, (i) any other Fortress Stockholder, (ii) such Fortress Stockholder's Affiliates and (iii) in the case of any Fortress Stockholder, (A) any member or general or limited partner of such Fortress Stockholder, (B) any corporation, partnership, limited liability company, or other entity that is an Affiliate of such Fortress Stockholder or any member, general or limited partner of such Fortress Stockholder (collectively, "Fortress Stockholder Affiliates"), (C) any investment funds managed directly or indirectly by such Fortress Stockholder or any Fortress Stockholder Affiliate (a "Fortress Stockholder Fund"), (D) any general or limited partner of any Fortress Stockholder Fund, (E) any managing director, general partner, director, limited partner, officer, or employee of any Fortress Stockholder Affiliate, or any spouse, lineal descendant, sibling, parent, heir, executor, administrator, testamentary trustee, legatee, or beneficiary of any of the foregoing persons described in this clause (E) (collectively, "Fortress Stockholder Associates"); or (F) any trust, the beneficiaries of which, or any corporation, limited liability company or partnership, the stockholders, members or general or limited partners of which, consist solely of any one or more of such Fortress Stockholders, any general or limited partner of such Fortress Stockholders, any Fortress Stockholder Affiliates, any Fortress Stockholder Funds, any Fortress Stockholder, in each case, solely in such capacities.

"Person" means any individual, corporation, firm, partnership, joint venture, limited liability company, estate, trust, business association, organization, Governmental Entity or other entity.

"Record Date" means, with respect to any class or series of Capital Stock, the date established by the Board of Directors for determining (a) the identity of the Record Stockholders of such class or series of Capital Stock entitled to notice of, or to vote at, any meeting of stockholders or entitled to exercise rights in respect of any lawful action of stockholders, in each case to the extent applicable to such class or series of Capital Stock, or (b) the identity of Record Stockholders of such class or series entitled to receive any report or payment of any dividend or other distribution on such class or series of Capital Stock or to participate in any offer for such class or series of Capital Stock.

"Record Stockholder" or "holder" means the Person in whose name such Capital Stock is registered on the books of the Transfer Agent as of the opening of business on a particular Business Day or otherwise the person in whose name such Capital Stock is registered on the books that the Corporation has caused to be kept as of the opening of business on such Business Day.

"Related Party" means, with respect to any Person, (a) any Affiliate of such Person or any of such Person's subsidiaries, and (b) any current officers, directors, employees, investment professionals or agents of such initial Person or the Persons described in clause (a) and their respective spouses, parents, parents-in-law, step-parents, children, step-children, siblings, siblings-in-law and step-siblings.

"Series A Preferred Stock" means the Series A Senior Preferred Stock of the Corporation, par value $0.01 per share.

"Share Majority" means a majority of the total votes that may be cast by holders of all Outstanding Voting Stock.

"Subsidiary" with respect to any Person means: (i) a corporation, a majority of whose capital stock with voting power, under ordinary circumstances, to elect Directors is at the time, directly or indirectly owned by such Person, by a Subsidiary of such person, or by such Person and one or more Subsidiaries of such person, without regard to whether the voting of such capital stock is subject to a voting agreement or similar Restriction, (ii) a partnership or limited liability company in which such Person or a Subsidiary of such Person is, at the date of determination, (A) in the case of a partnership, a general partner of such partnership with the power affirmatively to direct the policies and management of such partnership or (B) in the case of a limited liability company, the managing member or, in the absence of a managing member, a member with the power affirmatively to direct the policies and management of such limited liability company or (iii) any other Person (other than a corporation) in which such Person, a Subsidiary of such Person or such Person and one or more Subsidiaries of such Person, directly or indirectly, at the date of determination thereof, has (A) the power to elect or direct the election of a majority of the members of the governing body of such Person (whether or not such power is subject to a voting agreement or similar restriction) or (B) in the absence of such a governing body, a majority ownership interest.

"Transfer" means, with respect to any Capital Stock, a transaction by which the Record Stockholder of any Capital Stock assigns such Capital Stock to another Person who is or becomes a stockholder, and includes a sale, assignment, gift, exchange or any other disposition by law or otherwise, including any transfer upon foreclosure of any pledge, encumbrance, hypothecation or mortgage.

"Transfer Agent" means, with respect to any class of Capital Stock, such bank, trust company or other Person (including the Corporation or one of its Affiliates) as shall be appointed from time to time by the Corporation to act as registrar and transfer agent for such class of Capital Stock; provided that if no Transfer Agent is specifically designated for such class of Capital Stock, the Corporation shall act in such capacity.

"Voting Stock" means the Capital Stock issued after the effectiveness of this Certificate of Incorporation that entitles the Record Stockholder thereof to vote on matters submitted for consent or approval of stockholders.

* * * *

This Certificate of Incorporation shall become effective at the Effective Time.

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IN WITNESS WHEREOF, the Corporation has caused this Amended and Restated Certificate of Incorporation to be executed on its behalf on the date first written above.

FTAI INFRASTRUCTURE INC.

By: /s/

Name:

Title:

Exhibit 3.2

AMENDED AND RESTATED BY-LAWS

OF

FTAI INFRASTRUCTURE INC.

A Delaware Corporation

Effective [●], 2022

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AMENDED AND RESTATED BY-LAWS
OF
FTAI INFRASTRUCTURE INC.
(hereinafter called the "Corporation")

ARTICLE I

OFFICES

Section 1.1 Registered Office. Unless and until changed by the board of directors of the Corporation (the "Board of Directors"), the registered office of the Corporation in the State of Delaware shall be located at 1209 Orange Street, Wilmington, Delaware 19801, and the registered agent for service of process on the Corporation in the State of Delaware at such registered office shall be Corporation Trust Company. The principal office of the Corporation shall be located at 1345 Avenue of the Americas, 45th floor, New York, New York 10105 or such other place as the Board of Directors may from time to time designate by notice to the stockholders.

Section 1.2 Other Offices. The Corporation may maintain offices at such other place or places within or outside the State of Delaware as the Board of Directors determines to be necessary or appropriate.

ARTICLE II

MEETINGS OF STOCKHOLDERS

Section 2.1 Place of Meetings. The Board of Directors and any committee thereof may hold meetings, both regular and special, either within or outside the State of Delaware. The Board of Directors shall designate the place of meeting for any annual meeting or for any special meeting of the stockholders. The Board of Directors may, in its sole discretion, determine that a meeting of the stockholders shall not be held at any place, but may instead be held solely by means of remote communication in the manner authorized by Section 211 of the General Corporation Law of the State of Delaware (the "DGCL"). If no designation is made, the place of meeting shall be the principal office of the Corporation.

Section 2.2 Stockholder Actions. All acts of stockholders to be taken hereunder, or under the Certificate of Incorporation of the Corporation, as amended from time to time (including by any certificate of designation in respect of any series of preferred stock of the Corporation, the "Certificate of Incorporation"), the DGCL or otherwise, shall be taken in the manner provided in this Article II or, with respect to the rights of holders of any series of Preferred Stock (as defined in the Certificate of Incorporation) then outstanding, as otherwise set forth in the Share Designation (as defined in the Certificate of Incorporation).

Section 2.3 Annual Meetings. An annual meeting of the stockholders for the election of Directors and for the transaction of such other business as may properly come before the meeting shall be held at such time and place as the Board of Directors shall specify. Subject to the provisions of the DGCL or if otherwise authorized by the Board of Directors, and subject to such guidelines and procedures as the Board of Directors may adopt in accordance with the DGCL, stockholders and proxyholders not physically present at a meeting of stockholders may by means of remote communication participate in such meeting and be deemed present in person and vote at such meeting; provided that the Corporation shall implement reasonable measures to verify that each Person deemed present and permitted to vote at the meeting by means of remote communication is a stockholder or proxyholder, to provide such stockholders or proxyholders a reasonable opportunity to participate in the meeting and to record the votes or other actions made by such stockholders or proxyholders. A failure to hold the annual meeting of the stockholders at the designated time or to elect a sufficient number of Directors to conduct the business of the Corporation shall not affect otherwise valid acts of the Corporation or work a forfeiture or dissolution of the Corporation. If the annual meeting for election of Directors is not held on the date designated therefor, the Directors shall cause the meeting to be held as soon as is convenient.

Section 2.4 Special Meetings. Subject to the rights of holders of any series of Preferred Stock then outstanding and unless otherwise required by law or the Certificate of Incorporation, special meetings of the stockholders may be called at any time by either (i) the Chairman of the Board of Directors, if there be one, or (ii) the Chief Executive Officer, if there be one, and shall be called by any such officer at the request in writing of (i) a majority of the Board of Directors or (ii) a committee of the Board of Directors that has been duly designated by the Board of Directors and whose powers include the authority to call such meetings. Such request shall state the purpose or purposes of the proposed meeting. Subject to the rights of holders of any series of Preferred Stock then outstanding and unless otherwise required by law or the Certificate of Incorporation, no stockholders or group of stockholders, acting in its or their capacity as stockholders, shall have the right to call a special meeting of the stockholders.

Section 2.5 Notice. Whenever stockholders are required or permitted to take any action at a meeting, a notice of the meeting, in the form of a writing or electronic transmission, stating the place, day and hour of the meeting, the means of remote communication, if any, by which stockholders and proxyholders may be deemed to be present in person and vote at such meeting, the record date for determining the stockholders entitled to vote at such meeting, if such date is different from the record date for determining stockholders entitled to notice of such meeting, and (i) in the case of a special meeting of the stockholders, the purpose or purposes for which the meeting is called, as determined by the Board of Directors or (ii) in the case of an annual meeting, those matters that the Board of Directors, at the time of giving the notice, intends to present for action by the stockholders, shall be delivered by the Corporation not less than 10 calendar days nor more than 60 calendar days before the date of the meeting, in a manner and otherwise in accordance with Section 6.1, to each Record Holder who is entitled to vote at such meeting. Such further notice shall be given as may be required by Delaware law. The notice of any meeting of the stockholders at which Directors are to be elected shall include the name of any nominee or nominees who, at the time of the notice, the Board of Directors intends to present for election. Only such business shall be conducted at a special meeting of stockholders as shall have been brought before the meeting pursuant to the Corporation's notice of meeting.

Section 2.6 Adjournments and Postponements. Any meeting of the stockholders may be adjourned or postponed from time to time by the chairman of such meeting or by the Board of Directors, without the need for approval thereof by the stockholders to reconvene or convene, respectively at the same or some other place. When a meeting is adjourned or postponed to another time or place, notice need not be given of the adjourned meeting and a new Record Date need not be fixed, if the time and place thereof are announced at the meeting at which the adjournment is taken, unless such adjournment shall be for more than thirty (30) days. At the adjourned meeting, the Corporation may transact any business which might have been transacted at the original meeting. If the adjournment is for more than thirty (30) days or if a new Record Date is fixed for the adjourned meeting, a notice of the adjourned meeting shall be given in accordance with Section 2.5 of this Article II.

Section 2.7 Quorum. Unless otherwise required by the DGCL or other applicable law or the Certificate of Incorporation, at any meeting of the stockholders, the holders of a majority of the outstanding shares of the class or classes or series, or the class, classes or series that are required to vote as a single class, present in person or represented by proxy shall constitute a quorum of such class or classes or series, or of such class, classes or series voting as a single class, unless any such action by the stockholders requires approval by holders of a greater percentage of such shares, in which case the quorum shall be such greater percentage. The submission of matters to stockholders for approval and the election of Directors shall occur only at a meeting of the stockholders duly called and held in accordance with these By-Laws at which a quorum is present; provided, however, that the stockholders present at a duly called and held meeting at which a quorum is present may continue to transact business until adjournment, notwithstanding the withdrawal of enough stockholders to leave less than a quorum, if any action taken (other than adjournment) is approved by the required percentage of the stockholders entitled to vote at such meeting. Any meeting of stockholders may be adjourned from time to time by the chairman of the meeting to another place or time, without regard to the presence of a quorum.

Section 2.8 Voting and Other Rights.

(a) All matters (other than the election of Directors) submitted to the stockholders for approval shall be determined by a vote of the holders of a majority of the total number of votes of the Corporation's capital stock present at the meeting in person or represented by proxy and entitled to vote on the matters, voting as a single class, except as otherwise required with respect to such matter under the DGCL, under the rules of any National Securities Exchange on which such shares are listed for trading, or under the provisions of the Certificate of Incorporation or these By-Laws.

(b) Except as provided in Section 3.12 or otherwise provided in any Share Designation with respect to the rights of the holders of such series of Preferred Stock to elect Preferred Stock Directors (as defined in the Certificate of Incorporation), Directors will be elected by a plurality of the votes cast for a particular position.

(c) Only those Record Holders of Outstanding shares entitled to vote at the meeting on the Record Date set pursuant to Section 2.11 shall be entitled to notice of, and to vote at, a meeting of stockholders or to act with respect to matters as to which the holders of such shares have the right to vote or to act. All references in these By-Laws to votes of, or other acts that may be taken by, the Outstanding shares entitled to vote at the meeting shall be deemed to be references to the votes or acts of the Record Holders of such shares on such Record Date. The Board of Directors, in its discretion, or the Person acting as chairman of a meeting of the stockholders, in such Person's discretion, may require that any votes cast at such meeting shall be cast by written ballot.

(d) With respect to Outstanding Voting Stock that is held for a Person's account by another Person (such as a broker, dealer, bank, trust company or clearing corporation, or an agent of any of the foregoing), in whose name such Outstanding Voting Stock is registered, such other Person shall, in exercising the voting rights in respect of such Outstanding Voting Stock on any matter, and unless the arrangement between such Persons provides otherwise, vote such Outstanding Voting Stock in favor of, and at the direction of, the Person who is the beneficial owner, and the Corporation shall be entitled to assume it is so acting without further inquiry.

Section 2.9 Proxies and Voting.

(a) On any matter that is to be voted on by stockholders, the stockholders may vote in person or by proxy, and such proxy may be granted in writing, by means of electronic transmission or as otherwise permitted by applicable law, but no such proxy shall be voted or acted upon after three (3) years from its date, unless such proxy provides for a longer period. Any such proxy shall be filed in accordance with the procedure established for the meeting. For purposes of these By-Laws, the term "electronic transmission" means any form of communication not directly involving the physical transmission of paper that creates a record that may be retained, retrieved and reviewed by a recipient thereof and that may be directly reproduced in paper form by such a recipient through an automated process. Any copy, facsimile telecommunication, email or other reliable reproduction of the writing or transmission authorizing another person or persons to act as proxy for a stockholder may be substituted or used in lieu of the original writing, or transmission for any and all purposes for which the original writing, could be used; provided, however, that such copy, facsimile telecommunication, email or other reproduction shall be a complete reproduction of the entire original writing or transmission.

(b) In advance of any meeting of the stockholders, the Board of Directors, by resolution, the Chairman of the Board or the Chief Executive Officer shall appoint one or more inspectors to act at the meeting and make a written report thereof. One or more other persons may be designated as alternate to replace any inspector who fails to act. If no inspector or alternate is able to act at a meeting of the stockholders, the chairman of the meeting shall appoint one or more inspectors to act at the meeting. Unless otherwise required by applicable law, inspectors may be officers, employees or agents of the Corporation. Each inspector, before assuming the duties of inspector, shall take and sign an oath to execute faithfully the duties of inspector with strict impartiality and according to the best of such inspector's ability. The inspector shall have the duties prescribed by law and shall take charge of the polls and, when the vote is completed, shall execute and deliver to the Corporation a certificate of the result of the vote taken and of such other facts as may be required by applicable law.

Section 2.10 List of Stockholders Entitled to Vote. A complete list of stockholders entitled to vote at any meeting of stockholders, arranged in alphabetical order for each class or series of Capital Stock and showing the address of each such stockholder and the number of shares of each such class or series registered in the name of such stockholder, shall be open to the examination of any stockholder, for any purpose germane to the meeting, during ordinary business hours, for a period of at least ten (10) days before the meeting, at the principal place of business of the Corporation. The stockholder list shall also be produced and kept at the time and place of the meeting during the whole time thereof, and may be inspected by any stockholder who is present.

Section 2.11 Record Date. Except as otherwise provided with respect to any series of Preferred Stock in any applicable Share Designation, for purposes of determining the stockholders entitled to notice of or to vote at a meeting of the stockholders, the Board of Directors may set a Record Date, which Record Date shall not precede the date upon which the resolution fixing the record date is adopted by the Board of Directors, and which Record Date shall not be less than ten (10) nor more than sixty (60) days before the date of the meeting (unless such requirement conflicts with any rule, regulation, guideline or requirement of any National Securities Exchange on which the Capital Stock is listed for trading, in which case the rule, regulation, guideline or requirement of such exchange shall govern). If no Record Date is fixed by the Board of Directors, the Record Date for determining stockholders entitled to notice of or to vote at a meeting of stockholders shall be at the close of business on the day next preceding the day on which notice is given, or, if notice is waived, at the close of business on the day immediately preceding the day on which the meeting is held. A determination of stockholders of record entitled to notice of or to vote at a meeting of stockholders shall apply to any adjournment or postponement of the meeting; provided, however, that the Board of Directors may fix a new Record Date for the adjourned or postponed meeting. In such case, the Board of Directors shall also fix as the Record Date for stockholders entitled to notice of such adjourned meeting the same or an earlier date as that fixed for determination of stockholders entitled to vote in accordance with the foregoing provisions of this Section 2.11 at the adjourned meeting.

Section 2.12 Conduct of Meetings.

(a) The Board of Directors may adopt by resolution such rules and regulations for the conduct of any meeting of the stockholders as it shall deem appropriate. Meetings of stockholders shall be presided over by the Chairman of the Board, if there shall be one, or in his or her absence, or if there shall not be a Chairman of the Board, the President. The Board of Directors shall have the authority to appoint a temporary chairman to serve at any meeting of the stockholders if the Chairman of the Board or the President is unable to do so for any reason. Except to the extent inconsistent with such rules and regulations as adopted by the Board of Directors, the chairman of any meeting of the stockholders shall have the right and authority to prescribe such rules, regulations and procedures and to do all such acts as, in the judgment of such chairman, are appropriate for the proper conduct of the meeting. Such rules, regulations or procedures, whether adopted by the Board of Directors or prescribed by the chairman of the meeting, may include, without limitation, the following: (i) the establishment of an agenda or order of business for the meeting; (ii) the determination of when the polls shall open and close for any given matter to be voted on at the meeting; (iii) rules and procedures for maintaining order at the meeting and the safety of those present; (iv) 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 chairman of the meeting shall determine; (v) restrictions on entry to the meeting after the time fixed for the commencement thereof; and (vi) limitations on the time allotted to questions or comments by participants.

(b) The chairman of any meeting of stockholders shall have the power and duty to determine all matters relating to the conduct of the meeting, including determining whether any nomination or item of business has been properly brought before the meeting in accordance with these By-Laws (including whether the stockholder or beneficial owner, if any, on whose behalf the nomination or proposal is made, solicited (or is part of a group that solicited) or did not so solicit, as the case may be, proxies in support of such stockholder's nominee or proposal in compliance with such stockholder's representation), and if the chairman should so determine and declare that any nomination or item of business has not been properly brought before a meeting of stockholders, then such business shall not be transacted or considered at such meeting and such nomination shall be disregarded. Unless and to the extent determined by the Board of Directors or the chairman of the meeting, meetings of stockholders shall not be required to be held in accordance with the rules of parliamentary procedure.

Section 2.13 Nomination of Directors. Only persons who are nominated in accordance with the procedures set forth in Section 2.14 of these By-Laws shall be eligible for election as Directors, except for Preferred Stock Directors (whose eligibility and qualifications, if any, shall be as set forth only in the applicable Share Designation or other provisions of the Certificate of Incorporation providing the right to elect such Preferred Stock Directors).

Section 2.14 Notice of Stockholder Business and Nominations.

(a) Subject to clause (3) of Article SIXTH of the Certificate of Incorporation and Section 2.14(f) and Article III of these By-Laws, nominations of Persons for election to the Board of Directors of the Corporation (other than Preferred Stock Directors) and the proposal of business to be considered by the stockholders may be made at an annual meeting of stockholders (i) pursuant to the Corporation's notice of meeting delivered pursuant to Section 2.5 of these By-Laws; (ii) by or at the direction of the Board of Directors, (iii) for nominations to the Board of Directors only, by any holder of Outstanding Voting Stock who is entitled to vote at the meeting, who complied with the notice procedures set forth in paragraph (b) or (d) of this Section 2.14 and who was a Record Holder of a sufficient number of Outstanding Voting Stock as of the Record Date for such meeting to elect one or more members to the Board of Directors assuming that such holder cast all of the votes it is entitled to cast in such election in favor of a single candidate and such candidate received no other votes from any other holder of Outstanding Voting Stock, or (iv) by any holder of Outstanding Voting Stock who is entitled to vote at the meeting, who complied with the notice procedures set forth in paragraphs (c) or (d) of this Section 2.14 and who is a Record Holder of Outstanding Voting Stock at the time such notice is delivered to the Secretary of the Corporation.

(b) For nominations to be properly brought before an annual meeting by a stockholder pursuant to Section 2.14(a)(iii), the stockholder must have given timely notice thereof in writing to the Secretary of the Corporation. To be timely, a stockholder's notice shall be delivered to the Secretary at the principal executive offices of the Corporation not less than ninety (90) days nor more than one hundred twenty (120) days prior to the anniversary of the date of the immediately preceding annual meeting of stockholders; provided, however, that, in the case of the Corporation's first annual meeting, or if the annual meeting is called for a date that is more than twenty-five (25) days before or after the anniversary of the previous year's annual meeting, notice by the stockholder in order to be timely must be so received not later than the close of business on the tenth (10th) day following the earlier of the date on which notice of the annual meeting was posted to the stockholders or the day on which public disclosure of the date of the annual meeting is first made (which may be the date on which proxy materials for such meeting are first mailed). In no event shall the adjournment or postponement of an annual meeting, or the public announcement of such an adjournment or postponement, commence a new time period (or extend any time period) for the giving of a stockholder's notice as described in this Section 2.14(b). Such stockholder's notice shall set forth: (A) as to each Person whom the stockholder proposes to nominate for election or reelection as a Director, all information relating to such Person that is required to be disclosed in solicitations of proxies for election of Directors, or is otherwise required, in each case, pursuant to Regulation 14A under the Exchange Act, including such Person's written consent to being named in the proxy statement as a nominee and to serving as a Director if elected, and (B) as to the stockholder giving the notice and the beneficial owner, if any, on whose behalf the nomination or proposal is made, the name and address of such stockholder, as they appear on the Corporation's books, and of such beneficial owner, and the class or series and number of shares of Capital Stock of the Corporation which are owned beneficially and of record by such stockholder and such beneficial owner. Such holder shall be entitled to nominate as many candidates for election to the Board of Directors as would be elected assuming such holders cast the precise number of votes necessary to elect each candidate and no more votes were cast by such holder or any other holder for such candidates.

(c) For nominations or other business to be properly brought before an annual meeting by a stockholder pursuant to Section 2.14(a)(iv), (i) the stockholder must have given timely notice thereof in writing to the Secretary of the Corporation; (ii) such business must be a proper matter for stockholder action under the Certificate of Incorporation, these By-Laws and the DGCL; (iii) if the stockholder, or the beneficial owner on whose behalf any such proposal or nomination is made, has provided the Corporation with a Solicitation Notice, such stockholder or beneficial owner must, in the case of a proposal, have delivered a proxy statement and form of proxy to holders of at least the percentage of the Corporation's Outstanding Capital Stock required under the Certificate of Incorporation, these By-Laws or Delaware law to carry any such proposal, or, in the case of a nomination or nominations, have delivered a proxy statement and form of proxy to holders of a percentage of the Corporation's Outstanding Voting Stock reasonably believed by such stockholder or beneficial holder to be sufficient to elect the nominee or nominees proposed to be nominated by such stockholder, and must, in either case, have included in such materials the Solicitation Notice and (iv) if no Solicitation Notice relating thereto has been timely provided pursuant to this Section 2.14, the stockholder or beneficial owner proposing such business or nomination must not have solicited a number of proxies sufficient to have required the delivery of such a Solicitation Notice. To be timely, a stockholder's notice shall be delivered to the Secretary at the principal executive offices of the Corporation not less than ninety (90) days nor more than one hundred twenty (120) days prior to the anniversary of the date on which the Corporation first made publicly available (whether by mailing, by filing with the Commission or by posting on an internet web site) its proxy materials for the immediately preceding annual meeting of stockholders; provided, however, that, in the case of the Corporation's first annual meeting, or if the annual meeting is called for a date that is more than thirty (30) days before or after the anniversary of the previous year's annual meeting, notice by the stockholders in order to be timely must be so received not later than the close of business on the tenth (10th) day following the earlier of the date on which notice of the annual meeting was posted to the stockholders or the day on which public disclosure of the date of the annual meeting is first made (which may be the date on which proxy materials for such meeting are first made publicly available, whether by mailing, by filing with the Commission or by posting on an internet web site). In no event shall the public announcement or postponement of an annual meeting commence a new time period for the giving of a stockholder's notice as described in this Section 2.14(c). Such stockholder's notice shall set forth: (A) as to each Person whom the stockholder proposes to nominate for election or reelection as a Director, all information relating to such Person that is required to be disclosed in solicitations of proxies for election of Directors, or is otherwise required, in each case, pursuant to Regulation 14A under the Exchange Act, including such Person's written consent to being named in the proxy statement as a nominee and to serving as a Director if elected; (B) as to any other business that the stockholder proposes to bring before the meeting, a brief description of the business desired to be brought before the meeting, the reasons for conducting such business at the meeting and any material interest in such business of such stockholder and the beneficial owner, if any, on whose behalf the proposal is made; and (C) as to the stockholder giving the notice and the beneficial owner, if any, on whose behalf the nomination or proposal is made, (1) the name and address of such stockholder, as they appear on the Corporation's books, and of such beneficial owner, (2) the class or series and number of shares of Capital Stock of the Corporation which are owned beneficially and of record by such stockholder and such beneficial owner, and whether either such stockholder or beneficial owner intends to deliver a proxy statement and form of proxy to holders of, in the case of a proposal, at least the percentage of the Corporation's Outstanding Voting Stock required under the Certificate of Incorporation, these By-Laws or Delaware law to carry the proposal or, in the case of a nomination or nominations, a sufficient number of holders of the Corporation's Outstanding Capital Stock to elect such nominee or nominees (an affirmative statement of such intent, a "Solicitation Notice"). This Section shall be the exclusive means for a stockholder to make business proposals before a special meeting of stockholders (other than matters properly bought under Rule 14a-8 under the Exchange Act and included in the Corporation's notice of meeting). Subject to Rule 14a-8 under the Exchange Act, nothing in this the Certificate of Incorporation or these By-Laws shall be construed to permit any stockholder, or give any stockholder the right, to include or have disseminated or described in the Corporation's proxy statement any business proposal.

(d) Notwithstanding anything in the second sentence of Section 2.14(b) or the second sentence of Section 2.14(c) to the contrary, if the number of Directors to be elected to the Board of Directors is increased and there is no public announcement naming all of the nominees for Director or specifying the size of the increased Board of Directors made by the Corporation at least ninety (90) days prior to the anniversary of the date on which the Corporation first made publicly available (whether by mailing, by filing with the Commission or by posting on an internet web site) its proxy materials for the immediately preceding annual meeting of stockholders, then a stockholder's notice required by this Section 2.14 shall also be considered timely, but only with respect to nominees for any new positions created by such increase, if it shall be delivered to the Secretary at the principal executive offices of the Corporation not later than the close of business on the tenth (10th) day following the day on which such public announcement is first made by the Corporation.

(e) Only such business shall be conducted at a special meeting of stockholders as shall have been brought before the meeting pursuant to the Corporation's notice of meeting pursuant to Section 2.5. Subject to clause (3) of Article SIXTH of the Certificate of Incorporation, nominations of Persons for election to the Board of Directors may be made at a special meeting of stockholders at which Directors are to be elected pursuant to the Corporation's notice of meeting (i) by or at the direction of the Board of Directors; (ii) by any holder of Outstanding Voting Stock who is entitled to vote at the meeting, who complied with the notice procedures set forth in paragraph (b) or (d) of this Section 2.14 and who was a Record Holder of a sufficient number of Outstanding Voting Stock as of the Record Date for such meeting to elect one or more members to the Board of Directors assuming that such holder cast all of the votes it is entitled to cast in such election in favor of a single candidate and such candidate received no other votes from any other holder of Outstanding Voting Stock; or (iii) by any holder of Outstanding Voting Stock who is entitled to vote at the meeting, who complies with the notice procedures set forth in paragraph (c) or (d) of this Section 2.14 and who is a Record Holder of Outstanding Voting Stock at the time such notice is delivered to the Secretary of the Corporation. Nominations by stockholders of Persons for election to the Board of Directors may be made at such a special meeting of stockholders if the stockholder's notice as required by Section 2.14(b) or Section 2.14(c) shall be delivered to the Secretary of the Corporation not earlier than the ninetieth (90th) day prior to such special meeting and not later than the close of business on the later of the seventieth (70th) day prior to such special meeting or the tenth (10th) day following the day on which public announcement is first made of the date of the special meeting and of the nominees proposed by the Board of Directors to be elected at such meeting. Holders of Outstanding Voting Stock making nominations pursuant to Section 2.14(e)(ii) shall be entitled to nominate the number of candidates for election at such special meeting as provided in Section 2.14(b) for an annual meeting.

(f) Nothing in this Section 2.14 shall be deemed to affect the rights of holders of any series of Preferred Stock pursuant to any applicable provision of the Certificate of Incorporation.

(g) Except to the extent otherwise provided in clause (3) of Article SIXTH of the Certificate of Incorporation with respect to vacancies, only Persons who are nominated in accordance with the procedures set forth in this Section 2.14 shall be eligible to serve as Directors (other than Preferred Stock Directors) and only such business shall be conducted at a meeting of stockholders as shall have been brought before the meeting in accordance with the procedures set forth in this Section 2.14 (subject to the rights of holders of any series of Preferred Stock then outstanding). Except as otherwise provided herein or required by law, the chairman of the meeting shall have the power and duty to determine whether a nomination or any business proposed to be brought before the meeting was made in accordance with the procedures set forth in this Section 2.14 and, if any proposed nomination or business is not in compliance with this Section 2.14, to declare that such defective proposal or nomination shall be disregarded.

(h) Notwithstanding the foregoing provisions of this Section 2.14, a stockholder shall also comply with all applicable requirements of the Exchange Act and the rules and regulations thereunder with respect to the matters set forth in this Section 2.14. Nothing in this Section 2.14 shall be deemed to affect any rights of stockholders to request inclusion of proposals in the Corporation's proxy statement pursuant to Rule 14a-8 under the Exchange Act.

ARTICLE III

DIRECTORS

Section 3.1 Duties and Powers. Except as otherwise provided in the DGCL, the Certificate of Incorporation or these By-Laws, or required by the rules and regulations of any National Securities Exchange or quotation system on which the securities of the Corporation are listed or quoted for trading, the business and affairs of the Corporation shall be managed by or under the direction of the Board of Directors. As provided in Article IV of these By-Laws, the Board of Directors shall have the power and authority to appoint officers of the Corporation. No stockholder, by virtue of its status as such, shall have any management power over the business and affairs of the Corporation or actual or apparent authority to enter into, execute or deliver contracts on behalf of, or to otherwise bind, the Corporation. Except as otherwise provided in the DGCL or these By-Laws, and subject to Article TENTH of the Certificate of Incorporation or any other provision of the Certificate of Incorporation with respect to the rights of holders of any series of Preferred Stock, in addition to the powers that now or hereafter can be granted to directors under the DGCL and to all other powers granted under any other provision of these By-Laws, the Board of Directors shall have full power and authority to do, and to direct the officers to do, all things and on such terms as it determines to be necessary or appropriate to conduct the business of the Corporation, to exercise all powers set forth in Article THIRD of the Certificate of Incorporation and to effectuate the purposes set forth in Article THIRD of the Certificate of Incorporation, including the following:

(a) the making of any expenditures, the lending or borrowing of money, the assumption or guarantee of, or other contracting for, indebtedness and other liabilities, the issuance of evidences of indebtedness, including indebtedness that is convertible into Capital Stock, and the incurring of any other obligations;

(b) the making of tax, regulatory and other filings, or rendering of periodic or other reports to governmental or other agencies having jurisdiction over the business or assets of the Corporation;

(c) the acquisition, disposition, mortgage, pledge, encumbrance, hypothecation or exchange of any or all of the assets of the Corporation or the merger or other combination of the Corporation with or into another Person (subject, however, to any prior approval of stockholders that may be required by the Certificate of Incorporation, these By-Laws or pursuant to applicable law);

(d) the adoption, amendment, revision or termination of any policies or guidelines with respect to acquisitions or investments made on behalf of any Group Member by an external manager of the Corporation (including the Manager);

(e) the use of the assets of the Corporation (including cash on hand) for any purpose consistent with the terms of the Certificate of Incorporation or these By-Laws, including the financing of the conduct of the operations of the Corporation and its Subsidiaries; the lending of funds to other Persons (including other Group Members); the repayment of obligations of the Corporation and its Subsidiaries; and the making of capital contributions to any stockholder of the Corporation or any of its Subsidiaries;

(f) the negotiation, execution and performance of any contracts, conveyances or other instruments (including instruments that limit the liability of the Corporation under contractual arrangements to all or particular assets of the Corporation);

(g) the declaration and payment of distributions of cash or other assets to stockholders;

(h) the selection and dismissal of an external manager, officers, employees, agents, outside attorneys, accountants, consultants and contractors and the determination of their compensation and other terms of employment or hiring, and the creation and operation of employee benefit plans, employee programs and employee practices;

(i) the entering into agreements and amendments thereto, including management agreements, with an external manager (including the Manager);

(j) the maintenance of insurance for the benefit of the Corporation Group and the Indemnified Persons;

(k) the formation of, or acquisition or disposition of an interest in, and the contribution of property and the making of loans to, any limited or general partnership, joint venture, corporation, limited liability company or other entity or arrangement;

(l) the control of any matters affecting the rights and obligations of the Corporation, including the bringing and defending of actions at law or in equity and otherwise engaging in the conduct of litigation, arbitration or remediation, and the incurring of legal expense and the settlement of claims and litigation;

(m) the indemnification of any Person against liabilities and contingencies to the extent permitted by law;

(n) the entering into of listing agreements with any National Securities Exchange and the delisting of some or all of the Capital Stock from, or requesting that trading be suspended on, any such exchange;

(o) the issuance, sale or other disposition, and the purchase or other acquisition, of Stock or options, rights, warrants or appreciation rights relating to Capital Stock, including to the Manager;

(p) the undertaking of any action in connection with the Corporation’s interest or participation in any Group Member;

(q) the registration of any offer, issuance, sale or resale of Stock or other securities issued or to be issued by the Corporation under the Securities Act and any other applicable securities laws (including any resale of Capital Stock or other securities by stockholders or other securityholders); and

(r) the execution and delivery of agreements with Affiliates of the Corporation or any external manager (including the Manager) to render services to a Group Member.

Section 3.2 Meetings.

(a) The Board of Directors and any committee thereof may hold meetings, both regular and special, either within or outside the State of Delaware.

(b) A regular meeting of the Board of Directors and any committee thereof shall be held without any other notice except as provided for in these By-Laws, immediately after, and at the same place (if any) as, each annual meeting of Common Stockholders. Additional regular meetings of the Board of Directors or any committee thereof may be held without notice at such time and at such place as may from time to time be determined by the Board of Directors or such committee, respectively. Unless otherwise determined by the Board of Directors, the Secretary of the Corporation shall act as Secretary at all regular meetings of the Board of Directors and in the Secretary's absence a temporary Secretary shall be appointed by the chairman of the meeting. The Independent Directors shall meet periodically without any member of management present and, except as the Independent Directors may otherwise determine, without any other Director present to consider the overall performance of management and the performance of the role of the Independent Directors in the governance of the Corporation; such meetings shall be held in connection with a regularly scheduled meeting of the Board of Directors except as the Independent Directors shall otherwise determine.

(c) Special meetings of the Board of Directors may be called by the Chairman of the Board, if there be one, the Chief Executive Officer, or by any two Directors. Special meetings of any committee of the Board of Directors may be called by the chairman of such committee, if there be one, the Chief Executive Officer or any Director serving on such committee. Notice thereof stating the place, date and hour of the special meeting shall be given to each Director (or, in the case of a committee, to each member of such committee) either by mail not less than forty-eight (48) hours before the date of the meeting, by telephone, facsimile, email or other electronic means on twenty-four (24) hours' notice, or on such shorter notice as the person or persons calling such meeting may deem necessary or appropriate in the circumstances. A notice of a special meeting of the Board of Directors or any committee thereof need not specify the purpose of the meeting unless required by any applicable provisions of the Certificate of Incorporation or these By-laws. Notice of any meetings of the Board shall not, however, be required to be given to any Director who submits a signed waiver of notice, or waives notice of such meeting by electronic transmission, whether before or after the meeting, or if he or she shall be present at such meeting; and any meeting of the Board of Directors shall be a duly convened meeting without any notice thereof having been given if all the Directors then in office shall be present thereat or shall have waived notice thereof.

Section 3.3 Chairman of Meetings. The Board of Directors may elect one of its members as Chairman of the Board (the "Chairman of the Board"). The Chairman of the Board, if there be one, shall preside at all meetings of the stockholders and of the Board of Directors. The Chairman of the Board (who must be a Director but is not required to be an employee of the Corporation) shall be designated by the Board of Directors and, except where by law the signature of the Chief Executive Officer or other officer is required, the Chairman of the Board shall possess the same power as the Chief Executive Officer to sign all contracts, certificates and other instruments of the Corporation that may be authorized by the Board of Directors. During the absence or disability of the Chief Executive Officer, the Chairman of the Board shall exercise all the powers and discharge all the duties of the Chief Executive Officer. The Chairman of the Board shall also perform such other duties and may exercise such other powers as may from time to time be assigned by these By-Laws or by the Board of Directors.

Section 3.4 Resignations of Directors . Any Director of the Corporation may resign from the Board of Directors or any committee thereof at any time, by giving notice in writing or electronic transmission to (i) the Chairman of the Board, if there be one, or to the Chief Executive Officer, if there is no Chairman, or (ii) the Secretary of the Corporation and, in the case of a committee, to the chairman of such committee, if there be one. Such resignation shall take effect at the time therein specified or, if no time is specified, immediately; and, unless otherwise specified in such notice, the acceptance of such resignation shall not be necessary to make it effective.

Section 3.5 Quorum. Except as otherwise required by law, the Certificate of Incorporation, these By-Laws or the rules and regulations of any National Securities Exchange on which the Corporation's securities are listed and traded, at all meetings of the Board of Directors or any committee thereof, a majority of the entire Board of Directors or a majority of the Directors constituting such committee, as the case may be, shall constitute a quorum for the transaction of business, and the act of a majority of the Directors present at a meeting of the entire Board of Directors or a committee thereof at which a quorum has been established, shall be the act of the Board of Directors or such committee, as applicable. If a quorum shall not be present at any meeting of the Board of Directors or any committee, a majority of the Directors or members, as the case may be, present thereat may adjourn the meeting from time to time without further notice other than announcement at the meeting of the time and place of the adjourned meeting, until a quorum shall be present.

Section 3.6 Actions of the Board by Written Consent. Unless otherwise provided in the Certificate of Incorporation or these By-Laws, any action required or permitted to be taken at any meeting by the Board of Directors or any committee thereof, as the case may be, may be taken without a meeting if a consent thereto is signed or transmitted electronically, as the case may be, by all members of the Board of Directors or of such committee, as the case may be, and the consent or consents are filed with the minutes of proceedings of the Board of Directors or such committee.

Section 3.7 Meetings by Means of Conference Telephone. Unless otherwise provided in the Certificate of Incorporation or these By-Laws, members of the Board of Directors, or any committee thereof, may participate in a meeting of the Board of Directors or such committee by means of conference telephone or other communications equipment by means of which all Persons participating in the meeting can hear each other, and such participation in a meeting shall constitute presence in person at such meeting.

Section 3.8 Committees. The Board of Directors may designate one or more committees, each committee to consist of one or more of the Directors. Each member of a committee must meet the requirements for membership, if any, imposed by applicable law and the rules and regulations of any National Securities Exchange or quotation system on which the securities of the Corporation are listed or quoted for trading. The Board of Directors may designate one or more Directors as alternate members of any committee, who may replace any absent or disqualified member at any meeting of any such committee. Subject to the rules and regulations of any National Securities Exchange or quotation system on which the securities of the Corporation are listed or quoted for trading, in the absence or disqualification of a member of a committee, and in the absence of a designation by the Board of Directors of an alternate member to replace the absent or disqualified member, the member or members thereof present at any meeting and not disqualified from voting, whether or not such member or members constitute a quorum, may unanimously appoint another qualified member of the Board of Directors to act at the meeting in the place of any absent or disqualified member. Any committee, to the extent permitted by law and provided in the resolution establishing such committee, shall have and may exercise all the powers and authority of the Board of Directors in the management of the business and affairs of the Corporation, and may authorize the seal of the Corporation to be affixed to all papers that may require it. Each committee shall keep regular minutes and report to the Board of Directors when required. Notwithstanding anything to the contrary contained in these By-Laws, the resolution of the Board of Directors establishing any committee of the Board of Directors and/or the charter of any such committee may establish requirements or procedures relating to the governance and/or operation of such committee that are different from, or in addition to, those set forth in these By-Laws and, to the extent that there is any inconsistency between these By-Laws and any such resolution or charter, the terms of such resolution or charter shall be controlling.

Section 3.9 Subcommittees. Unless otherwise provided in the Certificate of Incorporation, these By-Laws, or the resolution of the Board of Directors designating a committee, such committee may create one or more subcommittees, each subcommittee to consist of one or more members of the committee, and delegate to a subcommittee any or all of the powers and authority of the committee. Except for references to committees and members of committees in this Section 3.9, every reference in these By-Laws to a committee of the Board of Directors or a member of a committee shall be deemed to include a reference to a subcommittee or member of a subcommittee.

Section 3.10 Minutes of Committees. Each committee shall keep regular minutes of its meetings and proceedings and report the same to the Board of Directors at the next meeting thereof.

Section 3.11 Remuneration. The Board of Directors, by affirmative vote of a majority of the Directors then in office, and irrespective of any personal interest of any of its members, may establish reasonable compensation (including reasonable pensions, disability or death benefits, and other benefits or payments) of Directors for services to the Corporation as Directors, or may delegate such authority to an appropriate committee. The Directors may be paid their expenses, if any, of attendance at each meeting of the Board of Directors and may be paid a fixed sum for attendance at each meeting of the Board of Directors or a stated salary for service as a Director, payable in cash or securities. No such payment shall preclude any Director from serving the Corporation in any other capacity and receiving compensation therefor. Members of special or standing committees may be compensated for their service on such committee. The amount and form of compensation shall be set by the Board of Directors.

Section 3.12 Vacancies. Subject to the rights of holders of any one or more series of Preferred Stock then outstanding with respect to the election of Preferred Stock Directors, any vacancy on the Board of Directors that results from newly created directorships resulting from any increase in the authorized number of Directors may be filled by a majority of the Directors then in office; provided that a quorum is present, and any other vacancies may be filled by a majority of the Directors then in office, though less than a quorum, or by a sole remaining Director Any Director of any class elected to fill a vacancy resulting from an increase in the number of Directors of such class pursuant to the foregoing sentence shall hold office for a term that shall coincide with the remaining term of that class and until such Director's successor is duly elected or appointed and qualified, or until his or her earlier death, resignation or removal. Any Director elected to fill a vacancy not resulting from an increase in the number of Directors shall have the same remaining term as that of such Director's predecessor and until such Director's successor is duly elected or appointed and qualified, or until his or her earlier death, resignation or removal.

Section 3.13 Interested Directors. No contract or transaction between the Corporation and one or more of its Directors or officers, or between the Corporation and any other corporation, partnership, association or other organization in which one or more of its Directors or officers are directors or officers or have a financial interest, shall be void or voidable solely for this reason, or solely because the Director or officer is present at or participates in the meeting of the Board of Directors or committee thereof which authorizes the contract or transaction, or solely because any such Director's or officer's vote is counted for such purpose if: (i) the material facts as to the Director's or officer's relationship or interest and as to the contract or transaction are disclosed or are known to the Board of Directors or the committee, and the Board of Directors or committee in good faith authorizes the contract or transaction by the affirmative votes of a majority of the disinterested directors, even though the disinterested directors be less than a quorum; or (ii) the material facts as to the Director's or officer's relationship or interest and as to the contract or transaction are disclosed or are known to the stockholders entitled to vote thereon, and the contract or transaction is specifically approved in good faith by vote of the stockholders; or (iii) the contract or transaction is fair as to the Corporation as of the time it is authorized, approved or ratified by the Board of Directors, a committee thereof or the stockholders. Common or interested Directors may be counted in determining the presence of a quorum at a meeting of the Board of Directors or of a committee which authorizes such contract or transaction.

ARTICLE IV

OFFICERS

Section 4.1 General. The officers of the Corporation shall be chosen by the Board of Directors. The Board of Directors, in its discretion, also may choose a Chairman of the Board (who must be a Director but is not required to be an employee of the Corporation), a Treasurer and one or more other officers. Any number of offices may be held by the same person, unless otherwise prohibited by law or these By-Laws. The officers of the Corporation need not be stockholders nor, except in the case of the Chairman of the Board (who must be a Director), be Directors. Whenever an officer or officers is absent, or whenever for any reason the Board of Directors may deem it desirable, the Board may delegate the powers and duties of any officer or officers to any Director or Directors. The Board of Directors may from time to time delegate the powers or duties of any officer to any other officers or agents, notwithstanding any other provision hereof.

Section 4.2 Election. The Board of Directors shall elect the officers of the Corporation who shall hold their offices for such terms and shall exercise such powers and perform such duties as shall be determined from time to time by the Board of Directors, and each officer of the Corporation shall hold office until such officer's successor is elected and qualified, or until such officer's earlier death, resignation or removal. Any officer elected by the Board of Directors may be removed at any time by the Board of Directors, including by unanimous written consent. Any vacancy occurring in any office of the Corporation shall be filled by the Board of Directors.

Section 4.3 Resignation and Removal. Any officer may resign by delivering his or her written resignation to the Corporation at its principal office, and such resignation shall be effective upon receipt unless it is specified to be effective at a later time. If a resignation is made effective at a later date and the Corporation accepts the future effective date, the Board of Directors may fill the pending vacancy before the effective date if the Board of Directors provides that the successor shall not take office until the effective date. An officer's resignation shall not affect the Corporation's contract rights, if any, with the officer. The Board of Directors may remove any officer with or without cause. Nothing herein shall limit the power of any officer to discharge any subordinate.

Section 4.4 Voting Securities Owned by the Corporation. Powers of attorney, proxies, waivers of notice of meeting, consents and other instruments relating to securities owned by the Corporation may be executed in the name of and on behalf of the Corporation by the Chief Executive Officer, the Chief Financial Officer, the Secretary or any other officer authorized to do so by the Board of Directors and any such officer may, in the name of and on behalf of the Corporation, take all such action as any such officer may deem advisable to vote in person or by proxy at any meeting of security holders of any corporation or other entity in which the Corporation may own securities and at any such meeting shall possess and may exercise any and all rights and power incident to the ownership of such securities and which, as the owner thereof, the Corporation might have exercised and possessed if present. The Board of Directors may, by resolution, from time to time confer like powers upon any other person or persons.

Section 4.5 Chief Executive Officer. The Chief Executive Officer shall, subject to the oversight and control of the Board of Directors and if there be one, the Chairman of the Board, have general supervision of the affairs of the Corporation, and shall see that all orders and resolutions of the Board of Directors are carried into effect. In the absence or disability of the Chairman of the Board, or if there be none, the Chief Executive Officer or his or her designee shall preside at all meetings of the stockholders and; provided that the Chief Executive Officer is also a Director, preside at all meetings of the Board of Directors. The Chief Executive Officer shall see that all orders and resolutions of the Board of Directors and the stockholders are carried into effect. The Chief Executive Officer shall have general authority to execute bonds, deeds and contracts in the name of the Corporation and affix the seal of the Corporation thereto; to sign stock certificates; to cause the employment or appointment of such employees and agents of the Corporation as the proper conduct of operations may require, and to fix their compensation, subject to the provisions of these By-Laws; to remove or suspend any employee or agent who shall have been employed or appointed under the Chief Executive Officer's authority or under authority of an officer subordinate to the Chief Executive Officer; to suspend for cause, pending final action by the authority which shall have elected or appointed the Chief Executive Officer, any officer subordinate to the Chief Executive Officer; and, in general, to exercise all the powers and authority usually appertaining to the chief executive officer of a corporation, except as otherwise provided in these By-Laws.

Section 4.6 Chief Financial Officer. The Chief Financial Officer shall, subject to the oversight and control of the Board of Directors, and if there be one, the Chairman of the Board, and the Chief Executive Officer, cause to be kept full and accurate accounts of receipts and disbursements in books belonging to the Corporation and shall cause to be deposited all monies and other valuable effects in the name and to the credit of the Corporation in such depositories as shall be designated by the Board of Directors or, in the absence of such designation in such depositories, as the Chief Financial Officer shall from time to time deem proper. The Chief Financial Officer shall be the Treasurer of the Corporation, unless another Treasurer shall be appointed. The Chief Financial Officer shall disburse the funds of the Corporation as may be ordered by the Board of Directors or the Chief Executive Officer, taking proper vouchers for such disbursements, shall promptly render to the Chief Executive Officer and to the Board of Directors such statements of the Chief Financial Officer's transactions and accounts as the Chief Executive Officer and the Board of Directors respectively may from time to time require, and in general, shall exercise all the powers and authority usually appertaining to the chief financial officer of a corporation, except as otherwise provided in these By-Laws.

Section 4.7 Absence of the Chief Executive Officer. At the request of the Chief Executive Officer or in the Chief Executive Officer's absence or in the event of the Chief Executive Officer's inability or refusal to act (and if there be no Chairman of the Board), another officer designated by the Board of Directors shall perform the duties of the Chief Executive Officer, and when so acting, shall have all the powers of and be subject to all the restrictions upon the Chief Executive Officer. Each officer shall perform such other duties and have such other powers as the Board of Directors from time to time may prescribe. If there be no Chairman of the Board, the Board of Directors shall designate an officer of the Corporation who, in the absence of the Chief Executive Officer or in the event of the inability or refusal of the Chief Executive Officer to act, shall perform the duties of the Chief Executive Officer, and when so acting, shall have all the powers of and be subject to all the restrictions upon the Chief Executive Officer.

Section 4.8 Secretary and Assistant Secretary. Except as otherwise provided herein, the Secretary shall record all the proceedings of meetings of the Board of Directors and all meetings of the stockholders in a book or books to be kept for that purpose, and the Secretary shall also perform like duties for committees of the Board of Directors when required. The Secretary shall give, or cause to be given, notice of all meetings of the stockholders and special meetings of the Board of Directors, and shall perform such other duties as may be prescribed by the Board of Directors, the Chairman of the Board or the Chief Executive Officer, under whose supervision the Secretary shall be. If the Secretary shall be unable or shall refuse to cause to be given notice of all meetings of the stockholders and special meetings of the Board of Directors, and if there be no Assistant Secretary, then either the Board of Directors or the Chief Executive Officer may choose another officer to cause such notice to be given. The Secretary shall have custody of the seal of the Corporation and the Secretary or any Assistant Secretary, if there be one, shall have authority to affix the same to any instrument requiring it and when so affixed, it may be attested by the signature of the Secretary or by the signature of any such Assistant Secretary. The Board of Directors may give general authority to any other officer to affix the seal of the Corporation and to attest to the affixing by such officer's signature. The Secretary shall see that all books, reports, statements, certificates and other documents and records required by law to be kept or filed are properly kept or filed, as the case may be.

Section 4.9 Other Officers. Such other officers as the Board of Directors may choose shall perform such duties and have such powers as from time to time may be assigned to them by the Board of Directors. The Board of Directors may delegate to any other officer of the Corporation the power to appoint such other officers and to prescribe their respective duties and powers.

ARTICLE V

STOCK

Section 5.1 Authorization to Issue Capital Stock. Subject to applicable law and the rights, if any, of holders of any outstanding series of Preferred Stock, the Corporation may issue Capital Stock, and options, rights, warrants and appreciation rights relating to Capital Stock, for any corporate purpose at any time and from time to time to such Persons for such consideration (which may be cash, property, services or any other lawful consideration) and on such terms and conditions as the Board of Directors shall determine, all without the approval of any stockholders (except as otherwise provided by applicable law, the Certificate of Incorporation or these By-Laws). Each share of Capital Stock shall have the rights and be governed by the provisions set forth in the Certificate of Incorporation and these By-Laws. Except to the extent expressly provided in these By-Laws or as otherwise agreed by the Corporation, no Capital Stock shall entitle any stockholder to any preemptive, preferential, or similar rights with respect to the issuance of Capital Stock.

Section 5.2 Certificates. Upon the Corporation's issuance of Capital Stock to any Person, the Corporation may issue one or more certificates in the name of such Person evidencing the number of such Capital Stock being so issued. Any such certificates shall be executed on behalf of the Corporation by any two authorized officers of the Corporation. No certificate representing Capital Stock shall be valid for any purpose until it has been countersigned by the Transfer Agent; provided, however, that if the Board of Directors elects to issue Capital Stock in global form, the certificates representing Capital Stock shall be valid upon receipt of a certificate from the Transfer Agent certifying that the Capital Stock has been duly registered in accordance with the directions of the Corporation. Any or all of the signatures required on the certificate may be by facsimile. If any officer or Transfer Agent who shall have signed or whose facsimile signature shall have been placed upon any such certificate shall have ceased to be such officer or Transfer Agent before such certificate is issued by the Corporation, such certificate may nevertheless be issued by the Corporation with the same effect as if such Person were such officer or Transfer Agent at the date of issue. Certificates for each class of Capital Stock shall be consecutively numbered and shall be entered on the books and records of the Corporation as they are issued and shall exhibit the holder's name and number and type of Capital Stock.

Section 5.3 Lost or Mutilated Certificates. If any mutilated Certificate is surrendered to the Transfer Agent, the appropriate officers on behalf of the Corporation shall execute, and the Transfer Agent shall countersign and deliver in exchange therefor, a new Certificate evidencing the same number and class or series of Capital Stock as the Certificate so surrendered. The appropriate officers on behalf of the Corporation shall execute, and the Transfer Agent shall countersign and deliver, a new Certificate in place of any Certificate previously issued if the Record Holder of the Certificate: (i) makes proof by affidavit, in form and substance satisfactory to the Corporation, that a previously issued Certificate has been lost, destroyed or stolen; (ii) requests the issuance of a new Certificate before the Corporation has received notice that the Certificate has been acquired by a purchaser for value in good faith and without notice of an adverse claim; (iii) if requested by the Corporation, delivers to the Corporation a bond, in form and substance satisfactory to the Corporation, with surety or sureties and with fixed or open penalty as the Corporation may direct to indemnify the Corporation and the Transfer Agent against any claim that may be made on account of the alleged loss, destruction or theft of the Certificate; and (iv) satisfies any other reasonable requirements imposed by the Corporation. If a stockholder fails to notify the Corporation within a reasonable time after he has notice of the loss, destruction or theft of a Certificate, and a transfer of the Capital Stock represented by the Certificate is registered before the Corporation or the Transfer Agent receives such notification, the Member shall be precluded from making any claim against the Corporation or the Transfer Agent for such transfer or for a new Certificate. As a condition to the issuance of any new Certificate under this Section, the Corporation may require the payment of a sum sufficient to cover any tax or other governmental charge that may be imposed in relation thereto and any other expenses (including the fees and expenses of the Transfer Agent) reasonably connected therewith.

Section 5.4 Transfer of Capital Stock.

(a) The term "transfer," when used in these By-Laws with respect to Capital Stock, shall be deemed to refer to a transaction by which the Record Holder of such Capital Stock assigns such Capital Stock to another Person who is or becomes a stockholder, and includes a sale, assignment, gift, exchange or any other disposition by law or otherwise, including any transfer upon foreclosure of any pledge, encumbrance, hypothecation or mortgage.

(b) The Corporation shall keep or cause to be kept on behalf of the Corporation a register that will provide for the registration and transfer of Capital Stock. The Transfer Agent is hereby appointed registrar and transfer agent for the purpose of registering Common Stock and transfers of such Common Stock. Upon surrender of a Certificate for registration of transfer of any Capital Stock evidenced by a Certificate, the appropriate officers of the Corporation shall execute and deliver, and in the case of Common Stock, the Transfer Agent shall countersign and deliver, in the name of the holder or the designated transferee or transferees, as required pursuant to the Record Holder's instructions, one or more new Certificates evidencing the same aggregate number and type of Capital Stock as were evidenced by the Certificate so surrendered; provided that a transferor shall provide the address and facsimile number for each such transferee as contemplated by Section 6.1.

(c) To the extent any Capital Stock are represented by Certificates, the Corporation shall not recognize any transfer of Capital Stock until the Certificates evidencing such Capital Stock are surrendered for registration of transfer. No charge shall be imposed by the Corporation for such transfer; provided, that as a condition to the issuance of any new Certificate, the Corporation may require the payment of a sum sufficient to cover any tax or other governmental charge that may be imposed with respect thereto.

(d) By acceptance of the transfer of any Capital Stock, each transferee of a Capital Stock (including any nominee holder or an agent or representative acquiring such Capital Stock for the account of another Person) shall become the Record Holder of the Capital Stock so transferred.

(e) Every Certificate exchanged, returned or surrendered to the Corporation shall be marked "Cancelled," with the date of cancellation, by the Secretary or Assistant Secretary of the Corporation or the Transfer Agent. No transfer of Capital Stock shall be valid as against the Corporation for any purpose until it shall have been entered in the stock records of the Corporation by an entry showing from and to whom transferred.

Section 5.5 Settlement of Transactions. Nothing contained in these By-Laws shall preclude the settlement of any transactions involving Capital Stock entered into through the facilities of any National Securities Exchange on which such Capital Stock is listed for trading.

Section 5.6 Dividend Record Date. In order that the Corporation may determine the stockholders entitled to receive payment of any dividend or other distribution or allotment of any rights or the stockholders entitled to exercise any rights in respect of any change, conversion or exchange of stock, or for the purpose of any other lawful action, the Board of Directors may fix a record date, which record date shall not precede the date upon which the resolution fixing the record date is adopted, and which record date shall be not more than sixty (60) days prior to such action. If no record date is fixed, the record date for determining stockholders for any such purpose shall be at the close of business on the day on which the Board of Directors adopts the resolution relating thereto.

Section 5.7 Record Owners. The Corporation shall be entitled to recognize the Record Holder as the owner of a Capital Stock to receive dividends, to vote as such owner, and to hold liable for calls and assessments, and shall not be bound to recognize any equitable or other claim to or interest in such Capital Stock on the part of any other Person, regardless of whether the Corporation shall have actual or other notice thereof, except as otherwise provided by law or any applicable rule, regulation, guideline or requirement of any National Securities Exchange on which such Capital Stock are listed for trading. Without limiting the foregoing, when a Person (such as a broker, dealer, bank, trust company or clearing corporation or an agent of any of the foregoing) is acting as nominee, agent or in some other representative capacity for another Person in acquiring and/or holding Capital Stock, as between the Corporation on the one hand, and such other Persons on the other, such representative Person shall be the Record Holder of such Capital Stock.

Section 5.8 Preferred Stock. Except as set forth in the Certificate of Incorporation or any agreement between the Corporation and any of its stockholders, the holders of Preferred Stock shall have no preemptive right to subscribe for any shares of any class of capital stock of the Corporation whether now or hereafter authorized.

ARTICLE VI

NOTICES

Section 6.1 Notices. Any notice, demand, request, report or proxy materials required or permitted to be given or made to a stockholder under these By-Laws shall be in writing and shall be deemed given or made when delivered in person or when sent by first-class United States mail or by other means of written communication to the stockholder at the address described below. Any notice, payment or report to be given or made to a stockholder hereunder shall be deemed conclusively to have been given or made, and the obligation to give such notice or report or to make such payment shall be deemed conclusively to have been fully satisfied, upon sending of such notice, payment or report to the Record Holder of such Capital Stock at his address as shown on the records of the Transfer Agent or as otherwise shown on the records of the Corporation, regardless of any claim of any Person who may have an interest in such Capital Stock by reason of any assignment or otherwise. An affidavit or certificate of making of any notice, payment or report in accordance with the provisions of this Section 6.1 executed by the Secretary, an Assistant Secretary, or the Transfer Agent shall be prima facie evidence of the giving or making of such notice, payment or report. If any notice, payment or report given or made in accordance with the provisions of this Section 6.1 is returned marked to indicate that such notice, payment or report was unable to be delivered, such notice, payment or report and, in the case of notices, payments or reports returned by the United States Postal Service (or other physical mail delivery service outside the United States of America) and any subsequent notices, payments and reports shall be deemed to have been duly given or made without further mailing (until such time as such Record Holder or another Person notifies the Transfer Agent or the Corporation of a change in his address) or other delivery if they are available for the stockholder at the principal office of the Corporation for a period of one (1) year from the date of the giving or making of such notice, payment or report to the other stockholders. Any notice to the Corporation shall be deemed given if received by the Secretary at the principal office of the Corporation designated pursuant to Article I of these By-Laws. The Board of Directors and the Officers may rely and shall be protected in relying on any notice or other document from a stockholder or other Person if believed by it to be genuine.

Section 6.2 Waivers of Notice. Whenever notice to the stockholders, a Director, or a member of a committee of the Board of Directors, is required to be given under applicable law, the Certificate of Incorporation or these By-Laws, a written waiver, signed by the Person entitled to notice, whether before or after the time stated therein, or a waiver by electronic transmission by the person or persons entitled to notice, or a waiver by electronic transmission by the person or persons entitled to notice whether before or after the time stated therein, shall be deemed equivalent to notice. Attendance of a Person at any meeting, present in person or represented by proxy, shall constitute a waiver of notice of such meeting, except when the Person attends a meeting for the express purpose of objecting, at the beginning of the meeting, to the transaction of any business because the meeting is not lawfully called or convened. Neither the business to be transacted at, nor the purpose of, any regular or special meeting of the stockholders or any regular or special meeting of the Board of Directors or members of a committee of the Board of Directors need be specified in any written waiver of notice unless so required by law, the Certificate of Incorporation or these By-Laws, or resolution of the Board of Directors. Any Person so waiving notice of a meeting shall be bound by the proceedings of such meeting in all respects as if due notice thereof had been given. All waivers and approvals shall be filed with the Corporation records or made part of the minutes of the meeting.

ARTICLE VII

GENERAL PROVISIONS

Section 7.1 Subject to Certificate of Incorporation, Share Designations and Law.. All powers, duties and responsibilities provided for in these By-laws, whether or not explicitly so qualified, are qualified by the Certificate of Incorporation (including any Share Designation) and applicable law.

Section 7.2 Dividends. Dividends upon the Capital Stock, subject to the requirements of the DGCL and the provisions of the Certificate of Incorporation and any Share Designation, if any, may be declared by the Board of Directors at any regular or special meeting of the Board of Directors (or any action by written consent in lieu thereof in accordance with Section 3.6), and may be paid in cash, in property, or in shares of Capital Stock. Before payment of any dividend, there may be set aside out of any funds of the Corporation available for dividends such sum or sums as the Board of Directors from time to time, in its absolute discretion, deems proper as a reserve or reserves to meet contingencies, or for purchasing any of the shares of Capital Stock, warrants, rights, options, bonds, debentures, notes, scrip or other securities or evidences of indebtedness of the Corporation, or for equalizing dividends, or for repairing or maintaining any property of the Corporation, or for any proper purpose, and the Board of Directors may modify or abolish any such reserve.

Section 7.3 Disbursements. All checks or demands for money and notes of the Corporation shall be signed by such officer or officers or such other person or persons as the Board of Directors may from time to time designate.

Section 7.4 Fiscal Year. The fiscal year of the Corporation shall be a calendar year ending December 31, unless otherwise determined by the Board of Directors.

Section 7.5 Construction. Unless the context requires otherwise: (a) any pronoun used in these By-Laws shall include the corresponding masculine, feminine or neuter forms, and the singular form of nouns, pronouns and verbs shall include the plural and vice versa; (b) references to Articles and Sections refer to Articles and Sections of these By-Laws; and (c) the term “include” or “includes” means includes, without limitation, and “including” means including, without limitation.

Section 7.6 Records and Accounting. The Board of Directors shall keep or cause to be kept at the principal office of the Corporation appropriate books and records with respect to the Corporation's business, including all books and records necessary to provide to the stockholders any information required to be provided pursuant to these By-Laws or under applicable law. Any books and records maintained by or on behalf of the Corporation in the regular course of its business, including the record of the stockholders, books of account and records of Corporation proceedings, may be kept on, or be in the form of, computer disks, hard drives, punch cards, magnetic tape, photographs, micrographics or any other information storage device. The books of the Corporation shall be maintained, for tax and financial reporting purposes, on an accrual basis in accordance with U.S. generally accepted accounting principles.

Section 7.7 Invalidity of Provisions. If any provision of these By-Laws is or becomes invalid, illegal or unenforceable in any respect, the validity, legality and enforceability of the remaining provisions contained herein shall not be affected thereby.

Section 7.8 Definitions. The following definitions shall be for all purposes, unless otherwise clearly indicated to the contrary, applied to the terms used in these By-Laws.

(a) "Affiliate" means, with respect to any Person, any other Person that directly or indirectly through one or more intermediaries controls, is controlled by or is under common control with the Person in question. As used herein, the term "control" means the possession, direct or indirect, of the power to direct or cause the direction of the management and policies of a Person, whether through ownership of voting securities, by contract or otherwise.

(b) "Business Day" means Monday through Friday of each week, except that a legal holiday recognized as such by the government of the United States of America or the State of New York shall not be regarded as a Business Day.

(c) "Capital Stock" means stock (including the Common Stock) issued by the Corporation that evidences a stockholder's rights, powers and duties with respect to the Corporation pursuant to the Certificate of Incorporation, these By-Laws and the DGCL. Capital Stock may be Common Stock or Preferred Stock, and may be issued in different series.

(d) "Certificate" means a certificate (i) in global form in accordance with the rules and regulations of the Depositary or (ii) in such other form as may be adopted by the Board of Directors, issued by the Corporation evidencing ownership of one or more shares of Capital Stock.

(e) "Code" means the Internal Revenue Code of 1986, as amended and in effect from time to time. Any reference herein to a specific section or sections of the Code shall be deemed to include a reference to any corresponding provision of any successor law.

(f) "Commission" means the United States Securities and Exchange Commission.

(g) "Common Stock" means any Capital Stock that is not Preferred Stock.

(h) "Common Stockholders" means the stockholders that hold Common Stock, and shall only refer to the Common Stock (and not any Preferred Stock) held by such stockholders.

(i) "Corporation Group" means the Corporation and each Subsidiary of the Corporation.

(j) "Depositary" means, with respect to any Capital Stock issued in global form, The Depository Trust Company and its successors and permitted assigns.

(k) "Director" means a member of the Board of Directors.

(l) "Exchange Act" means the Securities Exchange Act of 1934, as amended, supplemented or restated from time to time and any successor to such statute, and the rules and regulations promulgated thereunder.

(m) "Governmental Entity" means any court, administrative agency, regulatory body, commission or other governmental authority, board, bureau or instrumentality, domestic or foreign and any subdivision thereof.

(n) "Group Member" means a member of the Corporation Group.

(o) "Indemnified Person" shall have the meaning ascribed to such term in the Certificate of Incorporation.

(p) "Independent Director" means a Director who (i) qualifies as an "independent director" within the meaning of the corporate governance listing standards from time to time adopted by NASDAQ (or, if at any time the Common Stock are not listed on NASDAQ and are listed on a stock exchange other than NASDAQ, the applicable corporate governance listing standards of such stock exchange) with respect to the composition of the board of directors of a listed company (without regard to any independence criteria applicable under such standards only to the members of a committee of the board of directors) and (ii) in the case elected other than pursuant to a Share Designation, also satisfies the minimum requirements of director independence of Rule 10A-3(b)(1) under the Exchange Act (as from time to time in effect), whether or not such Director is a member of the audit committee and (iii) is not a Related Party of Manager, any other manager or sub-manager of the Corporation or any of its subsidiaries, or any other Person performing similar duties or functions.

(q) "Manager" means FIG LLC, a Delaware limited liability company, together with its permitted assignees under the Management and Advisory Agreement, dated as of May 20, 2015, between the Corporation and FIG LLC, as amended, supplemented or restated from time to time and any Share Designation.

(r) "National Securities Exchange" means an exchange registered with the Commission under Section 6(a) of the Exchange Act.

(s) "Outstanding" means, with respect to a class or series of Capital Stock, all Capital Stock of such class or series that are issued by the Corporation and reflected as outstanding on the Corporation's books and records as of the date of determination.

(t) "Person" means any individual, corporation, firm, partnership, joint venture, limited liability company, estate, trust, business association, organization, Governmental Entity or other entity.

(u) "Preferred Stock" means any other class of Stock that entitles the Record Holders thereof to a preference or priority over the Record Holders of the Common Stock in (a) the right to share profits or losses or items thereof, (b) the right to share in distributions or (c) rights upon dissolution or liquidation of the Corporation.

(v) "Record Date" means, with respect to any class or series of Capital Stock, the date established by the Corporation for determining (a) the identity of the Record Holders of such class or series of Capital Stock entitled to notice of, or to vote at, any meeting of stockholders or entitled to exercise rights in respect of any lawful action of stockholders, in each case to the extent applicable to such class or series of Capital Stock, or (b) the identity of Record Holders of such class or series entitled to receive any report or payment of any dividend or other distribution on such class or series of Capital Stock or to participate in any offer for such class or series of Capital Stock.

(w) "Record Holder" or "holder" means with respect to any Capital Stock, the Person in whose name such Capital Stock are registered on the books of the Transfer Agent as of the opening of business on a particular Business Day or otherwise the Person in whose name such Capital Stock are registered on the books that the Corporation has caused to be kept as of the opening of business on such Business Day.

(x) "Related Party" means, with respect to any Person, (a) any Affiliate of such Person or any of such Person's subsidiaries, and (b) any current officers, directors, employees, investment professionals or agents of such initial Person or the Persons described in clause (a) and their respective spouses, parents, parents-in-law, step-parents, children, step-children, siblings, siblings-in-law and step-siblings.

(y) "Securities Act" means the Securities Act of 1933, as amended, supplemented or restated from time to time and any successor to such statute, and the rules and regulations promulgated thereunder.

(z) "Share Designation" shall have the meaning ascribed to such term in the Certificate of Incorporation.

(aa) "Super-Majority" means two-thirds (2/3) of the total votes that may be cast by holders of all Outstanding Voting Stock.

(bb) "Subsidiary" means, with respect to any Person, as of any date of determination, any other Person as to which such Person owns or otherwise controls, directly or indirectly, more than 50% of the voting stock or other similar interests or a sole general partner interest or managing member or similar interest of such Person.

(cc) "Transfer Agent" means, with respect to any class of Capital Stock, such bank, trust company or other Person (including the Corporation or one of its Affiliates) as shall be appointed from time to time by the Corporation to act as registrar and transfer agent for such class of Capital Stock; provided that if no Transfer Agent is specifically designated for such class of Capital Stock, the Corporation shall act in such capacity.

(dd) "Voting Stock" of any Person as of any date means the Capital Stock of such Person that is at the time (i) entitled to vote in the election of the board of directors of such Person or (ii) entitled to vote pursuant to the terms of any Share Designation.

ARTICLE VIII

INDEMNIFICATION

Section 8.1 Power to Indemnify in Actions, Suits or Proceedings Other Than Those by or in the Right of the Corporation. Subject to Section 8.3 the Corporation shall indemnify any Indemnified Person who was or is a party or is threatened to be made a party to any threatened, pending or completed action, suit or proceeding, whether civil, criminal, administrative or investigative (other than an action by or in the right of the Corporation), by reason of his or her status as such against expenses (including attorneys' fees), judgments, fines and amounts paid in settlement actually and reasonably incurred by such Indemnified Person in connection with such action, suit or proceeding if such Indemnified Person acted in good faith and in a manner such Indemnified Person reasonably believed to be in or not opposed to the best interests of the Corporation, and, with respect to any criminal action or proceeding, had no reasonable cause to believe such Indemnified Person's conduct was unlawful. The termination of any action, suit or proceeding by judgment, order, settlement, conviction, or upon a plea of nolo contendere or its equivalent, shall not, of itself, create a presumption that the Indemnified Person did not act in good faith and in a manner which such Indemnified Person reasonably believed to be in or not opposed to the best interests of the Corporation, and, with respect to any criminal action or proceeding, had reasonable cause to believe that such Indemnified Person's conduct was unlawful.

Section 8.2 Power to Indemnify in Actions, Suits or Proceedings by or in the Right of the Corporation. Subject to Section 8.3 the Corporation shall indemnify any Indemnified Person who was or is a party or is threatened to be made a party to any threatened, pending or completed action or suit by or in the right of the Corporation to procure a judgment in its favor by reason of his or her status as such against expenses (including attorneys' fees) actually and reasonably incurred by such Indemnified Person in connection with the defense or settlement of such action or suit if such Indemnified Person acted in good faith and in a manner such Indemnified Person reasonably believed to be in or not opposed to the best interests of the Corporation; except that no indemnification shall be made in respect of any claim, issue or matter as to which such Indemnified Person shall have been adjudged to be liable to the Corporation unless and only to the extent that the Court of Chancery of the State of Delaware or the court in which such action or suit was brought shall determine upon application that, despite the adjudication of liability but in view of all the circumstances of the case, such Indemnified Person is fairly and reasonably entitled to indemnity for such expenses that the Court of Chancery or such other court shall deem proper.

Section 8.3 Authorization of Indemnification. Any indemnification under this Article VIII (unless ordered by a court) shall be made by the Corporation only as authorized in the specific case upon a determination that indemnification of the Indemnified Person is proper in the circumstances because such Indemnified Person has met the applicable standard of conduct set forth in Section 8.1 or Section 8.2, as the case may be. Such determination shall be made, with respect to an Indemnified Person who was a Director, officer or other individual designated by the Board of Directors as an Indemnified Person of the Corporation at the time of such determination, (i) by a majority vote of the Directors who are not parties to such action, suit or proceeding, even though less than a quorum, or (ii) by a committee of such Directors designated by a majority vote of such Directors, even though less than a quorum, or (iii) if there are no such Directors, or if such Directors so direct, by independent legal counsel in a written opinion or (iv) by the stockholders. Such determination shall be made, with respect to former Directors, officers or other individuals designated by the Board of Directors as Indemnified Persons of the Corporation, by any person or persons having the authority to act on the matter on behalf of the Corporation. To the extent, however, that a present or former Director, officer or other individual designated by the Board of Directors as an Indemnified Person of the Corporation has been successful on the merits or otherwise in defense of any action, suit or proceeding described above, or in defense of any claim, issue or matter therein, such Indemnified Person shall be indemnified against expenses (including attorneys' fees) actually and reasonably incurred by such Indemnified Person in connection therewith, without the necessity of authorization in the specific case.

Section 8.4 Good Faith Defined. For purposes of any determination under Section 8.3, an Indemnified Person shall be deemed to have acted in good faith and in a manner such Indemnified Person reasonably believed to be in or not opposed to the best interests of the Corporation, or, with respect to any criminal action or proceeding, to have had no reasonable cause to believe such Indemnified Person's conduct was unlawful, if such Indemnified Person's action is based on the records or books of account of the Corporation or another enterprise, or on information supplied to such Indemnified Person by the Officers of the Corporation or another enterprise in the course of their duties, or on the advice of legal counsel for the Corporation or another enterprise or on information or records given or reports made to the Corporation or another enterprise by an independent certified public accountant or by an appraiser or other expert selected with reasonable care by the Corporation or another enterprise. The provisions of this Section 8.4 shall not be deemed to be exclusive or to limit in any way the circumstances in which an Indemnified Person may be deemed to have met the applicable standard of conduct set forth in Section 8.1 or Section 8.2, as the case may be.

Section 8.5 Indemnification by a Court. Notwithstanding any contrary determination in the specific case under Section 8.3, and notwithstanding the absence of any determination thereunder, any Indemnified Person may apply to the Court of Chancery of the State of Delaware or any other court of competent jurisdiction in the State of Delaware for indemnification to the extent otherwise permissible under Section 8.1 or Section 8.2. The basis of such indemnification by a court shall be a determination by such court that indemnification of the Indemnified Person is proper in the circumstances because such Indemnified Person has met the applicable standard of conduct set forth in Section 8.1 or Section 8.2, as the case may be. Neither a contrary determination in the specific case under Section 8.3 nor the absence of any determination thereunder shall be a defense to such application or create a presumption that the Indemnified Person seeking indemnification has not met any applicable standard of conduct. Notice of any application for indemnification pursuant to this Section 8.5 shall be given to the Corporation promptly upon the filing of such application. If successful, in whole or in part, the Indemnified Person seeking indemnification shall also be entitled to be paid the expense of prosecuting such application; provided, however, that such notice shall not be a requirement for an award of or a determination of entitlement to indemnification or advancement of expenses.

Section 8.6 Expenses Payable in Advance. Expenses (including attorneys' and other professionals' disbursements and fees and court costs) incurred by an Indemnified Person in defending any civil, criminal, administrative or investigative action, suit or proceeding shall be paid by the Corporation in advance of the final disposition of such action, suit or proceeding upon receipt of a written undertaking by or on behalf of such Director or officer to repay such amount if it shall ultimately be determined that such Person is not entitled to be indemnified by the Corporation as authorized in this Article VIII. Such expenses (including attorneys' fees) incurred by former Directors and officers or other employees and agents of the Corporation or by persons serving at the request of the Corporation as directors, officers, employees or agents of another corporation, partnership, joint venture, trust or other enterprise may be so paid upon such terms and conditions, if any, as the Corporation deems appropriate.

Section 8.7 Nonexclusivity of Indemnification and Advancement of Expenses. The indemnification and advancement of expenses provided by, or granted pursuant to, this Article VIII shall not be deemed exclusive of any other rights to which those seeking indemnification or advancement of expenses may be entitled under the Certificate of Incorporation, these By-Laws, any agreement, vote of stockholders or disinterested Directors or otherwise, both as to action in such person's official capacity and as to action in another capacity while holding such office, it being the policy of the Corporation that indemnification of and the advancement of expenses to the persons specified in Section 8.1 and Section 8.2 shall be made to the fullest extent permitted by law. The provisions of this Article VIII shall not be deemed to preclude the indemnification of any Person who is not specified in Section 8.1 or Section 8.2 but whom the Corporation would have the power or obligation to indemnify under the provisions of the DGCL or otherwise.

Section 8.8 Insurance. The Corporation may purchase and maintain at its expense insurance on behalf of any Person entitled to indemnification under this Section 8.8 against any liability asserted against such Person and incurred by such Person in any such capacity, or arising out of such Person's status as such, whether or not the Corporation would have the power or the obligation to indemnify such Person against such liability under the provisions of this Article VIII.

Section 8.9 Certain Definitions. For purposes of this Article VIII, references to the "Corporation" shall include, in addition to the resulting corporation, any constituent corporation (including any constituent of a constituent) absorbed in a consolidation or merger which, if its separate existence had continued, would have had power and authority to indemnify its directors or officers, so that any Person who is or was a director or officer of such constituent corporation, or is or was a director or officer of such constituent corporation serving at the request of such constituent corporation as a director, officer, employee or agent of another corporation, partnership, joint venture, trust or other enterprise, shall stand in the same position under the provisions of this Article VIII with respect to the resulting or surviving corporation as such Person would have with respect to such constituent corporation if its separate existence had continued. The term "another enterprise" as used in this Article VIII shall mean any other corporation or any partnership, joint venture, trust, employee benefit plan or other enterprise of which such Person is or was serving at the request of the Corporation as a director, officer, employee or agent. For purposes of this Article VIII, references to "fines" shall include any excise taxes assessed on a Person with respect to an employee benefit plan; and references to "serving at the request of the Corporation" shall include any service as a director, officer, employee or agent of the Corporation which imposes duties on, or involves services by, such director or officer with respect to an employee benefit plan, its participants or beneficiaries; and a Person who acted in good faith and in a manner such Person reasonably believed to be in the interest of the participants and beneficiaries of an employee benefit plan shall be deemed to have acted in a manner "not opposed to the best interests of the Corporation" as referred to in this Article VIII.

Section 8.10 Survival of Indemnification and Advancement of Expenses. The indemnification and advancement of expenses provided by, or granted pursuant to, this Article VIII shall, unless otherwise provided when authorized or ratified, continue as to a Person who has ceased to be an Indemnified Person and shall inure to the benefit of the heirs, executors and administrators of such a Person.

Section 8.11 Limitation on Indemnification. Notwithstanding anything contained in this Article VIII to the contrary, except for proceedings to enforce rights to indemnification (which shall be governed by Section 8.5), the Corporation shall not be obligated to indemnify any Indemnified Person (or such Indemnified Person's heirs, executors or personal or legal representatives) or advance expenses in connection with a proceeding (or part thereof) initiated by such Indemnified Person unless such proceeding (or part thereof) was authorized or consented to by the Board of Directors of the Corporation.

Section 8.12 Indemnification of Employees and Agents. The Corporation may, to the extent authorized from time to time by the Board of Directors, provide rights to indemnification and to the advancement of expenses to employees and agents of the Corporation similar to those conferred in this Article VIII to Indemnified Persons.

Section 8.13 Indemnification with Respect to Employee Benefit Plans. Any liabilities which an Indemnified Person incurs as a result of acting on behalf of the Corporation (whether as a fiduciary or otherwise) in connection with the operation, administration or maintenance of an employee benefit plan or any related trust or funding mechanism (whether such liabilities are in the form of excise taxes assessed by the United States Internal Revenue Service, penalties assessed by the Department of Labor, restitutions to such a plan or trust or other funding mechanism or to a participant or beneficiary of such plan, trust or other funding mechanism, or otherwise) shall be treated as liabilities indemnifiable under this Article VIII.

Section 8.14 Contractual Rights. Nothing contained in this Article VIII shall prevent the Corporation from entering into with any Person any agreement that provides independent indemnification, hold harmless or exoneration rights to such Person or further regulates the terms on which indemnification, hold harmless or exoneration rights are to be provided to such Person or provides independent assurance of any one or more of the Corporation's obligations to indemnify, hold harmless, and exonerate such person, whether or not such indemnification, hold harmless or exoneration rights are on the same or different terms than provided for by this Article VIII or is in respect of such Person acting in any other capacity, and nothing contained herein shall be exclusive of, or a limitation on, any right to indemnification, to be held harmless, to exoneration or to advancement of expenses to which any Person is otherwise entitled. The Corporation may create a trust fund, grant a security interest or use other means (including a letter of credit) to ensure the payment of such amounts as may be necessary to effect indemnification and the advancement of expenses as provided in this Article VIII. The rights conferred upon any Person in this Article VIII shall be contract rights and such rights shall continue as to any Person who has ceased to be a director, officer, employee, trustee or agent of the Corporation, and shall inure to the benefit of such person's heirs, executors and administrators. A right to indemnification or to advancement of expenses arising under a provision of the Certificate of Incorporation or these By-Laws shall not be eliminated or impaired by an amendment to the Certificate of Incorporation or these By-Laws after the occurrence of the act or omission that is the subject of the civil, criminal, administrative or investigative action, suit or proceeding for which indemnification or advancement of expenses is sought, unless the provision in effect at the time of such act or omission explicitly authorizes such elimination or impairment after such action or omission has occurred.

ARTICLE IX

FORUM FOR ADJUDICATION OF CERTAIN DISPUTES

Section 9.1 Forum for Adjudication of Certain Disputes.

(a) Unless the Corporation consents in writing to the selection of an alternative forum (an "Alternative Forum Consent"), the Court of Chancery of the State of Delaware shall, to the fullest extent permitted by applicable law, be the sole and exclusive forum for (i) any derivative action or proceeding brought on behalf of the Corporation, (ii) any action asserting a claim of breach of a fiduciary duty owed by any current or former Director, officer, employee, agent or stockholder of the Corporation to the Corporation or the Corporation's stockholders, (iii) any action asserting a claim against the Corporation or any current or former director, officer, stockholder, employee or agent of the Corporation arising pursuant to any provision of the DGCL, the Certificate of Incorporation or these By-Laws, or (iv) any action asserting a claim against the Corporation or any current or former Director, officer, stockholder employee or agent of the Corporation governed by the internal affairs doctrine of the State of Delaware, in each such case unless the Court of Chancery has dismissed a prior action by the same plaintiff asserting the same claims because such court lacked personal jurisdiction over an indispensable party named as a defendant therein. Any person or entity purchasing or otherwise acquiring any interest in Capital Stock of the Corporation shall be deemed to have notice of and consented to the provisions of this Section 9.1 and all other provisions of these By-laws. The existence of any prior Alternative Forum Consent shall not act as a waiver of the Corporation's ongoing consent right as set forth above in this Section 9.1(a) with respect to any current or future actions or claims.

(b) If any provision or provisions of this Section 9.1 shall be held to be invalid, illegal or unenforceable as applied to any person or entity or circumstance for any reason whatsoever, then, to the fullest extent permitted by law, the validity, legality and enforceability of such provisions in any other circumstance and of the remaining provisions of this Section 9.1 (including, without limitation, each portion of any sentence of this Section 9.1 containing any such provision held to be invalid, illegal or unenforceable that is not itself held to be invalid, illegal or unenforceable) and the application of such provision to other persons or entities and circumstances shall not in any way be affected or impaired thereby.

(c) To the fullest extent permitted by law, if any action the subject matter of which is within the scope of Section 9.1(a) is filed in a court other than a court located within the State of Delaware (a "Foreign Action") in the name of any stockholder, such stockholder shall be deemed to have consented to (i) the personal jurisdiction of the state and federal courts located within the State of Delaware in connection with any action brought in any such court to enforce Section 9.1(a) (an "FSC Enforcement Action") and (ii) having service of process made upon such stockholder in any such FSC Enforcement Action by service upon such stockholder's counsel in the Foreign Action as agent for such stockholder.

(d) Notwithstanding Section 9.1(a), unless the Corporation gives an Alternative Forum Consent, the federal district courts of the United States of America shall, to the fullest extent permitted by law, be the sole and exclusive forum for the resolution of any complaint asserting a cause of action arising under the Securities Act of 1933 (the "1933 Act"). Any person or entity purchasing, holding, owning or otherwise acquiring any interest in any security of the Corporation shall be deemed to have notice of and consented to the provisions of this Section 9.1(d) and all other provisions of these By-laws. The existence of any prior Alternative Forum Consent shall not act as a waiver of the Corporation's ongoing consent right as set forth above in this Section 9.1(d) with respect to any current or future actions or claims arising under the 1933 Act.

ARTICLE X

AMENDMENTS

Section 10.1 General. Except as provided in the Certificate of Incorporation or Sections 10.2 and 10.3 of this Article X, the Board of Directors may amend any of the terms of these By-Laws but only in compliance with the terms, conditions and procedures set forth in this Section 10.1. If the Board of Directors desires to amend any provision of these By-Laws other than pursuant to Section 10.2, then it shall first adopt a resolution setting forth the amendment proposed, declaring its advisability, and then (i) call a special meeting of the stockholders entitled to vote in respect thereof for the consideration of such amendment or (ii) direct that the amendment proposed be considered by the stockholders entitled to vote in respect thereof the next annual meeting of the stockholders. Amendments to these By-Laws may be proposed only by or with the consent of the Board of Directors. Such special or annual meeting shall be called and held upon notice in accordance with these By-Laws. The notice shall set forth such amendment in full or a brief summary of the changes to be effected thereby, as the Board of Directors shall deem advisable. At the meeting, a vote of stockholders entitled to vote thereon shall be taken for and against the proposed amendment. Subject to any Share Designation, a proposed amendment shall be effective (i) if the Common Stockholders are entitled to vote thereon, upon its approval by a Super Majority, unless a greater percentage is required under the By-Laws or by Delaware law; (ii) if the holders of any Preferred Stock are entitled to vote thereon, upon its approval by the requisite vote of the holders of such Preferred Stock as set forth in the applicable Share Designations; or (iii) if the Common Stockholders and the holders of any Preferred Stock are entitled to vote thereon, upon the approval of the Common Stockholders and the holders of such Preferred Stock as described in the foregoing clauses (i) and (ii). The Corporation's Bylaws also may be adopted, amended, altered or repealed by the affirmative vote of a Super Majority, voting together as a single class.

Section 10.2 Amendments to be Adopted by the Board of Directors. Except as provided in the Certificate of Incorporation, the Board of Directors, without the approval of any stockholder, may amend any provision of these By-Laws, and execute, swear to, acknowledge, deliver, file and record whatever documents may be required in connection therewith, to reflect:

(a) a change in the name of the Corporation, the location of the principal place of business of the Corporation, the registered agent of the Corporation or the registered office of the Corporation;

(b) a change that, in the sole discretion of the Board of Directors, it determines (i) does not adversely affect the stockholders (including adversely affecting the holders of any particular class or series of Capital Stock as compared to other holders of other classes or series of Capital Stock) in any material respect; (ii) to be necessary or appropriate to satisfy any requirements, conditions or guidelines contained in any opinion, directive, order, ruling or regulation of any federal or state agency or judicial authority or contained in any federal or state statute (including the DGCL); (iii) to be necessary, desirable or appropriate to facilitate the trading of the Capital Stock (including the division of any class or classes or series of Outstanding Capital Stock into different classes or series to facilitate uniformity of tax consequences within such classes or series of Capital Stock) or comply with any rule, regulation, guideline or requirement of any National Securities Exchange on which Capital Stock are or will be listed for trading, compliance with any of which the Board of Directors deems to be in the best interests of the Corporation and the stockholders; (iv) to be necessary or appropriate in connection with action taken by the Board of Directors pursuant to Section 10.2(c) of these By-Laws or (v) is required to effect the intent of the provisions of the Certificate of Incorporation or these By-Laws or is otherwise contemplated by the Certificate of Incorporation or these By-Laws;

(c) a change in the fiscal year or taxable year of the Corporation and any other changes that the Board of Directors determines to be necessary or appropriate as a result of a change in the fiscal year or taxable year of the Corporation;

(d) an amendment that the Board of Directors determines, based on the advice of counsel, to be necessary or appropriate to prevent the Corporation or its Directors, officers, trustees or agents from in any manner being subjected to the provisions of the Investment Company Act of 1940, as amended, the Investment Advisers Act of 1940, as amended, or "plan asset" regulations adopted under the Employee Retirement Income Security Act of 1974, as amended, regardless of whether such are substantially similar to plan asset regulations currently applied or proposed by the United States Department of Labor;

(e) an amendment that the Board of Directors determines to be necessary or appropriate in connection with the authorization or issuance of any class or series of Capital Stock pursuant to Article FOURTH of the Certificate of Incorporation;

(f) any amendment expressly permitted in the Certificate of Incorporation or these By-Laws to be made by the Board of Directors acting alone;

(g) an amendment effected, necessitated or contemplated by a merger agreement approved in accordance with the Certificate of Incorporation and these By-Laws;

(h) an amendment that the Board of Directors determines to be necessary or appropriate to reflect and account for the formation by the Corporation of, or investment by the Corporation in, any corporation, partnership, joint venture, limited liability company or other entity, in connection with the conduct by the Corporation of activities permitted by the terms of Article THIRD of the Certificate of Incorporation;

(i) a merger, conversion or conveyance approved in accordance with the requirements of the DGCL, the Certificate of Incorporation and these By-Laws; or

(j) any other amendments substantially similar to the foregoing.

Section 10.3 Amendment Requirements.

(a) Notwithstanding the provisions of Sections 10.1 and 10.2, no provision of the Certificate of Incorporation or these By-Laws that establishes a percentage of Outstanding Voting Stock required to take any action shall be amended, altered, changed, repealed or rescinded in any respect that would have the effect of reducing such voting percentage unless such amendment is approved by the affirmative vote of holders of Outstanding Voting Stock whose aggregate Outstanding Voting Stock constitute not less than the voting requirement sought to be reduced.

(b) Notwithstanding the provisions of Sections 10.1 and 10.2, no amendment to the Certificate of Incorporation or these By-Laws may change the term of the Corporation.

* * *

Adopted as of: [●], 2022
Last Amended as of: N/A

Exhibit 4.1

CERTIFICATE OF DESIGNATIONS
OF
SERIES A SENIOR PREFERRED STOCK
OF
FTAI INFRASTRUCTURE INC.

FILED IN THE OFFICE OF THE SECRETARY OF STATE OF DELAWARE

ON [●], 2022

Pursuant to Section 151 of the General Corporation Law of the State of Delaware

Pursuant to Section 151 of the General Corporation Law of the State of Delaware (the "DGCL"), FTAI Infrastructure Inc., a corporation duly organized and validly existing under the DGCL (the "Issuer" or the "Company"), in accordance with the provisions of Section 103 thereof, does hereby submit the following:

WHEREAS, the Certificate of Incorporation of the Issuer (as amended, restated, supplemented or otherwise modified from time to time, the "Certificate of Incorporation") authorizes the issuance of up to 300,000 shares of preferred stock, par value $0.01 per share, of the Issuer ("Preferred Stock") in one or more series; and expressly authorizes the Board of Directors of the Issuer (the "Board of Directors"), subject to limitations prescribed by law, to provide out of the unissued shares of the Preferred Stock for one or more series of Preferred Stock and to establish from time to time the number of shares to be included in each such series and to fix the voting rights, if any, designations, powers, preferences and relative, participating, optional, special and other rights, if any, of each such series and any qualifications, limitations and restrictions thereof, as shall be stated in the resolution or resolutions adopted by the Board of Directors providing for the issuance of such series and included in a certificate of designations;

WHEREAS, on [●], 2022, the Board of Directors approved and adopted the following certificate of designations (this "Certificate of Designations" or this "Certificate") for purposes of issuing shares of Preferred Stock, with a par value of $0.01 per share, designated as a series known as "Series A Senior Preferred Stock", with each such share having the designations, powers, preferences and relative, participating, optional, special and other rights, and the qualifications, limitations and restrictions, as set forth in this Certificate of Designations; and

WHEREAS, certain capitalized terms used in this Certificate of Designations shall have the meanings ascribed to such terms in Section 14 hereof.

NOW THEREFORE, BE IT RESOLVED, that, pursuant to authority conferred upon the Board of Directors by the Certificate of Incorporation, the Board of Directors hereby provides out of the unissued shares of the Preferred Stock a series of Preferred Stock designated as "Series A Senior Preferred Stock" and authorizes for issuance 300,000 shares of the Series A Preferred Stock (as defined below), and hereby fixes the designations, powers, preferences and relative, participating, optional, special and other rights, and the qualifications, limitations and restrictions of the Series A Preferred Stock, as follows:

1. Designation.

(a) Series A Preferred Stock. A total of 300,000 shares of Preferred Stock, with a par value of $0.01 per share, shall be designated as a series known as "Series A Senior Preferred Stock", with each such share having an initial Stated Value of $1,000 per share (the "Series A Preferred Stock"), which Series A Preferred Stock will have the respective designations, powers, preferences and relative, participating, optional, special and other rights, and the qualifications, limitations and restrictions set forth in this Certificate of Designations.

2. Ranking; Liquidation. With respect to (a) payment of dividends, (b) distribution of assets and (c) all other liquidation, winding up, dissolution, dividend and redemption rights, the Series A Preferred Stock shall rank senior in priority of payment to all Junior Stock in any liquidation, dissolution, winding up or distribution of the Company, and junior to any existing or future secured or unsecured Indebtedness and other liabilities (including trade payables) of the Company.

3. Voting.

(a) Generally. The Holders have no voting rights with respect to the Series A Preferred Stock except as set forth in this Certificate of Designations (including without limitation, Section 7), the Certificate of Incorporation, the Bylaws or as otherwise required by law.

(b) Voting Power. At the time of any vote or consent of any of the Holders under this Certificate of Designations, any other Related Agreement or as otherwise required by law, each Holder shall be entitled to one (1) vote for each share of Series A Preferred Stock held by such Holder, except as expressly set forth in Section 7.

(c) Written Consent. A consent or affirmative vote of the Holders may be given or obtained either in writing without a meeting, or in person or by proxy at a regular annual meeting, or a special meeting of stockholders or holders of Series A Preferred Stock. The Holders shall be entitled to notice of all stockholder meetings or stockholder actions by written consent in accordance with the Certificate of Incorporation, the Bylaws, and the DGCL as if the Holders were holders of Common Stock.

4. Dividends.

(a) Generally. All Dividends, including Compounded Dividends, are prior to and in preference over any dividend on any Junior Stock and shall be declared and fully paid before any dividends are declared and paid, or any other distributions are made, on any Junior Stock. Except as set forth in Section 6, Dividends shall be payable to the Holders as they appear on the records of the Company on the record date for such Dividends, which, to the extent the Board of Directors determines to declare Dividends in respect of any Dividend Period, shall be the date that is 15 calendar days prior to the applicable Dividend Payment Date, and which record date and Dividend Payment Date, to the extent so determined, shall be declared by the Board of Directors during each Dividend Period on the date that is at least 20 calendar days prior to the Dividend Payment Date and 5 calendar days prior to the record date.

(b) Dividend Calculation. From and after the Initial Issue Date, preferential cumulative dividends ("Dividends") shall accrue and accumulate on each share of Series A Preferred Stock outstanding on a daily basis in arrears at the applicable Dividend Rate then in effect whether or not declared and paid, and, if not declared and paid, shall accrue and be compounded as described below. Dividends with respect to each Dividend Period shall be the sum of the dividends calculated on a daily basis during such period. The daily dividend shall be calculated as the product of (i) the Stated Value of each share of the Series A Preferred Stock outstanding, and (ii) the applicable Dividend Rate specified in clause (c) below for each day elapsed during such Dividend Period divided by 360. Dividends will be due and payable monthly in arrears, at the election of the Company, in cash at any time when, as and if declared by the Board of Directors or a duly authorized committee hereof, out of the assets of the Company and its Subsidiaries on each Dividend Payment Date. To the extent any Dividends are not paid in cash, such Dividends shall be automatically compounded monthly on each Dividend Payment Date. On each Dividend Payment Date related to a Dividend Period for which the Company does not for any reason (including because payment of any Dividend is prohibited by law) timely pay in cash all Dividends that accumulated during such Dividend Period, any such accrued but unpaid Dividends shall (whether or not earned or declared) become part of the Stated Value of such share as of the applicable Dividend Payment Date ("Compounded Dividends"). The Company shall inform the Holders of the intention that Dividends for any such Dividend Period will be paid in cash on or prior to the fifth (5^{th}) Business Day prior to the end of the applicable Dividend Period and if such notice is not provided then such Dividends shall not be deemed as timely paid such that the decrease of Dividend Rate as provided in the first proviso of Section 4(c) shall not apply.

(c) Dividend Rate. The dividend rate (the "Dividend Rate") for the Series A Preferred Stock shall be the greater of 12.00% per annum and the HY Premium Rate on the Initial Issue Date (the "Base Dividend Rate"); *provided*, that (i) prior to the first day following the second (2nd) anniversary of the Initial Issue Date, with respect to any Dividends that are timely paid in cash on an applicable Dividend Payment Date, the Dividend Rate for such Dividend Period shall be decreased by 2.00%, and (ii) commencing on the first day following the second (2nd) anniversary of the Initial Issue Date, with respect to any Dividends, if (A) such Dividends are timely paid in cash on an applicable Dividend Payment Date and (B) all Dividends (including those that become part of the Stated Value) accrued commencing on the first day following the second (2nd) anniversary of the Initial Issue Date have also been paid in full in cash as of the applicable Dividend Payment Date, the Dividend Rate for such Dividend Period shall be decreased by 2.00%; *provided*, *further,* that the Base Dividend Rate and Dividend Rate shall also be subject to increase in accordance with this Section 4.

(d) Cash Dividend. Except to the extent prohibited by law, commencing on the first day following the second (2nd) anniversary of the Initial Issue Date, the Company shall cause all when, as and if declared Dividends to be paid in cash.

(e) Increases to Dividend Rate.

(i) The Base Dividend Rate shall be increased from the then-applicable Base Dividend Rate by 1.00% per annum on the fifth (5th) anniversary of the Initial Issue Date and on each one (1) year anniversary thereafter. For the avoidance of doubt and illustrative purposes, if the initial Base Dividend Rate is 12.00%, the Base Dividend Rate as of the fifth (5th) anniversary of the Initial Issue Date shall be 13.00% and as of the sixth (6th) anniversary of the Initial Issue Date shall be 14.00%, subject, in each case to any additional increases.

(ii) The Dividend Rate shall also be increased following the second (2nd) anniversary of the Initial Issue Date by 2.00% per annum with respect to (A) any Dividend Period following (in whole or in part) the second (2nd) anniversary of the Initial Issue Date where the applicable Dividend was not paid in full in cash (whether or not earned or declared) on a Dividend Payment Date, and (B) each subsequent Dividend Period thereafter until all such prior Dividends (including those that become part of the Stated Value) not paid in full in cash are paid in full in cash. For the avoidance of doubt and illustrative purposes, if the Company fails to pay a Dividend in cash for the first month commencing on the fifth (5th) anniversary of the Initial Issue Date (and the initial Base Dividend Rate was 12.00%) then the Dividend Rate for such Dividend Period shall be 15.00% per annum and shall remain such rate until such Dividends are paid in full in cash or the Base Dividend Rate or the Dividend Rate is further increased, subject, in each case to any additional increases.

(iii) The Dividend Rate shall also be increased at the time of an Event of Noncompliance, until the first Dividend Period commencing following such time as all Events of Noncompliance shall be cured, by 2.00% per annum; *provided*, that more than one concurrent Event of Noncompliance shall only give rise to a single increase of 2.00% to the Dividend Rate under this clause (iii). For the avoidance of doubt and illustrative purposes, if an Event of Noncompliance has occurred and is continuing at a time when the Dividend Rate was otherwise 13.00% per annum, then the Dividend Rate immediately after such Event of Noncompliance would become 15.00% per annum, subject to any additional increases or decreases as provided in this Section 4.

(f) Junior Stock. Without limiting Section 8, if any Dividends are not paid in cash (whether or not earned or declared) for any reason (including because payment of any Dividend is prohibited by law) on a Dividend Payment Date following the second (2nd) anniversary of the Initial Issue Date, and until all accrued but unpaid Dividends (including those that become part of the Stated Value) are paid in full in cash, then:

(i) no dividend, whether in cash or property, may be declared or paid or set apart for payment on any Junior Stock; and

(ii) the Company shall not and shall cause its Subsidiaries not to, directly or indirectly, repurchase, redeem or otherwise acquire for consideration any shares of Junior Stock.

5. Redemption.

(a) Optional Redemption. At any time and from time to time, from and after the Initial Issue Date, to the extent not prohibited by law, the Company may elect to redeem all outstanding shares of Series A Preferred Stock, or any portion thereof, in cash at a redemption price per share of Series A Preferred Stock equal to the Optional Redemption Price on the terms and subject to the conditions set forth in this Section 5 (an "Optional Redemption").

(b) Optional Redemption Price. The total price for each share of Series A Preferred Stock redeemed pursuant to this Section 5 shall be an amount per share of Series A Preferred Stock equal to the greater of (such greater amount, the "Optional Redemption Price") (A) the Liquidation Value of such share of Series A Preferred Stock and (B) the Base Preferred Return Amount with respect thereto, in each case, calculated as of the Optional Redemption Date.

(c) Optional Redemption Mechanics.

(i) Any election by the Company pursuant to this Section 5 shall be made by delivery to the Holders of written notice (the "Optional Redemption Notice") of the Company's election to redeem, at least 10 calendar days but no more than 60 calendar days prior to the elected redemption date (each such date, an "Optional Redemption Date"), which Optional Redemption Notice shall state:

(A) that an Optional Redemption is being made and the number of shares of Series A Preferred Stock being redeemed; and

(B) (1) the Optional Redemption Price, (2) the bank or trust company with which the aggregate Optional Redemption Price shall be deposited on or prior to the Optional Redemption Date, (3) the Optional Redemption Date (or, to the extent not ascertainable at the time of such notice, a good faith estimate of the Optional Redemption Date) and (4) the manner of and place designated for surrender (as set forth in Section 6(f)) of certificates (if the shares are certificated) representing shares of Series A Preferred Stock to be redeemed.

(ii) Any Optional Redemption Notice may, at the Company's discretion, be subject to one or more conditions precedent.

(iii) Any Optional Redemption that is effected pursuant to this Section 5 shall be made on a pro rata basis among all Holders in proportion to the number of shares of Series A Preferred Stock held by such Holders. For the avoidance of doubt, shares of the Series A Preferred Stock are not redeemable at the Company's election except pursuant to this Section 5.

(iv) On or before any Optional Redemption Date, the Company shall deposit the amount of the applicable aggregate Optional Redemption Price with a bank, trust company or exchange agent having an office in New York City in trust for the benefit of such Holders. On the Optional Redemption Date but subject to Section 6(f), the Company shall cause to be paid in cash the applicable aggregate Optional Redemption Price for such shares of Series A Preferred Stock to such Holders at an account or accounts designated by such Holders. Upon such payment in full, such shares of Series A Preferred Stock will be deemed to have been redeemed, whether or not the certificates (if the shares are certificated) for such shares of Series A Preferred Stock have been surrendered for redemption and canceled, and Dividends with respect to such redeemed shares of Series A Preferred Stock shall cease to accumulate and all designations, rights, preferences, powers, qualifications, restrictions and limitations of such redeemed shares of Series A Preferred Stock shall forthwith terminate.

(v) If any shares of Series A Preferred Stock are not redeemed on the Optional Redemption Date for any reason, until such shares are redeemed, all such unredeemed shares of Series A Preferred Stock shall remain outstanding and entitled to all of the designations, powers, preferences and relative, participating, optional, special and other rights, and the qualifications, limitations and restrictions of the Series A Preferred Stock set forth in this Certificate of Designations, including the right to accumulate and receive Dividends thereon as set forth in Section 4 until the date on which the Company redeems and pays in full the Optional Redemption Price for such Series A Preferred Stock.

6. Mandatory Redemption Event.

(a) Mandatory Redemption. At the time of the occurrence of (i) any Bankruptcy Event, (ii) any Change of Control Event, or (iii) any Debt Acceleration Event (together with any Bankruptcy Event and Change of Control Event, each a "Mandatory Redemption Event"), the Company shall, to the extent not prohibited by law, redeem all of the shares of Series A Preferred Stock (such redemption, a "Mandatory Redemption") at the time of the occurrence of such Mandatory Redemption Event (the "Mandatory Redemption Time"), in cash (to be paid in accordance with Section 6(c)) at a price per share of Series A Preferred Stock equal to the Mandatory Redemption Price. If, at the Mandatory Redemption Time, the Company is prohibited by law from redeeming all shares of Series A Preferred Stock held by Holders, then the Company shall redeem such Series A Preferred Stock on a pro rata basis among Holders thereof to the fullest extent not so prohibited. Any shares of Series A Preferred Stock that are not redeemed pursuant to the immediately preceding sentence shall remain outstanding and entitled to all of the designations, powers, preferences and relative, participating, optional, special and other rights, and the qualifications, limitations and restrictions of the Series A Preferred Stock set forth in this Certificate of Designations, including the right to continue to accumulate and receive Dividends thereon as set forth in Section 4 and, under such circumstances, the redemption requirements provided hereby shall be continuous, so that at any time thereafter when the Company is not prohibited by law from redeeming such shares of Series A Preferred Stock, the Company shall immediately redeem such shares of Series A Preferred Stock at a price per share of Series A Preferred Stock equal to the Mandatory Redemption Price as of the Mandatory Redemption Time in accordance with this Section 6 together with payment of an amount equal to the additional accumulated and unpaid Dividends following the Mandatory Redemption Time.

(b) Mandatory Redemption Price. The total price for each share of Series A Preferred Stock redeemed pursuant to this Section 6 shall be an amount per share of Series A Preferred Stock equal to the greater of (such greater amount, the "Mandatory Redemption Price") (A) the Liquidation Value of such share Series A Preferred Stock and (B) the Base Preferred Return Amount with respect thereto, in each case, calculated as of the Mandatory Redemption Time.

(c) Mandatory Redemption Mechanics.

(i) With respect to a Mandatory Redemption Event, the Company shall send a notice to each Holder (the "Mandatory Redemption Notice") (A) with respect to a Mandatory Redemption Event that is a Change of Control Event, at least 15 Business Days prior to the anticipated date of closing of the Change of Control or (B) with respect to a Mandatory Redemption Event that is a Bankruptcy Event or a Debt Acceleration Event, promptly upon (but in no event later than 5 Business Days after) the occurrence of such Mandatory Redemption Event, which Mandatory Redemption Notice shall state:

(A) that a Mandatory Redemption is being made and that all of such Holder's shares of Series A Preferred Stock will be redeemed pursuant to this Section 6;

(B) (1) the Mandatory Redemption Price, (2) the bank or trust company with which the aggregate Mandatory Redemption Price shall be deposited on or prior to the Mandatory Redemption Time, (3) the Mandatory Redemption Time (or, to the extent not ascertainable at the time of such notice, a good faith estimate of the Mandatory Redemption Time), and (4) the manner of and place designated for surrender (as set forth in Section 6(f)) of certificates (if the shares are certificated) representing shares of Series A Preferred Stock to be redeemed; and

(C) a reasonably detailed description of the Mandatory Redemption Event, including the terms and conditions thereof.

(ii) With respect to a Mandatory Redemption Event, the Company shall cause the aggregate Mandatory Redemption Price to be paid in accordance with this Section 6(c) prior to or concurrently with the effective date of such Mandatory Redemption Event, except with respect to a Mandatory Redemption Event that is a Bankruptcy Event or a Debt Acceleration Event, the Company shall cause the aggregate Mandatory Redemption Price to be paid promptly upon (but in no event later than 10 Business Days after) the occurrence of such Mandatory Redemption Event. In furtherance of the foregoing, the Company shall ensure that concurrently with and as a condition to the consummation of a Change of Control, the Mandatory Redemption shall be effected in full.

(iii) On or before any Mandatory Redemption Time, the Company shall deposit the amount of the applicable aggregate Mandatory Redemption Price with a bank, trust company or exchange agent having an office in New York City irrevocably in trust for the benefit of such Holders. At the Mandatory Redemption Time, the Company shall immediately cause to be paid in cash the applicable Mandatory Redemption Price for such shares of Series A Preferred Stock to such Holders at an account or accounts designated by such Holders. Upon such payment in full, such shares of Series A Preferred Stock will be deemed to have been redeemed, whether or not the certificates (if the shares are certificated) for such shares of Series A Preferred Stock have been surrendered for redemption and canceled, and Dividends with respect to such redeemed shares of Series A Preferred Stock shall cease to accumulate and all designations, rights, preferences, powers, qualifications, restrictions and limitations of such redeemed shares of Series A Preferred Stock shall forthwith terminate.

(iv) The Company shall comply, to the extent applicable, with the requirements of Section 14 of the Exchange Act and any other securities laws (or rules of any exchange on which any Series A Preferred Stock are then listed) in connection with a redemption under this Section 6. To the extent there is any conflict between the notice or other timing requirements of this Section 6 and the applicable requirements of Section 14 of the Exchange Act, Section 14 of the Exchange Act shall govern.

(d) Company Efforts. The Company shall take such actions as are necessary to give effect to the provisions of this Section 6, including in the event the Company is prohibited by law from redeeming or is otherwise unable to redeem any shares of Series A Preferred Stock in connection with any Mandatory Redemption Event at the Mandatory Redemption Time, taking any action necessary or appropriate to the extent not prohibited by law to remove promptly any impediments to its ability to redeem such shares of Series A Preferred Stock required to be so redeemed, including (i) reducing the stated capital of the Company or revaluing the assets of the Company to their fair market values under Section 154 of the DGCL if such reduction or revaluation would create surplus sufficient to make all or any portion of such Mandatory Redemption payment, and (ii) generating legally available funds (whether by incurring indebtedness, issuing equity, selling assets, effecting a Deemed Liquidation Event or otherwise) sufficient to make all or any portion of such Mandatory Redemption payment. In the event of any Change of Control Event in which the Company is not the continuing or surviving corporation or entity, proper provision shall be made so that the ultimate parent of such continuing or surviving corporation or entity shall agree to carry out and observe the obligations of the Company under this Certificate of Designations.

(e) Redemption Preference. Any redemption under Section 5 or this Section 6 shall be in preference to and in priority over any dividend, distribution or redemption rights of any Junior Stock.

(f) Surrender of Certificates. The Holder of each share of Series A Preferred Stock to be redeemed pursuant to Section 5 or this Section 6 shall surrender the certificates (if the shares are certificated) representing such shares of Series A Preferred Stock to the Company, duly assigned or endorsed for transfer to the Company (or accompanied by duly executed share powers relating thereto), or, in the event the certificates are lost, stolen, missing, destroyed or mutilated, shall deliver an affidavit of loss, at the principal executive office of the Company or such other place as the Company may from time to time designate by notice to the Holders, and each surrendered certificate shall be canceled and retired; *provided*, that to the extent such certificates represent a greater number of share of Series A Preferred Stock than the shares of Series A Preferred Stock actually redeemed, such Holder shall, in addition to receiving the payment of the Optional Redemption Price or the Mandatory Redemption Price, as applicable, for each redeemed share of Series A Preferred Stock, receive a new share certificate for the shares of Series A Preferred Stock not so redeemed.

(g) Unclaimed Funds. If the Holders of any shares of Series A Preferred Stock that have been redeemed pursuant to Section 5 or this Section 6 shall not within two (2) years (or any longer period required by law) after the applicable redemption date claim any amount so deposited in trust for the redemption of such shares, then such bank or trust company shall, if permitted by applicable law, pay over to the Company any such unclaimed amount so deposited with it and thereupon shall be relieved of all responsibility in respect thereof; and thereafter the Holders of such shares shall, subject to applicable unclaimed property laws, look only to the Company for payment of the Optional Redemption Price or the Mandatory Redemption Price, as applicable, for such shares, without interest.

7. Rights Upon Event of Noncompliance.

(a) Promptly after, and no later than 5 Business Days following the date of any Event of Noncompliance, the Company shall notify the Holders of such Event of Noncompliance.

(b) If any Event of Noncompliance shall occur, then, on the Board Expansion Date, unless (x) such Event of Noncompliance has been cured prior to such date or (y) all shares of Series A Preferred Stock then outstanding are redeemed in full in accordance with Section 5 or Section 6 (including the payment provisions), as applicable, prior to such date, automatically without any further action of the Company or the stockholders of the Company, (A) the size of the Board of Directors shall be increased by a number sufficient to constitute a majority of the Board of Directors (which vacancies may only be filled by the Majority Holders) and (B) the Majority Holders shall have the right to designate and elect directors, by written consent of the Majority Holders or by a plurality of the votes cast in a meeting of the Holders, to serve as members of the Board of Directors constituting a majority of the Board of Directors until such director designees' resignation, death, removal, or disqualification. The Company shall promptly take any and all actions required to implement this Section 7(b). The "Board Expansion Date" means the date of the Event of Noncompliance, except that the "Board Expansion Date" shall mean (i) the tenth (10^{th}) day following such Event of Noncompliance, in the case of an Event of Noncompliance pursuant to clause (i) of such definition, (ii) the thirtieth (30^{th}) day following such Event of Noncompliance, in the case of an Event of Noncompliance pursuant to any of clauses (d) (to the extent the immediately succeeding clause (iii) does not apply), (e) or (f) of such definition, and (iii) the ninetieth (90^{th}) day following such Event of Noncompliance, in the case of an Event of Noncompliance pursuant to clause (d) of such definition but only if such Event of Noncompliance is solely the result of a resignation, death or disability of a director or the failure of an existing director to continue as an Independent Director (other than as a result of an action by the Company or any of its Subsidiaries). Any member of the Board of Directors designated and elected pursuant to this Section 7(b) shall be provided indemnification (including any rights to advancement) and exculpation by the Company in respect of such member's service to the Company in any corporate status no less favorable than those provided to other members of the Board of Directors.

(c) Notwithstanding anything in this Section 7 to the contrary, no director shall be appointed to the Board of Directors pursuant to this Certificate of Designations unless (A) such director is qualified to serve as a member of the Board of Directors under (x) the applicable terms of corporate governance policies and guidelines of the Company and the Board of Directors to the extent such terms are required by law, and (y) applicable legal, regulatory and stock exchange requirements, and (B) such appointment would not cause the composition of the Board of Directors to violate the independence requirements of the stock exchange on which the Company's Common Stock is listed (if any). The Company shall cooperate reasonably with the Majority Holders to ensure that the requirements set forth in the foregoing provision do not limit the Majority Holders' appointment right under this Section 7 (including, if required, by taking commercially reasonable efforts to cause then-existing directors to resign promptly upon written request from the Majority Holders) and to promptly provide the Majority Holders such information as may be reasonably requested in relation to such requirements.

(d) Any director elected as provided in this Section 7 may be removed with or without cause by, and only by, the written consent or affirmative vote of the Majority Holders, and the Company shall take any and all actions as may be required and permitted under applicable federal and state laws, the Certificate of Incorporation and the Bylaws, in order to facilitate any such removal. If the Majority Holders fail to designate or elect a sufficient number of directors to fill all directorships for which they are entitled to elect directors pursuant to this Section 7 or such a directorship is vacated, then any directorship not so filled (or otherwise vacated) shall remain vacant until such time as the Majority Holders designate or elect a person to fill such directorship, and no such directorship may be filled by the Board of Directors or the stockholders of the Company (other than the Majority Holders).

(e) Following the redemption in full of all outstanding shares of Series A Preferred Stock, (i) the Holders shall take any and all actions as may be required and permitted under applicable federal and state laws, the Certificate of Incorporation and the Bylaws in order to cause any directors elected or appointed to the Board of Directors pursuant to this Section 7 to resign (and, for the avoidance of doubt, such directors shall resign without any further action by the Board of Directors or the Company's stockholders (other than the Holders as required by this Section 7(e))) and (ii) the Company shall take any and all actions as may be required under applicable federal and state laws, the Certificate of Incorporation and the Bylaws in order to fix the size of the Board of Directors to its size immediately prior to such Event of Noncompliance.

(f) Notwithstanding Section 3, from and after the time of an Event of Noncompliance, on each matter submitted to a vote of the stockholders of the Company other than the election of directors, the shares of Series A Preferred Stock shall vote with the Common Stock as a single class. In such case, each share of Series A Preferred Stock shall have a number of votes determined multiplying (i) the number of votes per share of Common Stock by (ii) the amount determined by dividing (x) the Liquidation Value by (y) the volume weighted average per share price of a share of Common Stock of the Company for the 30 consecutive trading days ending on the trading day immediately prior to the record date for the applicable vote of stockholders.

8. Negative Covenants.

(a) For so long as any shares of Series A Preferred Stock are outstanding, without the prior affirmative vote or written consent of the Majority Holders, the Company shall not (either directly or indirectly, including by merger, consolidation, operation of law or otherwise):

(i) issue any new Equity Interests of the Company, or reclassify, alter or amend any existing Equity Interests of the Company into, or issue any Equity Interests or debt securities convertible into, Equity Interests of the Company, in each case, ranking *pari passu* with, or senior to, the Series A Preferred Stock with respect to payment of dividends, distribution of assets or any other liquidation, winding up, dissolution, dividend or redemption rights; *provided*, that with respect to any Junior Preferred Stock issued or issuable by the Company, no cash dividends may be paid or payable with respect to such Junior Preferred Stock for so long as any shares of Series A Preferred Stock are outstanding unless the Company obtains the affirmative vote or written consent of the Majority Holders;

(ii) (x) permit or cause any Subsidiary to issue or suffer to exist any Equity Interests, or to issue, or to permit to be issued, any debt securities convertible into Equity Interests of any Subsidiary of the Company, in each case, other than Equity Interests or debt securities (A) held by or issued to a Wholly-Owned Subsidiary, (B) issued pursuant to a Permitted Investment or a Permitted Subsidiary Equity Issuance or (C) held by or issued to any Person prior to the Subscription Agreement Date; (y) form, acquire or permit or suffer to exist or cause any Subsidiary to form, acquire or permit or suffer to exist any Subsidiary other than a Wholly-Owned Subsidiary, other than, in each case, pursuant to a Permitted Investment or a Permitted Subsidiary Equity Issuance; or (z) classify, alter or amend any existing Equity Interests of any Subsidiary, other than Equity Interests held by Wholly-Owned Subsidiaries (both before and after giving effect to such classification, alteration or amendment) or as necessary to effect a Permitted Investment or a Permitted Subsidiary Equity Issuance or other immaterial or *de minimis* changes effected for administrative purposes;

(iii) (x) enter into or suffer to exist, or cause or permit any Subsidiary to enter into or suffer to exist, any transaction with (I) the Manager Group, (II) any Affiliate or (III) any other Related Party of the Company or its Subsidiaries known by the Employee Directors or Executive Officers of the Company, at the time of entering into or suffering to exist such transaction, to be a Related Party (an "Affiliate Transaction"), on terms that are less favorable to the Company or such Subsidiary, as the case may be, than those that would reasonably be expected to be obtained at the time in a comparable arm's-length transaction from a Person who is not an Affiliate; or (y) other than with respect to any Permitted Affiliate Transaction, enter into or suffer to exist, or cause or permit any Subsidiary to enter into or suffer to exist, any Affiliate Transaction (or series of related Affiliate Transactions) (I) with an aggregate value (individually or in aggregate) in excess of $3,000,000 but not exceeding $8,000,000 without obtaining, (A) an unqualified fairness opinion in customary form from a nationally recognized adviser and furnishing such fairness opinion to the Holders prior to the consummation of such Affiliate Transaction(s) or (B) the prior approval by a majority of the disinterested Independent Directors prior to the consummation of such Affiliate Transactions(s) or (II) with an aggregate value (individually or in aggregate) in excess of $8,000,000 without obtaining (A) an unqualified fairness opinion in customary form from a nationally recognized adviser and furnishing such fairness opinion to the Holders prior to the consummation of such Affiliate Transaction(s) and (B) the prior approval by a majority of the disinterested Independent Directors prior to the consummation of such Affiliate Transactions(s); *provided*, that if the Company is unable to obtain a fairness opinion after commercially reasonable efforts (whether because the underlying transaction is not within the scope of transactions where such an opinion is customary or such an opinion would be commercially unreasonable to obtain other than because the transaction would not be found to be fair), then clause (y)(II)(A) shall not apply to such Affiliate Transaction(s) if (1) the Company provides written notice to the Holders describing why the Company is unable to obtain such opinion and, within ten (10) Business Days of such notice, the Majority Holders are unable to identify a nationally recognized adviser that is willing and able to accept an engagement by the Company to conduct a fairness analysis with respect thereto on commercially reasonable terms and within sixty (60) days after the effective date of such engagement and (2) the terms of such Affiliate Transaction are consistent in all material respects with comparable transactions between unaffiliated third parties;

(iv) amend, alter or repeal any provision of the Certificate of Incorporation or the Bylaws in a manner that (1) is adverse to the Holders in any material respect, (2) directly or indirectly imposes any additional obligations or duties on the Holders, other than immaterial administrative obligations, (3) directly or indirectly reduces or eliminates any rights afforded to the Holders (including indemnification, exculpation, preemptive rights and information rights) or (4) is inconsistent with Section 7(e);

(v) take any action that would cause the Company to cease to be treated as a domestic C corporation for U.S. federal income tax purposes;

(vi) Incur, or cause or permit any Subsidiary to Incur, Indebtedness or Liens, in each case, except for Permitted Indebtedness and Permitted Liens; *provided*, that if the Company or any Subsidiary Incurs any Acquisition Indebtedness, (X) the aggregate principal amount of such Acquisition Indebtedness shall not exceed 65% of the total consideration paid by the Company and its Subsidiaries in connection with the applicable acquisition (including, in such total consideration, the assumption of any Indebtedness) and (Y) neither the Company nor any Subsidiary shall Incur any additional Indebtedness (other than Permitted Refinancing Indebtedness in respect of such Acquisition Indebtedness and Permitted Follow-On Indebtedness) to finance the acquisition, construction, improvement, expansion, installation, repair, replacement, upkeep or operation of the property or assets initially acquired with the proceeds of such Acquisition Indebtedness for a period of three (3) years following the initial Incurrence of such Acquisition Indebtedness; *provided*, *further*, that the Company shall, and shall cause its Subsidiaries to, comply with Section 8(a)(xvi) herein;

(vii) make, declare or permit any Restricted Payment, other than Permitted Payments;

(viii) make or hold, or cause or permit any Subsidiary to make or hold, any Investment that is not a Permitted Investment;

(ix) consummate, or cause or permit any Subsidiary to consummate, any Asset Sale that is not a Permitted Asset Sale;

(x) (A) take any action, including forming a Subsidiary, or effect any recapitalization or reorganization, that results in any Person owning or holding any Equity Interests in any Person that is (X) an Issue Date Parent Company or (Y) a New Business Parent, in each case, other than (1) the Company or (2) any other Wholly-Owned Subsidiary that may be formed after the Subscription Agreement Date that shall be subject to the passivity covenant set forth in Section 8(a)(xii) hereof (any such Wholly-Owned Subsidiary that holds Equity Interests in an Issue Date Parent Company or a New Business Parent (but excluding the Issue Date Parent Companies, the New Business Parents and any Subsidiary of any Issue Date Parent Company or New Business Parent), an "Intermediate Holding Company"), or (B) fail to, directly or indirectly, own and control, beneficially and of record, all of the issued and outstanding Equity Interests of the Issue Date Parent Companies and the New Business Parents, in each case with respect to clause (A) and (B) above, other than (i) the Equity Interests of Delaware River Partners Holdco LLC held by third parties as of the Subscription Agreement Date and (ii) Equity Interests of any Issue Date Parent Company and New Business Parent held by any Person to the extent issued pursuant to clause (a) of the definition of Permitted Subsidiary Equity Issuance (the holders excluded pursuant to clauses (i) and (ii) of this Section 8(a)(x), together with any permitted transferees of holders excluded pursuant to clause (i) above or any transferees that are family members of, or trusts or other investment vehicles established for estate planning purposes by, holders excluded pursuant to clause (ii) above, collectively, the "Excluded Holders");

(xi) with respect to the Company and each Intermediate Holding Company, Incur, directly or indirectly, any Indebtedness other than (v) Acquisition Indebtedness; (w) Indebtedness in an aggregate outstanding principal amount not to exceed (i) $150,000,000, *minus* (ii) the amount of any Indebtedness Incurred pursuant to Section (8)(a)(xiii)(y), (x) any Indebtedness in respect of the Series A Preferred Stock, (y) Indebtedness in an aggregate outstanding principal amount not to exceed the Company Debt Cap at any time Incurred pursuant to the Senior Debt Agreement or any Permitted Refinancing Indebtedness in respect thereof and (z) at any time the LTM Unlevered Free Cash Flow Condition is satisfied, other Indebtedness that is not prohibited by the Senior Debt Agreement; *provided*, that the Company shall, and shall cause each Intermediate Holding Company to, comply with Section 8(a)(vi) herein;

(xii) with respect to the Company and each Intermediate Holding Company, engage in any business activity or own any material assets other than (A) holding the Equity Interests of an Intermediate Holding Company, an Issue Date Parent Company or a New Business Parent, as applicable, and taking holding company actions incidental thereto, (B) performing its obligations under the Certificate of Incorporation, Bylaws, this Certificate of Designations, the IRA and any other customary stockholders' agreements that may be entered into from time to time (to the extent the terms thereof would not otherwise be prohibited by this Certificate of Designations), (C) issuing its own Equity Interests (including, for the avoidance of doubt, the making of any dividend or distribution on account of, or any redemption, retirement, sinking fund or similar payment, purchase or other acquisition for value of, any shares of any Equity Interests, to the extent permitted under Section 8(a)(vii)), (D) filing tax reports and paying taxes and other customary obligations in the ordinary course (and contesting any taxes), (E) preparing reports to Governmental Authorities and to its equityholders, (F) holding director, manager and equityholder meetings, preparing organizational records and other organizational activities required to maintain its separate organizational structure or to comply with applicable Requirements of Law, (G) holding cash, Cash Equivalents and other assets received in connection with permitted distributions or dividends, or received in connection with Indebtedness, in each case from any of its Subsidiaries or permitted contributions to the capital of, or proceeds from the issuance of Equity Interests of, or the Incurrence of Indebtedness by, the Company pending the application thereof, (H) providing indemnification for its officers, directors, members of management, employees, advisors or consultants, (I) participating in tax, accounting and other administrative matters, (J) complying with applicable Requirements of Law (including with respect to the maintenance of its existence), (K) providing guarantees of Permitted Indebtedness and pledging of the Equity Interests of any Subsidiary, to the extent such pledge is a Permitted Lien, (L) making cash capital contributions or intercompany loans to any of its Subsidiaries (to the extent not otherwise prohibited by this Certificate of Designations), (M) entering into routine administrative agreements, including, but not limited to, engagement agreements and non-disclosure and confidentiality agreements, in the ordinary course of business, and (N) any other activities incidental to any of the foregoing including, but not limited to, maintaining banking or other accounts;

(xiii) cause or permit Transtar to Incur, directly or indirectly, any Indebtedness other than (x) guarantees of Indebtedness of the Company or any Intermediate Holding Company permitted pursuant to Section 8(a)(xi)(y), (y) Indebtedness in an aggregate outstanding principal amount not to exceed $50,000,000 and (z) at any time the LTM Unlevered Free Cash Flow Condition is satisfied, other Indebtedness that is not prohibited by the Senior Debt Agreement; *provided*, that the Company shall cause Transtar to comply with Section 8(a)(vi) and Section 8(a)(xvi) herein;

(xiv) permit any Person (other than any stockholder of the Company that is not a Subsidiary) that owns, directly or indirectly, any Capital Stock of any Person that constitutes a part of Transtar to, directly or indirectly, create or otherwise cause or suffer to exist or become effective any consensual encumbrance on the ability of the Company or any such Person that constitutes a part of Transtar to (1) pay dividends or make any other distributions on its Capital Stock or with respect to any other interest or participation in, or measured by, its profits, (2) pay any Indebtedness owed to the Company or any Subsidiary of the Company or (3) transfer any asset or property to the Company or any Subsidiary of the Company; *provided*, that the foregoing restriction shall not apply to Permitted Dividend and Payment Restrictions;

(xv) (A) fail to deliver to the Holders a reasonably detailed calculation of LTM Unlevered Free Cash Flow for the applicable Test Period within (x) 45 days after the end of each of the first three fiscal quarters of each fiscal year of the Company and (y) 90 days after the end of each fiscal year of the Company, (B) before providing the calculation required by subclause (A) of this Section 8(a)(xv), take any action for which the calculation of LTM Unlevered Free Cash Flow is required by any relevant provision of this Certificate of Designations, or (C) fail to comply with the Company's obligations in Section 13;

(xvi) other than with respect to any Permitted Inter-Silo Transactions, permit (a) a member of any Silo (X) to be an obligor in respect of any Indebtedness in respect of which any member of a different Silo is an obligor or (Y) to provide a Guarantee with respect to any Indebtedness or other obligation of a member of a different Silo (*provided*, that members of different Silos shall be permitted to provide a Guarantee in respect of (i) Indebtedness Incurred pursuant to the Senior Debt Agreement and any Permitted Refinancing Indebtedness in respect thereof, to the extent required pursuant to the terms of the Senior Debt Agreement and (ii) Indebtedness Incurred pursuant to Section 8(a)(xi)(w)); (b) a member of any Silo to make or hold any Investment in a member of a different Silo; (c) a member of any Silo to sell, convey, transfer, or otherwise dispose of property or assets to any member of a different Silo; (d) any member of a Silo to enter into or suffer to exist any transaction with any member of another Silo (an "Inter-Silo Transaction") except to the extent such transaction would be permitted as an Affiliate Transaction by such first member with an Affiliate under Section 8(a)(iii) herein, treating only Permitted Inter-Silo Transactions as Permitted Affiliate Transactions for this purpose; (e) a member of any Silo to make a Restricted Payment if the proceeds of such Restricted Payment are ultimately used, whether directly or indirectly (including by way of a subsequent Investment), to fund any member of a different Silo; (f) the members of more than one Silo to have the same direct or indirect parent, unless such parent is the Company or an Intermediate Holding Company; or (g) the members of any Silo to operate any business other than the business operated by such Silo on the Subscription Agreement Date or date on which such Silo is acquired or created by the Company and its Subsidiaries, as applicable, and any business that is a natural outgrowth or a reasonable extension, development or expansion of such business.

(xvii) consummate any Change of Control, or cause or permit any Subsidiary to consummate a transaction that would constitute a Change of Control, unless, upon consummation of such Change of Control, the Series A Preferred Stock is actually redeemed in full in cash in accordance with this Certificate of Designations; or

(xviii) amend, modify, repeal, restate, supplement, terminate or waive, or permit the assignment or subcontract of, or the transfer of any rights or obligations under the Management Agreement, the effect of which would, or would reasonably be expected to, alter (x) the scope of services in any material respect, (y) the compensation, fee payment or other economic terms relating to the Management Agreement, or (z) the scope of matters required to be approved (whether pursuant to consent, agreement or otherwise) by the Independent Directors (as such term is defined in the Management Agreement) pursuant to the Management Agreement, or cause or permit any Subsidiary to do so.

(b) Subject to the other terms and conditions of this Certificate of Designations (including the terms of a Mandatory Redemption Event), in the event of (i) any reclassification, statutory exchange, merger, consolidation or other similar business combination of the Company with or into another Person, in each case, pursuant to which at least a majority of the common Capital Stock (but not the Series A Preferred Stock) is changed or converted into, or exchanged for, securities or other property of another Person, (ii) any reclassification, recapitalization or reorganization of the common Capital Stock (but not the Series A Preferred Stock) into securities of another Person or (iii) the conveyance, sale, lease, assignment, transfer or other disposition of all or substantially all of the Company's assets or other properties (taken as a whole) (a "Reorganization Event"), each share of Series A Preferred Stock outstanding immediately prior to such Reorganization Event will, without the consent of the Holders and subject to all the other terms hereof, remain outstanding unless redeemed in accordance with this Certificate of Designations in connection with such Reorganization Event; *provided*, that in no event will the Company enter into or effect any such Reorganization Event if it would materially and adversely affect the rights of the Holders. This provision shall similarly apply to successive Reorganization Events. Notwithstanding anything contained herein to the contrary, if the Company is not the surviving or resulting entity in such Reorganization Event or will be dissolved in connection with such Reorganization Event, the Company shall not consummate any such transaction constituting a Reorganization Event unless proper provision shall be made in the agreements governing such Reorganization Event for the assumption of the obligations of the Company by the ultimate parent of such surviving or resulting entity in such Reorganization Event in accordance with this provision.

(c) Any of the actions or omissions of the Company prohibited by this Section 8 (if taken without the prior written consent of the Majority Holders approving such action or omission) shall be ultra vires, null and void ab initio and of no force or effect. The Company shall not, and shall cause its Subsidiaries not to (either directly or indirectly, including by merger, consolidation, operation of law or otherwise), by amendment, modification, repeal, restatement, supplementation, termination or waiver of, or consent to any departure by the Company or any of its Subsidiaries from, any provision of this Certificate of Designations or through any Mandatory Redemption Event, any Change of Control, any disposition or any other reorganization, recapitalization, transfer of assets, consolidation, merger, dissolution, issue or sale of securities, agreement or any other voluntary action, avoid or seek to avoid the observance or performance of any of the terms to be observed or performed under this Certificate of Designations.

9. Amendments and Waivers.

(a) Notwithstanding any provision in this Certificate of Designations to the contrary and, unless a greater percentage is required by law, any provision contained herein and any rights, preferences or privileges of the shares of Series A Preferred Stock (and the Holders thereof) granted hereunder (including, but not limited to the covenants included in this Certificate of Designations) may be amended or waived (in each case, including by merger, consolidation, reorganization, combination, sale or transfer of the Company's capital stock or otherwise) as to all shares of Series A Preferred Stock (and the Holders thereof) upon the affirmative vote or written consent of the Majority Holders; *provided*, that the Issuer shall not effect any of the following matters without the consent of each Holder that is adversely affected thereby:

(i) reduce the Dividend Rate or alter the timing or method of payment of any Dividends pursuant to Section 4, except as expressly provided by Section 4;

(ii) reduce the Stated Value;

(iii) alter any of the redemption provisions set forth in Sections 5 and 6 (or any terms applicable to such sections), other than with respect to notice periods and other immaterial provisions; or

(iv) amend or waive the provisions of this Section 9.

(b) Notwithstanding the forgoing, the Issuer may amend, alter, supplement, or change any terms in this Certificate of Designations without the affirmative vote or written consent of the Holders for the following purposes:

(i) to waive any of the Issuer's rights with respect thereto; or

(ii) to file a certificate of correction with respect to this Certificate of Designations to the extent permitted by Section 103(f) of the DGCL.

10. Cancellation; No Conversion Rights. No shares of Series A Preferred Stock acquired by the Issuer by reason of redemption, purchase or otherwise shall be reissued or held in treasury for reissuance, and the Issuer shall take all necessary action to cause such shares of Series A Preferred Stock immediately to be canceled, retired and eliminated from the shares of Series A Preferred Stock which the Issuer shall be authorized to issue. The Holders have no rights to convert any Series A Preferred Stock into any other Equity Interests of the Issuer.

11. Rights and Remedies of Holders.

(a) The various provisions set forth under this Certificate of Designations are for the benefit of the Holders and, subject to the terms and conditions hereof and applicable law, will be enforceable by them, including by one or more actions for specific performance.

(b) Except as expressly set forth herein, all remedies available under this Certificate of Designations, at law, in equity or otherwise, will be deemed cumulative and not alternative or exclusive of other remedies. The exercise by any Holder of a particular remedy will not preclude the exercise of any other remedy.

12. Notices. Unless otherwise provided in this Certificate of Designations or by applicable law, all notices, requests, demands, and other communications shall be in writing and shall be personally delivered, delivered by email or courier service, or mailed, certified with first class postage prepaid, to the address set forth on the books of the Company, in the case of communications to a stockholder, and to the registered office of the Company in the State of Delaware with a copy to the chief executive offices of the Company at 1345 Avenue of the Americas, New York, New York 10105, attention: Joseph P. Adams, Jr. and Ken Nicholson (jadams@fortress.com and knicholson@fortress.com), for all communications to the Company. Each such notice, request, demand, or other communication shall be deemed to have been given and received (whether actually received or not) on the date of actual delivery thereof, if personally delivered or delivered by email (if receipt is confirmed at the time of such transmission by telephone or electronically), or on the third (3rd) day following the date of mailing, if mailed in accordance with this Section 12, or on the day specified for delivery to the courier service (if such day is one on which the courier service will give normal assurances that such specified delivery will be made). Any notice, request, demand, or other communication given otherwise than in accordance with this this Section 12 shall be deemed to have been given on the date actually received. Any stockholder may change its address for purposes of this this Section 12 by giving written notice of such change to the Company in the manner herein above provided. Whenever any notice is required to be given by law or by this Certificate of Designations, a written waiver thereof, signed by the Person (or its authorized representative) entitled to notice, whether before or after the time stated therein, shall be deemed equivalent to the giving of notice.

13. LTM Unlevered Free Cash Flow Condition. Following the delivery of the calculation required pursuant to Section 8(a)(xiv) for the Test Period in which the LTM Unlevered Free Cash Flow Condition has been satisfied (or in which the Company believes the LTM Unlevered Free Cash Flow Condition has been satisfied) (the "UFCF Calculation"), the Holders shall have fifteen (15) days from the date on which the UFCF Calculation is received to review the UFCF Calculation (the "Review Period"). During the Review Period and until such time as the determination as to whether the LTM Unlevered Free Cash Flow Condition has been satisfied in accordance with this Section 13, the Company shall provide the Holders with prompt access to all information reasonably requested by any Holder relating to its review of the UFCF Calculation. If the Majority Holders disagree in good faith with any or all of the calculations set forth in the UFCF Calculation in a manner that would, if correct, cause the LTM Unlevered Free Cash Flow Condition to not be satisfied, the Majority Holders shall deliver to the Company within the Review Period a written notice of dispute (a "Dispute Notice") which shall set forth, in reasonable detail, the basis for such dispute. Upon delivery of any Dispute Notice, the Majority Holders and the Company shall use reasonable and good faith efforts to resolve any calculation raised in the Dispute Notice prior to thirty (30) days following receipt by the Holders of the UFCF Calculation. If the Company and the Majority Holders do not agree to a final resolution with respect to the UFCF Calculation prior to thirty (30) days following receipt by the Holders of the UFCF Calculation, then the UFCF Calculation shall be submitted promptly thereafter for resolution to an independent internationally recognized accounting firm mutually selected by the Company and the Majority Holders acting reasonably (any such firm, as the case may be, the "Accountant"), with the fees and expenses of the Accountant to be paid by the Company. The Company and the Majority Holders shall direct the Accountant to, as promptly as practicable and in no event later than thirty (30) days following its retention by the Company and the Majority Holders, deliver to the Company and the Holders a written report (the "Final Report") setting forth its determination as to the UCFC Calculation. Unless otherwise agreed in writing by the Company and the Majority Holders, the Final Report shall be final and binding on the Company and the Holders, absent manifest error or fraud. During the Review Period (unless the Majority Holders have confirmed to the Company in writing their agreement that the LTM Unlevered Free Cash Flow Condition has been satisfied) and during the pendency of any such dispute, the Company shall not take any action with respect to which satisfaction of the LTM Unlevered Free Cash Flow Condition is a condition.

14. Definitions. The following definitions shall be for all purposes, unless otherwise clearly indicated to the contrary, applied to the terms used in this Certificate of Designations:

"Acquired Business" means any assets (including Capital Stock), business or Person, in each case, constituting a line of business that is acquired by the Company or any of its Subsidiaries.

"Acquisition Indebtedness" means Indebtedness of the Company or any Subsidiary incurred, issued or assumed in connection with or in anticipation of an acquisition of any assets (including Capital Stock), business or Person, in each case, constituting a line of business and whether in a single transaction or a series of related transactions.

"Affiliate" of any specified Person means any other Person directly or indirectly controlling or controlled by or under direct or indirect common control with such specified Person. For purposes of this definition, "control" (including, with correlative meanings, the terms "controlling," "controlled by" and "under common control with"), as used with respect to any Person, shall mean the possession, directly or indirectly, of the power to direct or cause the direction of the management or policies of such Person, whether through the ownership of voting securities, by agreement or otherwise. Notwithstanding the foregoing, in no event shall (a) the Manager or any of its Affiliates constitute an Affiliate of the Company due to the existence of the Management Agreement; or (b) SoftBank Group Corp. or any of its Affiliates constitute an Affiliate of the Company due to its direct or indirect ownership interest in the Manager or any of the Manager's Affiliates.

"Affiliate Transaction" shall have the meaning assigned to such term in Section 8(a)(iii).

"Ares" means Ares Management LLC and its affiliated or managed funds and their respective Affiliates.

"Asset Sale" shall have the meaning assigned to such term in the Senior Debt Agreement; *provided*, that for the avoidance of doubt, such term shall exclude any sale of Equity Interests pursuant to a Permitted Subsidiary Equity Issuance; *provided*, *further*, that, with respect to Transtar, transactions of the type described in clauses (e)[1], (f)[2], (j)[3], (l)(i)[4] and (l)(ii)(x)[5][6] of the definition of "Asset Sale" in the Senior Debt Agreement shall be deemed to constitute Asset Sales.

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[1] $[10] million de minimis basket.
[2] Sales to Restricted Subsidiaries.
[3] Sales of Unrestricted Subsidiaries.
[4] Disposition of Securitization Assets.
[5] Sales of A/R in connection with a Credit Facility.
[6] NTD: References to be updated to reflect exclusions described in footnotes.

"Bankruptcy Event" means:

(1) the Company or any Significant Subsidiary pursuant to or within the meaning of any Bankruptcy Law:

(a) commences proceedings to be adjudicated bankrupt or insolvent;

(b) consents to the institution of bankruptcy or insolvency proceedings against it, or the filing by it of a petition or answer or consent seeking reorganization or relief under applicable Bankruptcy Law;

(c) consents to the appointment of a receiver, liquidator, assignee, trustee or other similar official of it or for all or substantially all of its property;

(d) makes a general assignment for the benefit of its creditors; or

(e) makes an admission in writing of its inability generally to pay its debts as they become due; or

(2) a court of competent jurisdiction enters an order or decree under any Bankruptcy Law that:

(a) is for relief against the Company or any Significant Subsidiary in a proceeding in which it is to be adjudicated bankrupt or insolvent;

(b) appoints a receiver, liquidator, assignee, trustee or other similar official of the Company or any Significant Subsidiary or for all or substantially all of the property of the Company or any Significant Subsidiary; or

(c) orders the liquidation of the Company or any Significant Subsidiary; and the order or decree remains unstayed and in effect for 60 consecutive days.

"Bankruptcy Law" means the Title 11 of the United States Code, as amended, and any similar federal, state or foreign law for the relief of debtors.

"Base Preferred Return Amount" means, at any time of determination, an amount of cash that would be required to be paid to the Holders in respect of each share of Series A Preferred Stock such that the Return on Investment with respect to such share of Series A Preferred Stock would be equal to one and one half (1.50).

"Business Day" means any weekday in New York, New York that is not a day on which banking institutions in that city are authorized or required by law, regulation, or executive order to be closed.

"Bylaws" means the Bylaws of the Company.

"Capital Expenditures" means, with respect to the Company or any Subsidiary for any period, the aggregate of all expenditures of the Company or such Subsidiary during such period that, in accordance with GAAP, are or should be included in "purchase of property and equipment or which should otherwise be capitalized" or similar items reflected in the consolidated statement of cash flows of the Company and its Subsidiaries.

"Capital Stock" means (a) in the case of a corporation, corporate stock; (b) in the case of an association or business entity, any and all shares, interests, participations, rights or other equivalents (however designated) of corporate stock; (c) in the case of a partnership, limited liability company or business trust, partnership, membership or beneficial interests (whether general or limited) or shares in the capital of a company; and (d) any other interest or participation that confers on a Person the right to receive a share of the profits and losses of, or distributions of assets of, the issuing Person.

"Capitalized Lease Obligation" means an obligation that is required to be classified and accounted for as a financing or capital lease (and, for the avoidance of doubt, not a straight-line or operating lease) for financial reporting purposes in accordance with GAAP, and the amount of Indebtedness represented by such obligation shall be, at the time any determination thereof is to be made, the amount of the liability in respect of a capital lease that would at such time be required to be capitalized and reflected as a liability on a balance sheet (excluding the footnotes thereto) in accordance with GAAP, and the stated maturity thereof shall be the date of the last payment of rent or any other amount due under such lease prior to the first date upon which such lease may be prepaid or terminated by the lessee without payment of a penalty.

"Cash Equivalents" means:

(1) United States dollars;

(2) pounds sterling;

(3)

(a) euros, or any national currency of any participating member state in the European Union;

(b) Canadian dollars;

(c) Australian dollars; or

(d) in the case of any foreign Subsidiary, such local currencies held by them from time to time in the ordinary course of business;

(4) securities issued or directly and fully and unconditionally guaranteed or insured by the United States or Canadian government or any agency or instrumentality thereof the securities of which are unconditionally guaranteed as a full faith and credit obligation of such government with maturities of 24 months or less from the date of acquisition;

(5) certificates of deposit, time deposits and eurodollar time deposits with maturities of 24 months or less from the date of acquisition, bankers' acceptances with maturities not exceeding 24 months and overnight bank deposits, in each case with any commercial bank having capital and surplus in excess of $500.0 million;

(6) repurchase obligations for underlying securities of the types described in clauses (4) and (5) above entered into with any financial institution meeting the qualifications specified in clause (5) above;

(7) commercial paper rated at least P-2 by Moody's or at least A-2 by S&P and in each case maturing within 24 months after the date of creation thereof;

(8) investment funds investing 95% of their assets in securities of the types described in clauses (1) through (7) above;

(9) readily marketable direct obligations issued by any state of the United States of America or any political subdivision thereof or any Province of Canada having one of the two highest rating categories obtainable from either Moody's or S&P with maturities of 24 months or less from the date of acquisition; and

(10) Indebtedness or preferred stock issued by Persons with a rating of "A" or higher from S&P or "A2" or higher from Moody's with maturities of 24 months or less from the date of acquisition.

Notwithstanding the foregoing, Cash Equivalents shall include amounts denominated in currencies other than those set forth in clauses (1) through (3) above; *provided*, that such amounts are converted into any currency listed in clauses (1) through (3) as promptly as practicable and in any event within ten business days following the receipt of such amounts.

"Certificate" shall have the meaning assigned to such term in the recitals hereof.

"Certificate of Designations" shall have the meaning assigned to such term in the recitals hereof.

"Certificate of Incorporation" shall have the meaning assigned to such term in the recitals hereof.

"Change of Control" means (a) any (A) direct or indirect acquisition (whether by a purchase, sale, transfer, exchange, issuance, merger, consolidation or other business combination) of securities, (B) any merger, consolidation or other business combination directly or indirectly involving the Company, (C) reorganization, equity recapitalization, liquidation or dissolution directly or indirectly, and (D) other transactions, in each case for clauses (A) – (D) which results in a Person or group (as used in this definition, within the meaning of Section 13(d)(3) or Section 14(d)(2) of the Exchange Act) (including any group acting for the purpose of acquiring, holding or disposing of Securities (within the meaning of Rule 13d-5(b)(1) under the Exchange Act), but excluding (i) any employee benefit plan and/or Person acting as the trustee, agent or other fiduciary or administrator therefor, and (ii) any underwriter in connection with any offering of Capital Stock after the Initial Issue Date), acquiring, holding or otherwise beneficially owning (1) voting stock representing more than 50% of the direct or indirect total voting power of all of the outstanding voting stock of the Company, or (2) the power to elect a majority of the Board of Directors, (b) any direct or indirect sale, lease, exchange, transfer or other disposition, in a single transaction or series of related transactions, of assets or businesses that constitute or represent all or substantially all of the assets of the Company, (c) the Company shall fail to beneficially own, directly or indirectly, all of the issued and outstanding Capital Stock of any Person constituting a part of Transtar, other than Capital Stock held by any Persons issued in accordance with clause (a) of the definition of Permitted Subsidiary Equity Issuance (whether prior to or after the Subscription Agreement Date), or (d) any "Change of Control" (or equivalent term or concept) under the Senior Debt Agreement or any agreement governing any Permitted Refinancing Indebtedness in respect thereof. Notwithstanding the foregoing, a "Change of Control" shall not have occurred solely as a result of any change to the Board of Directors contemplated by Section 7(b).

For purposes of this definition, a Person or group shall not be deemed to beneficially own Capital Stock or voting power subject to a stock or asset purchase agreement, merger agreement or similar agreement (or voting or similar agreement related thereto) until the consummation of the acquisition of the Capital Stock or voting power pursuant to the transactions contemplated by such agreement.

"Change of Control Event" means the occurrence of a Change of Control.

"Common Stock" means any shares of common stock, with a par value of $0.01 per share, of the Company.

"Company" shall have the meaning assigned to such term in the recitals hereof.

"Company Debt Cap" means (a) $500,000,000 minus (b) any principal amounts Incurred pursuant to the Senior Debt Agreement (or any Permitted Refinancing Indebtedness in respect thereof) that are subsequently permanently repaid, prepaid, redeemed, purchased, defeased or otherwise satisfied (other than in connection with a refinancing, refunding, replacement, renewal or other similar transaction with respect thereto).

"Compounded Dividends" shall have the meaning assigned to such term in Section 4(b).

"Consolidated Total Debt" means, as to the Company and its Subsidiaries at any date of determination, an amount equal to the sum of (1) the aggregate principal amount of all third-party debt for borrowed money (including letter of credit drawings that have not been reimbursed within ten (10) business days and the outstanding principal balance of all Indebtedness of the Company and its Subsidiaries represented by notes, bonds and similar instruments), Capitalized Lease Obligations and purchase money Indebtedness (but excluding, for the avoidance of doubt, (a) undrawn letters of credit and (b) Hedging Obligations) and (2) the aggregate amount of all preferred stock of the Company and its Subsidiaries (other than preferred stock of a Subsidiary of the Company held directly or indirectly by the Company or a Subsidiary of the Company) on a consolidated basis, with the amount of such preferred stock equal to the greater of their respective voluntary or involuntary liquidation preferences and maximum fixed repurchase prices, in each case of the Company and its Subsidiaries on such date, on a consolidated basis and determined in accordance with GAAP (excluding, in any event, the effects of any discounting of Indebtedness resulting from the application of purchase or pushdown accounting in connection with any acquisition, Investment or other similar transaction); *provided*, that "Consolidated Total Debt" shall be calculated (i) net of all unrestricted cash and Cash Equivalents of the Company and its Subsidiaries at such date of determination (other than cash or Cash Equivalents constituting the proceeds of any Indebtedness Incurred substantially concurrently with the calculation of Consolidated Total Debt) and (ii) to exclude any obligation, liability or Indebtedness of the Company or a Subsidiary if, upon or prior to the maturity thereof, the Company or such Subsidiary has irrevocably deposited with the proper Person in trust or escrow the necessary funds (or evidence of Indebtedness) for the payment, redemption or satisfaction of such obligation, liability or Indebtedness, and thereafter such funds and evidences of such obligation, liability or Indebtedness or other security so deposited are not included in the calculation of cash and Cash Equivalents. For purposes hereof, the "maximum fixed repurchase price" of any preferred stock that does not have a fixed repurchase price shall be calculated in accordance with the terms of such preferred stock as if such preferred stock were purchased on any date on which Consolidated Total Debt shall be required to be determined pursuant to this Certificate of Designations, and if such price is based upon, or measured by, the fair market value of such preferred stock, such fair market value shall be determined in good faith by the Board of Directors.

"Contingent Obligations" means, with respect to any Person, any obligation of such Person guaranteeing any leases, dividends or other obligations that do not constitute Indebtedness ("primary obligations") of any other Person (the "primary obligor") in any manner, whether directly or indirectly, including any obligation of such Person, whether or not contingent,

(1) to purchase any such primary obligation or any property constituting direct or indirect security therefor,

(2) to advance or supply funds

(a) for the purchase or payment of any such primary obligation; or

(b) to maintain working capital or equity capital of the primary obligor or otherwise to maintain the net worth or solvency of the primary obligor; or

(3) to purchase property, securities or services primarily for the purpose of assuring the owner of any such primary obligation of the ability of the primary obligor to make payment of such primary obligation against loss in respect thereof.

"control" (including, with correlative meanings, the terms "controlling," "controlled by" and "under common control with"), as used with respect to any Person, means the possession, directly or indirectly, of the power to direct or cause the direction of the management or policies of such Person, whether through the ownership of voting securities, by agreement or otherwise.

"Debt Acceleration Event" means the occurrence of any default in the observance or performance of any agreement or condition or any other default event in the Senior Debt Agreement or any other related document or instrument or in any other agreement evidencing any other Indebtedness of (i) the Company or (ii) any of its Subsidiaries with recourse to the Company or Transtar, in each case exceeding $25,000,000 in principal amount, the effect of which is that the holder or beneficiary of any such Indebtedness (or a trustee or agent on behalf of such holder or beneficiary) causes at least $25,000,000 of the principal amount of such Indebtedness to become due prior to its scheduled maturity or to become subject to a mandatory offer to purchase by the obligor thereunder (other than an Asset Sale Offer or Change of Control Offer (each as defined in the Senior Debt Agreement)), in each case, after giving effect to any applicable grace periods and any extensions thereof, and without such acceleration having been rescinded, annulled or otherwise cured.

"Deemed Liquidation Event" means, directly or indirectly, in one or more related transactions, (a) a liquidation or dissolution of the Company in accordance with the terms and subject to the conditions set forth in the Certificate of Incorporation, (b) any merger, consolidation, recapitalization, reorganization or sale of the Company, or sale, transfer or issuance of voting securities of the Company or any other transaction or series of related transactions, in each case, in which the holders of voting securities of the Company owning a majority of the voting power of the Company immediately prior to such transaction do not own and control a majority of the voting power represented by the outstanding equity of the surviving entity after the closing of such transaction or (c) any sale, transfer or disposition of all or substantially all of the assets of the Company (including by way of a transfer of the equity or assets of the Company's subsidiaries) to another Person.

"Depreciation and Amortization Expense" means with respect to any Person for any period, the total amount of depreciation and amortization expense, including any amortization of deferred financing fees, amortization in relation to terminated Hedging Obligations and amortization of lease discounts and premiums and lease incentives, but excluding any items which are classified as Interest Expense in accordance with GAAP, of such Person for such period on a consolidated basis and otherwise determined in accordance with GAAP.

"DGCL" shall have the meaning assigned to such term in the recitals hereof.

"Dividend Payment Date" means the last day of each calendar month following the Initial Issue Date (or, if such date is not a Business Day, the immediately succeeding Business Day).

"Dividend Period" means the period commencing on and including a Dividend Payment Date that ends on, but does not include, the next Dividend Payment Date; *provided*, that the initial Dividend Period shall commence on and include the Initial Issue Date and end on, but not include, the first Dividend Payment Date.

"Dividend Rate" shall have the meaning assigned to such term in Section 4(b).

"Dividends" shall have the meaning assigned to such term in Section 4(b).

"EBITDA" means, with respect to any Person for any period, the Net Income of such Person for such period, *plus* (without duplication):

(a) provision for taxes based on income or profits, plus franchise or similar taxes, of such Person for such period deducted in computing Net Income; *plus*

(b) Interest Expense of such Person for such period to the extent the same was deducted in calculating such Net Income, including any noncash interest charges calculated in accordance with GAAP; *plus*

(c) Depreciation and Amortization Expense of such Person for such period to the extent such depreciation and amortization were deducted in computing Net Income; *plus*

(d) any unrealized net loss (or minus any unrealized gain) resulting from Hedging Obligations; *plus*

(e) any other non-cash charges reducing Net Income for such period, excluding any such charge that represents an accrual or reserve for a cash expenditure for a future period; *minus*

(f) non-cash items increasing Net Income of such Person for such period, excluding any items which represent the reversal of any accrual of, or cash reserve for, anticipated cash charges in any prior period; *minus*

(g) any gain in excess of $25,000,000 in any Test Period related to the disposition of assets; *minus*

(h) any realized gain (or *plus* any realized loss) in excess of $25,000,000 (or below negative $25,000,000) in any Test Period resulting from Hedging Obligations but excluding for purposes of this clause (h), any realized cash gain or realized cash loss from Hedging Obligations that are settled in the ordinary course of business when due in accordance with the terms of such Hedging Obligations.

"Employee Director" means a member of the Board of Directors who is an employee of the Company or the Manager.

"Equity Interests" means Capital Stock and all warrants, options or other rights to acquire Capital Stock, but excluding any debt security that is convertible into, or exchangeable for, Capital Stock.

"Event of Noncompliance" means any one of the following events:

(a) failure by the Issuer to redeem all shares of Series A Preferred Stock at the time of a Mandatory Redemption Event for the Mandatory Redemption Price (including if such failure is a result of the Company being prohibited by law from consummating a Mandatory Redemption);

(b) commencing after the second (2nd) anniversary of the Initial Issue Date, failure by the Company for any reason (including because payment of any Dividend is prohibited by law) to pay Dividends in full in cash for any twelve (12) Dividend Periods (whether or not consecutive);

(c) any shares of Series A Preferred Stock remain issued and outstanding on the eighth (8^{th}) anniversary of the Initial Issue Date;

(d) at any time on or after December 31, 2022, the Board of Directors is not comprised of a majority of Independent Directors;

(e) any action or purported action of the Company in violation of the Company's obligations, covenants or agreements contained in Section 8;

(f) any breach of any material term of this Certificate of Designations (other than an event referred to in clause (a), (b) or (e) above);

(g) a Debt Acceleration Event;

(h) a Bankruptcy Event;

(i) any breach by the Company of Section 4.6 of the IRA; and

(j) failure by the Issuer to pay dividends in cash (i) prior to December 31, 2022, in an amount at least equal to (x) one sixth (1/6) of the aggregate Redemption Premium (as defined in the Subscription Agreements) with respect to all Preferred Shares issued pursuant to the Subscription Agreements *multiplied by* (y) 30% *divided by* (z) 70% and (ii) prior to December 31, 2023 (excluding any amount paid pursuant to clause (i)), in an amount at least equal to (x) one sixth (1/6) of the aggregate Redemption Premium with respect to all Preferred Shares issued pursuant to the Subscription Agreements *multiplied by* (y) 30% *divided by* (z) 70%.

"Exchange Act" means the Securities Exchange Act of 1934, as amended.

"Excluded Holders" shall have the meaning assigned to such term in Section 8(a)(x).

"Executive Officer" means, with respect to the Company and solely for purposes of this Certificate of Designations, (a) the chief executive officer, president, chief financial officer, chief accounting officer, general counsel and secretary of the Company or, if such position is vacant at any time, then any individuals acting in a similar capacity for the Company, and (b) the executive chair, if any.

"fair market value" means with respect to any investment, asset, property or liability, the value of the consideration obtainable in a sale of such investment, asset, property or liability at such date of determination assuming a sale by a willing seller to a willing purchaser dealing at arm's length and arranged in an orderly manner over a reasonable period of time having regard to the nature and characteristics of such asset, investment, property or liability as determined in good faith by the Board of Directors.

"FASB" means the Financial Accounting Standards Board.

"Fixed Charges" means, with respect to any Person for any period, the sum of

(a) Interest Expense, and

(b) all cash dividend payments (excluding items eliminated in consolidation) on any series of preferred stock.

"GAAP" means generally accepted accounting principles in the United States which are in effect on the Subscription Agreement Date (except with respect to accounting for capital leases, as to which such principles in effect for the Company on December 31, 2018 shall apply). At any time after the Subscription Agreement Date, the Company may elect to apply IFRS accounting principles in lieu of GAAP for purposes of calculations hereunder and, upon any such election, references herein to GAAP shall thereafter be construed to mean IFRS (except as otherwise provided herein); provided that calculation or determination herein that requires the application of GAAP for periods that include fiscal quarters ended prior to the Company's election to apply IFRS shall remain as previously calculated or determined in accordance with GAAP. The Company shall give notice of any such election made in accordance with this definition to the Holders.

"Governmental Authority" means any federal, state, commonwealth, provincial, municipality, local, county or foreign or other court or governmental agency, authority, instrumentality or regulatory, taxing or legislative body (including any supranational bodies such as the European Union or the European Central Bank).

"Growth Capital Expenditures" means Capital Expenditures utilized in the development of new properties and/or brands of one or more lines of business of the Company and its Subsidiaries and intended to grow such business, including any capitalized software development costs used to create new features or functionality or improve existing features or functionality.

"Guarantee" means, as to any Person, any obligation of such Person guaranteeing or providing credit support for any Indebtedness or any other obligation of any other Person (the "primary obligor") in any manner, whether directly or indirectly, including any obligation of such Person, whether or not contingent, (a) to purchase any such Indebtedness or other obligation or any property constituting direct or indirect security therefor, (b) to advance or supply funds (i) for the purchase or payment of any such Indebtedness or other obligation or (ii) to maintain working capital or equity capital of the primary obligor or otherwise to maintain the net worth or solvency of the primary obligor (including by means of a "keep-well" or other similar arrangement), (c) to purchase property, securities or services primarily for the purpose of assuring the owner of any such Indebtedness or other obligation of the ability of the primary obligor to make payment of such Indebtedness or other obligation, (d) otherwise to assure or hold harmless the owner of such Indebtedness or other obligation against loss in respect thereof or (e) to grant a Lien on the property or assets of such Person to secure the payment or performance of such Indebtedness or other obligation, but in each case excluding any endorsement of negotiable instruments for collection in the ordinary course of business, any intercompany shared services arrangements entered into in the ordinary course of business so long as such arrangements do not require any cash contributions or other financial liability other than such cash contributions or financial liability as is proportionate to the services underlying such arrangements (subject to reasonable markup), and any indemnities and limited contingent guarantees arising from "bad act" recourse trigger provisions in connection with Non-Recourse Indebtedness and other customary "non-recourse carveout" guaranties.

"Hedging Obligations" means, with respect to any Person, the obligations of such Person under

(a) currency exchange, interest rate, inflation or commodity swap agreements, currency exchange, interest rate, inflation or commodity cap agreements and currency exchange, interest rate, inflation or commodity collar agreements; and

(b) other agreements or arrangements designed to protect such Person against fluctuations in currency exchange, interest rates, inflation or commodity prices.

"Holder" means, as of the relevant date, any Person that is the holder of record of at least one share of Series A Preferred Stock, as of such date.

"HY Premium Rate" means a rate per annum equal to 4.00% plus the percentage rate of return per annum payable on the Spin Debt Instruments (as defined in the Subscription Agreements), calculated on a yield-to-worst basis at the time of issuance of the Spin Debt Instruments in accordance with the second sentence of this definition. For purposes hereof, the yield-to-worst calculation shall be (a) calculated based on the applicable coupon rate, the length of time to its redemption or maturity as determined by clause (b) of this definition, and the original issue price, taking into account the highest original issue or similar discount or other fees payable to any of the purchasers of the Spin Debt Instruments (excluding, for the avoidance of doubt, any underwriting or similar fees paid to investment banking firms in connection with the issuance of the Spin Debt Instruments), calculated in accordance with accepted financial practice, and (b) determined by computing the lowest possible yield that could be realized under the terms of the Spin Debt Instruments upon either (i) an optional redemption of the Spin Debt Instruments at any time prior to maturity or (ii) the redemption of the Spin Debt Instruments at maturity. For the avoidance of doubt and illustrative purposes only, if the Spin Debt Instruments were issued at 100% of par, carried an annual coupon of 10.00%, were callable at a 5.00% premium to par after two years (declining to par in year five), and matured in five years, then the rate of return calculated on a yield-to-worst basis would be 10.00% and the HY Premium Rate would be 14.00%. If the Spin Debt Instruments were issued to two purchasers, one at 100% of par, the other at 98% of par, carried an annual coupon of 10.00%, were callable at a 5.00% premium to par after two years (declining to par in year five), and matured in five years, then the rate of return calculated on a yield-to-worst basis would be 10.53% and the HY Premium Rate would be 14.53%.[7]

"IFRS" means the International Financial Reporting Standards issued by the International Accounting Standards Board, as in effect from time to time, to the extent applicable to the relevant financial statements.

"Incur" means issue, assume, guarantee, incur, suffer to exist or otherwise become liable for; *provided*, that any Indebtedness of a Person existing at the time such Person becomes a Subsidiary (whether by merger, amalgamation, consolidation, acquisition or otherwise) shall be deemed to be Incurred by such Person at the time it becomes a Subsidiary.

"Indebtedness" means, with respect to any Person

(1) any indebtedness (including principal and premium) of such Person, whether or not contingent:

(a) in respect of borrowed money;

(b) evidenced by bonds, notes, debentures or similar instruments or letters of credit or bankers' acceptances (or, without double counting, reimbursement agreements in respect thereof);

(c) representing the balance deferred and unpaid of the purchase price of any property (including Capitalized Lease Obligations), except (i) any such balance that constitutes a trade payable or similar obligation to a trade creditor, in each case accrued in the ordinary course of business, (ii) any earn-out obligations until such obligation becomes a liability on the balance sheet of such Person in accordance with GAAP and is no longer contingent and (iii) any purchase price holdbacks in respect of a portion of the purchase price of an asset to satisfy warranty or other unperformed obligations of the seller; or

(d) representing any Hedging Obligations;

[7] NTD: Initial Base Dividend Rate may be inserted prior to filing the CoD with the DE SoS if agreed prior to closing.

if and to the extent that any of the foregoing Indebtedness (other than letters of credit and Hedging Obligations) would appear as a liability upon a balance sheet (excluding the footnotes thereto) of such Person prepared in accordance with GAAP;

(2) to the extent not otherwise included, any obligation by such Person to be liable for, or to pay, as obligor, guarantor or otherwise, on the Indebtedness of another Person, other than by endorsement of negotiable instruments for collection in the ordinary course of business; *provided*, that the amount of Indebtedness of any Person for purposes of this clause (b) shall be deemed to be equal to the lesser of (i) the aggregate unpaid amount of such Indebtedness and (ii) solely in the case of Non-Recourse Indebtedness, the fair market value of the property encumbered thereby as determined by such Person in good faith;

(3) to the extent not otherwise included, Indebtedness of another Person secured by a Lien on any asset owned by such Person, whether or not such Indebtedness is assumed by such Person;

(4) all monetary obligations under any receivables factoring, receivable sales or similar transactions and all monetary obligations under any synthetic lease or similar financing in which the asset is considered owned by the Company or any Subsidiary for tax purposes; and

(5) preferred stock of the Company or any Subsidiary;

provided that, notwithstanding the foregoing, Indebtedness shall be deemed not to include: (1) Contingent Obligations, (2) reimbursement obligations under commercial letters of credit (*provided*, that unreimbursed amounts under letters of credit shall be counted as Indebtedness on or after three business days after such amount is drawn), (3) intercompany liabilities arising from cash management, tax and accounting operations and (4) intercompany loans, advances or Indebtedness having a term not exceeding 364 days (inclusive of any rollover or extensions of term) and made in the ordinary course of business.

The amount of Indebtedness of any Person outstanding at any time in the case of a revolving credit or similar facility shall be the total amount of funds borrowed and then outstanding. The amount of Indebtedness of any Person outstanding at any date shall be determined as set forth above or otherwise provided in the Senior Debt Agreement, and shall equal the amount that would appear on a balance sheet of such Person (excluding any notes thereto) prepared on the basis of GAAP.

"Independent Director" means a member of the Board of Directors who (a) qualifies as independent of the Company under the rules of the U.S. Securities and Exchange Commission and the stock exchange on which the Company is listed, (b) qualifies as independent of the Manager, and would be eligible to serve on the audit committee of the Manager, as though the Manager were subject to the rules of the U.S. Securities and Exchange Commission and the stock exchange on which the Company is listed, (c) for so long as SoftBank Group Corp. or its Affiliates, directly or indirectly, hold or control at least 10% of the economic rights of the Manager, qualifies as independent of SoftBank Group Corp., and would be eligible to serve on the audit committee of SoftBank Group Corp., as though SoftBank Group Corp. were subject to the rules of the U.S. Securities and Exchange Commission and the stock exchange on which the Company is listed and (d) is not a Person described in the definition of the "Manager Group", any other manager or sub-manager of the Company or any of its Subsidiaries, or any other Person performing similar duties or functions.

"Initial Issue Date" means [●], 2022.

"Inter-Silo Transaction" shall have the meaning assigned to such term in Section 8(a)(xvi).

"Intermediate Holding Company" shall have the meaning assigned to such term in Section 8(a)(x).

"Interest Expense" means, with respect to any Person for any period, the sum, without duplication, of:

(a) interest expense of such Person for such period, to the extent such expense was deducted in computing Net Income (including (i) amortization of original issue discount resulting from the issuance of Indebtedness at less than par, (ii) non-cash interest payments (but excluding any non-cash interest expense attributable to the movement in the mark to market valuation of or hedge ineffectiveness expenses of Hedging Obligations or other derivative instruments pursuant to Accounting Standard Codification Topic 815, "Accounting for Derivative Instruments and Hedging Activities"), and (iii) all commissions, discounts and other fees and charges owed with respect to letters of credit; and excluding (i) non-cash interest expense attributable to the amortization of gains or losses resulting from the termination prior to the Initial Issue Date of Hedging Obligations, (ii) amortization of deferred financing fees, debt issuance costs, commissions, fees and expenses and any expensing of other financing fees (including any expense resulting from bridge, commitment and other financing fees), (iii) amortization of fair value debt discounts and (iv) any expense resulting from the application of debt modification accounting or, if applicable, purchase accounting in connection with any acquisition), and

(b) capitalized interest of such Person for such period, whether paid or accrued, less

(c) interest income for such period.

"Investment" means, with respect to any Person, all investments by such Person in other Persons in the form of loans (including guarantees), advances or capital contributions (excluding accounts receivable, trade credit, advances to customers, commission, travel, moving and similar advances to officers, directors and employees, in each case made in the ordinary course of business), purchases or other acquisitions for consideration of Indebtedness, Equity Interests or other securities issued by any other Person and investments that are required by GAAP to be classified on the balance sheet (excluding the footnotes) of the Company in the same manner as the other investments included in this definition to the extent such transactions involve the transfer of cash or other property; *provided*, that endorsements of negotiable instruments and documents in the ordinary course of business will not be deemed to be an Investment.

"IRA" means the Investors' Rights Agreement, dated as of [●], by and between [●].

"Issue Date Parent Company" means any Person that is, as of the Initial Issue Date or the Subscription Agreement Date, a direct Subsidiary of the Company.

"Junior Preferred Stock" means preferred stock of the Company ranking junior to the Series A Preferred Stock with respect to payment of dividends, distribution of assets or any other liquidation, winding up, dissolution, dividend or redemption rights;

"Junior Stock" means Common Stock, any other Preferred Stock and any other Equity Interest of the Company (other than the Series A Preferred Stock).

"Lien" means, with respect to any asset, any mortgage, lien, pledge, charge, security interest or encumbrance of any kind in respect of such asset, whether or not filed, recorded or otherwise perfected under applicable law, including any conditional sale or other title retention agreement, any lease in the nature thereof, any option or other agreement to sell or give a security interest in and any filing of or agreement to give any financing statement under the Uniform Commercial Code (or equivalent statutes) of any jurisdiction; *provided*, that in no event shall an operating lease be deemed to constitute a Lien.

"Lead Purchasers" means, collectively, any Affiliate of Ares that is a Holder.

"Liquidation Value" means, as of the relevant time and with respect to each share of Series A Preferred Stock, the sum of (a) the Stated Value of such share as of such date, *plus* (b) any declared but unpaid Dividends on such share for the most recent Dividend Period as of such date (to the extent not part of the Stated Value of such Share as of such date), *plus* (c) the amount of accumulated and unpaid Dividends on such share from the last Dividend Payment Date to, but not including, such date (to the extent not part of the Stated Value of such share as of such date).

"LTM Unlevered Free Cash Flow" means, as of any date of determination, the sum (without duplication) of the Unlevered Free Cash Flow of the Company and each Subsidiary of the Company as of the Subscription Agreement Date (for the avoidance of doubt, excluding the impact of any Investment (other than any Capital Expenditure made by and for the benefit of a Subsidiary of the Company as of the Subscription Agreement Date) consummated after the Subscription Agreement Date) for the applicable Test Period; an example calculation is attached as Schedule B to the Subscription Agreements.

"LTM Unlevered Free Cash Flow Condition" means, as of any time, that the LTM Unlevered Free Cash Flow of the Company and its applicable Subsidiaries at such time is equal to or greater than $225,000,000.

"Maintenance Capital Expenditures" means Capital Expenditures that are not Growth Capital Expenditures.

"Majority Holders" means, as of any date of determination, the Holders holding a majority of the then outstanding shares of Series A Preferred Stock (which must include the Lead Purchasers for so long as they collectively hold at least 50.1% of the shares of Series A Preferred Stock held by them as of the Initial Issue Date).

"Management Agreement" means that certain Management Agreement, dated as of [●], 2022, by and between the Company and FIG LLC, as may be amended, modified or replaced from time to time in accordance with this Certificate of Designations and the terms of such agreement (except as otherwise set forth in this Certificate of Designations).

"Manager" means Fortress Investment Group LLC (together with any submanager, subadvisor or Person performing similar functions for the benefit of the Company).

"Manager Group" means (a) the Manager and any of its directors, officers or employees; (b) (i)any Affiliate of the Manager and any director or officer of such Affiliate and (ii) any director, officer or employee of a Subsidiary of the Manager (*provided* that this clause (b)(ii) shall not include any portfolio companies of any investment funds directly or indirectly managed by the Manager or an Affiliate of the Manager or any Subsidiaries of any such portfolio companies); and (c) for so long as SoftBank Group Corp. or its Affiliates, directly or indirectly, hold or control at least 10% of the economic rights of the Manager, SoftBank Group Corp., and any of its executive officers or directors; *provided*, that the identities of such Persons in this clause (c) can be reasonably determined based on information that is generally available to the public. Notwithstanding the foregoing, the "Manager Group" shall (i) include, as of the applicable time of determination, any portfolio companies of any investment funds directly or indirectly managed by the Manager or an Affiliate of the Manager, and any Subsidiaries of any such portfolio companies and any of the respective directors or officers of such portfolio companies and their respective Subsidiaries; *provided*, that, in each case of this clause (i), the identities of such individuals are known to the Executive Officers or Employee Directors of the Company, and (ii) those persons excluded from, or included in, such definition as set forth on Schedule J to the Subscription Agreements.

"Mandatory Redemption" shall have the meaning assigned to such term in Section 6(a).

"Mandatory Redemption Event" shall have the meaning assigned to such term in Section 6(a).

"Mandatory Redemption Notice" shall have the meaning assigned to such term in Section 6(c)(i).

"Mandatory Redemption Price" shall have the meaning assigned to such term in Section 6(b).

"Mandatory Redemption Time" shall have the meaning assigned to such term in Section 6(a).

"Moody's" means Moody's Investors Service, Inc. and any successor thereto.

"Net Income" means, with respect to any Person, the net income (loss) of such Person, determined in accordance with GAAP and before any reduction in respect of preferred stock dividends; *provided*, that (a) any net after-tax gain (loss) arising from changes in the fair value of derivatives shall be excluded, (b) any net after-tax effect of non-cash compensation expense recorded from grants of stock appreciation rights, stock options or other rights to officers, directors or employees shall be excluded and (c) any impairment charges or asset write-offs or write-downs, in each case pursuant to GAAP, and the amortization of intangibles and other fair value adjustments arising pursuant to GAAP, shall be excluded.

"New Business" means a business unit acquired or created by the Company and its Subsidiaries after the Subscription Agreement Date.

"New Business Parent" means, with respect to any New Business, the Subsidiary that holds, directly or indirectly, such New Business and is a direct Subsidiary of the Company or an Intermediate Holding Company.

"Non-Recourse Indebtedness" means with respect to any Person, Indebtedness of such Person and any refinancing Indebtedness thereof for which the sole legal recourse for collection of principal and interest on such Indebtedness is against the specific property identified in the instruments evidencing or securing such Indebtedness.

"Optional Redemption" shall have the meaning assigned to such term in Section 5(a).

"Optional Redemption Date" shall have the meaning assigned to such term in Section 5(c).

"Optional Redemption Notice" shall have the meaning assigned to such term in Section 5(c).

"Optional Redemption Price" shall have the meaning assigned to such term in Section 5(b).

"Percy" means Percy Acquisition LLC, a Delaware limited liability company.

"Permitted Affiliate Transaction" means any of the following: (a) the Management Agreement and payments (including the issuance of equity) required to be made pursuant to the Management Agreement (as in effect on the Initial Issue Date); (b) any Affiliate Transaction pursuant to the terms of any agreement or other arrangement in effect as of the Subscription Agreement Date or contemplated as of the Subscription Agreement Date to be entered into and set forth on Schedule D to the Subscription Agreements, or any amendment thereto (so long as any such amendment, taken as a whole, is no less favorable in any material respect to the Company or its Subsidiaries than the agreement in effect on the Subscription Agreement Date; *provided*, that if such amendment relates to any arrangement or agreement with a value in excess of $3,000,000, then such amendment shall be approved by a majority of the disinterested Independent Directors); (c) the payment or issuance, as applicable, of customary fees and out-of-pocket costs and compensation (including salaries, bonuses and Equity Interests (*provided*, that such Equity Interests shall be issued in accordance with clause (a) of the definition of Permitted Subsidiary Equity Issuance)) paid to, and reimbursement of expenses and indemnities provided on behalf of, officers, directors or employees of the Company or any Subsidiary that are not Persons described in the definition of the Manager Group (unless pursuant to part (a) hereof); and (d) an agreement or arrangement with any Person acquired (by merger or otherwise) by the Company or any Subsidiary of the Company to the extent (i) such agreement or arrangement was existing at the time of such merger, acquisition or other purchase and not entered into in contemplation of, or in connection with, such merger, acquisition or other purchase, (ii) such merger, acquisition or other purchase of such Person is otherwise permitted under this Certificate of Designations (including without limitation Section 8(a)(iii)), (iii) such agreement or arrangement is otherwise permitted under this Certificate of Designations and (iv) such merger, acquisition or other purchase does not violate, conflict or give rise to any additional rights or liabilities under such agreement or arrangement.

"Permitted Asset Sale" means:

(1) any Asset Sale by a Subsidiary (other than Transtar or an Intermediate Holding Company) not prohibited pursuant to the Senior Debt Agreement (subject to any requirement in the Senior Debt Agreement or any agreement evidencing any Permitted Refinancing Indebtedness in respect thereof to apply the proceeds of such Asset Sale to offer to purchase or redeem Indebtedness or to reinvest such proceeds); and

(2) with respect to Transtar, any Asset Sale to any Subsidiary of Percy.

"Permitted Dividend and Payment Restrictions" means restrictions of the type described in clauses (1) through (3) of Section 8(a)(xiv) by reason of:

(1) contractual encumbrances or restrictions in effect on the Subscription Agreement Date and set forth on Schedule E to the Subscription Agreements;

(2) the Senior Debt Agreement;

(3) applicable law or any applicable rule, regulation or order;

(4) any agreement or other instrument of a Person acquired by the Company or any Subsidiary in existence at the time of such acquisition (but not created in contemplation thereof), which encumbrance or restriction is not applicable to any Person, or the properties or assets of any Person so acquired and its Subsidiaries, other than the Person and its Subsidiaries, or the property or assets of the Person, so acquired;

(5) contracts for the sale of assets or the sale of a Subsidiary, including customary restrictions with respect to a Subsidiary pursuant to an agreement that has been entered into for the sale or disposition of all or substantially all the Capital Stock or assets of such Subsidiary that impose restrictions on the assets to be sold;

(6) restrictions on cash (or Cash Equivalents) or other deposits or net worth imposed by customers under contracts entered into in the ordinary course of business;

(7) customary provisions in joint venture agreements and other similar agreements relating solely to such joint venture;

(8) customary provisions in any agreement entered into in connection with a Permitted Subsidiary Equity Issuance;

(9) customary provisions contained in leases and other agreements entered into in the ordinary course of business;

(10) customary provisions contained in licenses or sub-licenses of intellectual property and software or other general intangibles entered into in the ordinary course of business;

(11) restrictions or conditions contained in any trading, netting, operating, construction, service, supply, purchase, sale or other agreement to which the Company or any Subsidiary is a party entered into in the ordinary course of business; *provided*, that such agreement prohibits the encumbrance solely of the property or assets of the Company or such Subsidiary that are the subject to such agreement, the payment rights arising thereunder or the proceeds thereof and does not extend to any other asset or property of the Company or such Subsidiary or the assets or property of another Subsidiary;

(12) any such encumbrance or restriction pursuant to an agreement governing Indebtedness permitted to be Incurred pursuant to this Certificate of Designations that the Company determines in good faith, at the time of such financing, will not impair (x) the Company's or any Subsidiary's ability to make payments required by the agreements governing any Indebtedness of the Company or any Subsidiary or (y) the Company's ability to make payments required by this Certificate of Designations;

(13) restrictions created in connection with any Qualified Securitization Financing that, in the good faith determination of the Company, are necessary or advisable to effect such Qualified Securitization Financing;

(14) restrictions set forth in this Certificate of Designations; and

(15) any encumbrances or restrictions imposed by any amendments, modifications, restatements, renewals, increases, supplements, refundings, replacements or refinancings of the contracts, instruments or obligations referred to in clauses (1) through (14) above; *provided*, that such amendments, modifications, restatements, renewals, increases, supplements, refundings, replacements or refinancing are, in the good faith judgment of the Company, no more restrictive, taken as a whole, with respect to such encumbrance and other restrictions than those prior to such amendment, modification, restatement, renewal, increase, supplement, refunding, replacement or refinancing.

"Permitted Follow-On Indebtedness" means Indebtedness of a Subsidiary Incurred to finance the improvement, expansion, installation, repair, replacement, upkeep or operation of any property or assets acquired by such Subsidiary or any other Subsidiary in the same Silo as such Subsidiary as part of an Acquired Business; *provided*, that the aggregate principal amount of such newly Incurred Indebtedness shall not exceed 65% of the cost of such improvement, expansion, installation, repair, replacement or operation.

"Permitted Indebtedness" means (a) other than with respect to any Indebtedness in respect of which Transtar, the Company or any Intermediate Holding Company is an obligor, any Indebtedness that is not prohibited by the Senior Debt Agreement, (b) Indebtedness permitted to be Incurred pursuant to Section 8(a)(xi) and (c) Indebtedness permitted to be Incurred pursuant to Section 8(a)(xiii).

"Permitted Inter-Silo Transaction" means (a) any Inter-Silo Transaction pursuant to the terms of any agreement or other arrangement in effect as of the Subscription Agreement Date or contemplated as of the Subscription Agreement Date to be entered into and set forth on Schedule F to the Subscription Agreements, or any amendment thereto (so long as any such amendment, taken as a whole, is no less favorable in any material respect to the members of any Silo than the agreement in effect on the Subscription Agreement Date; *provided*, that if any amendment relates to any arrangement or agreement with a value in excess of $3,000,000, then such amendment shall be approved by a majority of the disinterested Independent Directors); (b) a sale, conveyance, transfer or other disposition of property or assets by a member of one Silo (other than any Silo holding the projects known as "Jefferson", "Repauno", "Transtar" or "Long Ridge") to a member of a different Silo (other than any Silo holding the projects known as "Jefferson", "Repauno", "Transtar" or "Long Ridge"); *provided*, that the aggregate fair market value (determined at the time of such sale, conveyance, transfer or other disposition) of all property or assets sold, conveyed, transferred or otherwise disposed of in reliance on this clause (b) during any 12-month period shall not exceed $10,000,000; *provided*, that Section 8(a)(xvi)(d) shall also apply to each such transaction; (c) Restricted Payments of up to $25,000,000, in the aggregate, by members of one or more Silos, the proceeds of which may be used, directly or indirectly (including by way of subsequent Investment), to fund one or more members of a different Silo; and (d) the ownership of the Equity Interests of FYX Holdco LLC by members of different Silos as of the Subscription Agreement Date and, after the Subscription Agreement Date, any transaction or series of related transactions pursuant to which the Equity Interests of FYX Holdco LLC are transferred or otherwise consolidated into a single Silo.

"Permitted Investment" means any Investment not prohibited by the Senior Debt Agreement; *provided*, that such Investment shall be made for fair market value.

"Permitted Liens" means (a) other than with respect to the Company, any Intermediate Holding Company and any direct or indirect Lien on the assets of or Equity Interests in Transtar, any Lien not prohibited by the Senior Debt Agreement, (b) with respect to any Lien on the assets of or Equity Interests in Transtar (other than Liens securing Indebtedness permitted to be Incurred pursuant to Section 8(a)(xi), Section 8(a)(xiii)(x) and Section 8(a)(xiii)(y)), at any time the LTM Unlevered Free Cash Flow Condition is satisfied, Liens not prohibited by the Senior Debt Agreement, (c) Liens securing Indebtedness permitted to be Incurred pursuant to Section 8(a)(xi), Section 8(a)(xiii)(x) and Section 8(a)(xiii)(y) and (d) Liens not securing Indebtedness for borrowed money permitted pursuant to clauses (1), (2), (3), (4), (5), (11), (12), (13), (14), (16), (21), (22), (23), (24), (25), (26), (27), (28), (31), (32) and (33) of the definition of Permitted Liens in the Senior Debt Agreement.

"Permitted Payment" means (a) (i) if, as of the applicable date of determination, the LTM Unlevered Free Cash Flow Condition is not then satisfied, cash dividends payable to the holders of Common Stock equal to $0.14 per share of Common Stock per annum (which amount per share shall be subject to equitable adjustment for stock splits, reverse stock splits, stock dividends and other similar events); or (ii) if, as of the applicable date of determination, the LTM Unlevered Free Cash Flow Condition is satisfied, any cash dividends payable to the holders of Common Stock; (b) any Restricted Payment made to the Company or any Wholly-Owned Subsidiary; (c) any Restricted Payment by a Subsidiary that is not a Wholly-Owned Subsidiary that is not prohibited by the Senior Debt Agreement so long as the Company or its Subsidiary which owns the Equity Interests in such non-Wholly-Owned Subsidiary making such Restricted Payment receives at least its proportional share thereof (based upon its relative holding of the Equity Interests in such non-Wholly-Owned Subsidiary and taking into account the relative preferences, if any, of the various classes of Equity Interests of such non-Wholly-Owned Subsidiary); and (d) any Optional Redemption, Mandatory Redemption, Dividend or any other payments with respect to the shares of Series A Preferred Stock in accordance with this Certificate of Designations.

"Permitted Refinancing Indebtedness" means Indebtedness Incurred to refinance, replace, modify, refund, renew, defease or extend any other Indebtedness ("Refinanced Indebtedness"); *provided*, that any such refinancing, replacement, modification, refunding, renewal or extension must comply with the following conditions:

(a) there is no increase in the principal amount (or accreted value) thereof (except by an amount equal to accrued interest, fees, discounts, redemption and tender premiums, penalties and expenses);

(b) the Weighted Average Life to Maturity of such Indebtedness is greater than or equal to the Weighted Average Life to Maturity of the Refinanced Indebtedness and such Indebtedness shall not have a final maturity earlier than the maturity date of the Refinanced Indebtedness;

(c) immediately after giving effect to such refinancing, replacement, refunding, renewal or extension, no Event of Noncompliance shall be continuing;

(d) neither the Company nor any Subsidiary shall be an obligor or guarantor of any such refinancings, replacements, modifications, refundings, renewals or extensions except to the extent that such Person was (or would have been required to be) such an obligor or guarantor in respect of the Refinanced Indebtedness and the obligation or guarantee would be permitted pursuant to this Certificate of Designations; and

(e) any Liens securing such Permitted Refinancing Indebtedness shall be limited to the assets or property that secured the Refinanced Indebtedness or that would have been required to secure the Refinanced Indebtedness; *provided*, that Liens in respect of assets or property granted as a result of the operation of after-acquired property clauses shall be permitted to the extent any such assets or property secured (or would have secured) the Refinanced Indebtedness.

"Permitted Subsidiary Equity Issuance" means (a) the issuance of any Equity Interests of any Subsidiary of the Company (other than an Intermediate Holding Company) pursuant to and in accordance with any customary incentive compensation plan or arrangement (a "Plan") for such Subsidiary, *provided*, that if such Plan is implemented after the Subscription Agreement Date, then (i) such Plan (but, for the avoidance of doubt, not the issuance or award of Equity Interests to Persons pursuant to such Plan) shall be approved in good faith by the Compensation Committee of the Board of Directors of the Company (or, in the event such Plan is approved after the Subscription Agreement Date but prior to the Initial Issue Date, the Compensation Committee of Fortress Transportation and Infrastructure Investors LLC); and (ii) the issuance of such Equity Interests to Persons pursuant to such Plan shall be approved in good faith by the board of directors, managing member, or other governing body of such Subsidiary; *provided*, *further*, that, with respect to any Subsidiary, the aggregate amount of Equity Interests issued pursuant hereto shall not exceed ten percent (10%) of the total Equity Interests of such Subsidiary (calculated on a fully-diluted basis); *provided*, *further*, that Equity Interests may only be issued by Transtar pursuant to this clause (a) if the aggregate of all Equity Interests in Transtar issued pursuant to this clause (a) does not exceed ten percent (10%) of the equity value of Transtar as a whole; (b) the issuance of Equity Interests in any Subsidiary other than Transtar to a joint venture counterparty that is not an Affiliate of the Company or a member of the Manager Group in exchange for cash or other assets contributed by such joint venture counterparty to such Subsidiary; *provided*, that (i) the fair market value of Equity Interests so issued shall not exceed the fair market value of the cash or other assets so contributed and (ii) if the fair market value of the aggregate consideration received in connection with such issuance exceeds $25,000,000, such issuance shall have been approved by a majority of the disinterested Independent Directors prior to the consummation of such issuance; (c) the issuance of Equity Interests in a non-Wholly-Owned Subsidiary of the Company (for the avoidance of doubt, other than Transtar) in existence on the Subscription Agreement Date; *provided*, that for Equity Interests issued after the Subscription Agreement Date (i) the fair market value of Equity Interests so issued shall not exceed the fair market value of the cash or other assets so contributed and (ii) if the fair market value of the aggregate consideration received in connection with such issuance exceeds $25,000,000, such issuance shall have been approved by a majority of the disinterested Independent Directors prior to the consummation of such issuance; and (d) directors' qualifying shares or similar Equity Issuances to the extent necessary to comply with applicable Law.

"Person" means any individual, corporation, limited liability company, partnership (including limited partnership), joint venture, association, joint stock company, trust, unincorporated organization, government or any agency or political subdivision thereof or any other entity.

"Proportional Consolidated Basis" means, with respect to any specified amount and any specified Persons, the calculation of such amount of such Persons on a consolidated basis in accordance with GAAP; provided, that such amount in respect of any Subsidiary whose economic Equity Interests are not at the time directly or indirectly wholly-owned by the Company shall (without duplication) only be recognized in the calculation of such amount on a Proportional Consolidated Basis to the extent of the Specified Percentage of such amount of such Subsidiary.

"Purchasers" shall have the meaning assigned to such term in the Subscription Agreements.

"Qualified Securitization Financing" shall have the meaning assigned to such term in the Senior Debt Agreement.

"Related Agreements" means this Certificate of Designations, the IRA, and the Subscription Agreements.

"Related Party" means, (i) any current officer or director of the Company and any child, stepchild, parent, stepparent, spouse, sibling, mother-in-law, father-in-law, son-in-law, daughter-in-law, brother-in-law, or sister-in-law of the foregoing individuals, (ii) any Person who is known to the Executive Officers or Employee Directors of the Company to be the beneficial owner of more than 5% of any class of the Company's voting securities and any Subsidiary of any such 5% beneficial owner, and (iii) any current director of any Subsidiary of the Company or any officer with general signatory authority for such Subsidiary.

"Reorganization Event" shall have the meaning assigned to such term in Section 8(b).

"Requirements of Law" means, with respect to any Person, collectively, the common law and all federal, state, local, foreign, multinational or international laws, statutes, codes, treaties, standards, rules and regulations, guidelines, ordinances, orders, judgments, writs, injunctions, decrees (including administrative or judicial precedents or authorities) and the interpretation or administration thereof by, and other determinations, directives, requirements or requests of, any Governmental Authority, in each case whether or not having the force of law and that are applicable to or binding upon such Person or any of its property or to which such Person or any of its property is subject.

"Restricted Payment" means (a) any dividend or other distribution on account of any shares of any class of the Capital Stock of the Company or any Subsidiary; (b) any redemption, retirement, sinking fund or similar payment, purchase or other acquisition for value of any shares of any class of the Capital Stock of the Company or any Subsidiary and (c) any payment made to retire, or to obtain the surrender of, any outstanding warrants, options or other rights to acquire shares of any class of the Capital Stock of the Company or any Subsidiary now or hereafter outstanding.

"Return on Investment" means, with respect to each share of Series A Preferred Stock, an amount equal to the quotient of (a) the aggregate gross amount of cash Dividends actually paid by the Company to the Holder of a share of Series A Preferred Stock in respect of such share of Series A Preferred Stock as of the date of calculation (adjusted as appropriate in the event of any stock or securities dividend, stock or securities split, stock or securities distribution, recapitalization or combination) divided by (b) the initial Stated Value.

"S&P" means S&P Global Ratings, a subsidiary of S&P Global, Inc., and any successor thereto.

"Securities" means any stock, shares, units, partnership interests, voting trust certificates, certificates of interest or participation in any profit-sharing agreement or arrangement, options, warrants, bonds, debentures, notes, or other evidences of indebtedness, secured or unsecured, convertible, subordinated or otherwise, or in general any instruments commonly known as "securities" or any certificates of interest, shares or participations in temporary or interim certificates for the purchase or acquisition of, or any right to subscribe to, purchase or acquire, any of the foregoing; *provided*, that "Securities" shall not include any earn-out agreement or obligation or any employee bonus or other incentive compensation plan or agreement.

"Senior Debt Agreement" means the Indenture, to be dated on or about the Initial Issue Date, by and among [●] and [●], as in effect on the Initial Issue Date.

"Series A Preferred Stock" shall have the meaning assigned to such term in Section 1(a).

"Significant Subsidiary" means any Subsidiary that would be a "significant subsidiary" as defined in Article 1, Rule 1-02 of Regulation S-X, promulgated pursuant to the Securities Act, as such regulation is in effect on the Subscription Agreement Date.

"Silo" means (x) collectively, (a) an Issue Date Parent Company, (b) each Subsidiary of such Issue Date Parent Company, (c) each Person (other than the Company, any stockholder of the Company, any Excluded Holder or an Intermediate Holding Company), that holds, directly or indirectly, any Equity Interests of such Issue Date Parent Company, (d) any Person in which any Person described in clause (a), (b) or (c) above holds any Capital Stock, (e) any and all of the assets and properties held by any of the foregoing Persons described in clauses (a), (b) and (c) above (other than assets or property of a Person described in clause (c) above consisting solely of Equity Interests in a Person that does not hold, directly or indirectly, any Equity Interests of such Issue Date Parent Company or any of its Subsidiaries) and (f) any other Person (other than the Company, any stockholder of the Company, any Excluded Holder or an Intermediate Holding Company) directly or indirectly owning or holding any Equity Interests or assets constituting any portion of the applicable Siloed Business or (y) collectively, (a) a New Business Parent, (b) each Subsidiary of such New Business Parent, (c) each Person, (other than the Company, any stockholder of the Company, any Excluded Holder or an Intermediate Holding Company) that holds, directly or indirectly, any Equity Interests of such New Business Parent, (d) any Person in which any Person described in clause (a), (b) or (c) above holds any Capital Stock, (e) any and all of the assets and properties held by any of the foregoing Persons described in clauses (a), (b) and (c) above (other than assets or property of a Person described in clause (c) above consisting solely of Equity Interests in a Person that does not hold, directly or indirectly, any Equity Interests of such New Business Parent or any of its Subsidiaries) and (f) any other Person (other than the Company, any stockholder of the Company, any Excluded Holder or an Intermediate Holding Company) directly or indirectly owning or holding any Equity Interests or assets constituting any portion of the applicable Siloed Business. Notwithstanding the foregoing, Subsidiaries of FTAI Energy Holdings LLC that do not hold any interest, directly or indirectly, in the project known as "Jefferson" shall be deemed to be part of a different Silo than the Silo that holds any interests, direct or indirect, in the project known as "Jefferson".

"Siloed Business" means (x) with respect to any Issue Date Parent Company, the business operated by such Issue Date Parent Company and its Subsidiaries on the Subscription Agreement Date, as such business may be expanded or developed after the Subscription Agreement Date and (y) with respect to any New Business, the business operated by the applicable New Business Parent and its Subsidiaries on the date such New Business was acquired or created by the Company or an Intermediate Holding Company, as such business may be expanded or developed after such date.

"Specified Percentage" means, with respect to any Subsidiary at any time, the percentage of the economic Equity Interests of such Subsidiary owned, directly or indirectly, by the Company and all Wholly-Owned Subsidiaries.

"Stated Value" means, as of the relevant date and with respect to each share of Series A Preferred Stock, the sum of (a) $1,000 (adjusted as appropriate in the event of any stock or securities dividend, stock or securities split, stock or securities distribution, recapitalization or combination) *plus* (b) the aggregate Compounded Dividends with respect to such share as of such date.

"Subscription Agreements" means, collectively, those certain Subscription Agreements, dated as of June 28, 2022 (the "Subscription Agreement Date") (as amended, restated, supplemented or otherwise modified from time to time), by and among the Purchasers and the Company.

"Subsidiary" means, with respect to any Person (herein referred to as the "parent"), any corporation, partnership, association or other business entity (a) of which securities or other ownership interests representing (i) more than 50% of the equity or (ii) more than 50% of the ordinary voting power or more than 50% of the general partnership interests are, at the time any determination is being made, directly or indirectly, owned, controlled or held, (b) that is, at the time any determination is made, otherwise controlled, by the parent or one or more subsidiaries of the parent or by the parent and one or more subsidiaries of the parent or (c) consolidated in the consolidated financial statements of the applicable Person in accordance with GAAP. Unless otherwise qualified, all references to a "Subsidiary" or "Subsidiaries" in this Certificate of Designations shall refer to a direct or indirect Subsidiary or Subsidiaries of the Company.

"Test Period" means, with respect to any date of determination, the four fiscal quarters of the Company then most recently ended for which financial statements have been reviewed (or audited, in the case of fiscal year-end financial statements) by the Company's independent auditors and provided to the Holders.

"Transtar" means, collectively, (a) Percy, (b) each Subsidiary of Percy, (c) each Person, other than the Company or any stockholder of the Company that is not a Subsidiary, that holds, directly or indirectly, any Equity Interests of Percy, (d) any Person in which any Person described in clause (a), (b) or (c) above holds any Capital Stock, (e) any and all of the assets and properties held by any of the foregoing Persons described in clauses (a), (b) and (c) above (other than assets or property of a Person described in clause (c) above consisting solely of Equity Interests in a Person that does not hold, directly or indirectly, any Equity Interests of Percy or any of its Subsidiaries) and (f) any other Person (other than the Company or any stockholder of the Company that is not a Subsidiary) directly or indirectly owning or holding any portion of the Transtar Business.

"Transtar Business" means the business operated by Percy and its Subsidiaries on the Subscription Agreement Date, as such business may be expanded or developed after the Subscription Agreement Date.

"U.S." means the United States of America.

"Unlevered Free Cash Flow" means, with respect to the Company and any Subsidiary of the Company as of the Subscription Agreement Date for any period:

(a) EBITDA of the Company and such Subsidiaries, calculated on a Proportional Consolidated Basis; *minus*

(b) Fixed Charges and any scheduled and mandatory principal payments during the relevant period of the Company's Subsidiaries, in each case, calculated on a Proportional Consolidated Basis; *minus*

(c) Maintenance Capital Expenditures of the Company and such Subsidiaries, calculated on a Proportional Consolidated Basis; *minus*

(d) to the extent not deducted in the calculation of EBITDA, general corporate operating and overhead expenses, management fees, compensation expense and legal, accounting and other professional fees and expenses of the Company and such Subsidiaries paid during such period;

provided, that the impacts of any Investment (for the avoidance of doubt, excluding Capital Expenditures made by and for the benefit of Subsidiaries as of the Subscription Agreement Date) consummated after the Subscription Agreement Date shall be excluded in calculating Unlevered Free Cash Flow.

"Weighted Average Life to Maturity" means, when applied to any Indebtedness at any date, the number of years obtained by dividing (a) the sum of the products obtained by multiplying (i) the amount of each then remaining installment, sinking fund, serial maturity or other required payments of principal, including payment at final maturity, in respect thereof, by (ii) the number of years (calculated to the nearest one-twelfth) that will elapse between such date and the making of such payment; by (b) the then outstanding principal amount of such Indebtedness.

"Wholly-Owned Subsidiary" of any Person means a Subsidiary of such Person, all of the Equity Interests of which (other than directors' qualifying shares or nominee or other similar shares required pursuant to applicable law) are owned by such Person or another Wholly-Owned Subsidiary of such Person. Unless the context otherwise requires, "Wholly-Owned Subsidiary" shall mean a Subsidiary of the Company that is a Wholly-Owned Subsidiary of the Company.

15. Interpretation.

(a) Any of the terms defined herein may, unless the context otherwise requires, be used in the singular or the plural, depending on the reference.

(b) The headings are for convenience only and shall not be given effect in interpreting this Certificate of Designations. References herein to any Section or Article shall be to a Section or Article hereof unless otherwise specifically provided.

(c) References herein to any law shall mean such law, including all rules and regulations promulgated under or implementing such law, as amended from time to time and any successor law unless otherwise specifically provided. Except as otherwise stated in this Certificate of Designations, references in this Certificate of Designations to any contract(s) or written agreement(s) shall mean such contract or written agreement as in effect on the Subscription Agreement Date, regardless of any subsequent replacement, refunding, refinancing, extension, renewal, restatement, amendment, supplement or modification thereof or thereto and regardless of whether the Issuer is, remains, was, or has ever been, a party thereto.

(d) The use of the term "*pari passu*" with respect to the Series A Preferred Stock, shall mean *pari passu* by reference to the Liquidation Value of such Series A Preferred Stock at the relevant time.

(e) The words "hereof," "herein" and "hereunder" and words of similar import, when used in this Certificate of Designations, refer to this Certificate of Designations as a whole and not to any particular provision of this Certificate of Designations.

(f) The use of the masculine, feminine or neuter gender or the singular or plural form of words shall not limit any provisions of this Certificate of Designations.

(g) The use herein of the word "include" or "including", when following any general statement, term or matter, shall not be construed to limit such statement, term or matter to the specific items or matters set forth immediately following such word or to similar items or matters, whether or not non-limiting language (such as "without limitation" or "but not limited to" or words of similar import) is used with reference thereto, but rather shall be deemed to refer to all other items or matters that fall within the broadest possible scope of such general statement, term or matter.

(h) The word "will" shall be construed to have the same meaning as the word "shall". With respect to the determination of any period of time, "from" shall mean "from and including". The word "or" shall not be exclusive. The word "extent" in the phrase "to the extent" shall mean the degree to which a subject or other thing extends, and such phrase shall not mean simply "if".

(i) The terms "lease" and "license" shall include "sub-lease" and "sub-license", as applicable.

(j) All references to "$", currency, monetary values and dollars set forth herein shall mean U.S. dollars.

(k) When the terms of this Certificate of Designations refer to a specific agreement or other document or a decision by any body or Person that determines the meaning or operation of a provision hereof, the secretary of the Company shall maintain a copy of such agreement, document or decision at the principal executive offices of the Company and a copy thereof shall be provided free of charge to any Holder who makes a request therefor.

(l) Except as otherwise expressly provided herein, all terms of an accounting or financial nature shall be construed in accordance with GAAP, as in effect from time to time; *provided* that, if the Company notifies the Holders that the Company requests an amendment to any provision hereof to eliminate the effect of any change occurring after the Subscription Agreement Date in GAAP or in the application thereof on the operation of such provision, regardless of whether any such notice is given before or after such change in GAAP or in the application thereof, then such provision shall be interpreted on the basis of GAAP as in effect and applied immediately before such change shall have become effective until such notice shall have been withdrawn or such provision amended in accordance herewith.

(m) Notwithstanding any other provision contained herein, all terms of an accounting or financial nature used herein shall be construed, and all computations of amounts and ratios referred to herein shall be made, without giving effect to any election under FASB Accounting Standards Codification 805, 810 or 825 (or any other part of FASB Accounting Standards Codification having a similar result or effect), to value any Indebtedness at "fair value".

(n) Although the same or similar subject matters may be addressed in different provisions of this Certificate of Designations, it is intended that each such provision shall be read separately, be given independent significance and not be construed as limiting any other provision of this Certificate of Designations (whether or not more general or more specific in scope, substance or content).

[REMAINDER OF PAGE LEFT BLANK INTENTIONALLY]

IN WITNESS WHEREOF, the Company has caused this Certificate of Designations to be signed by a duly authorized officer this [●] day of [●], 2022.

FTAI INFRASTRUCTURE INC.

By:
Name:
Title:

[*Signature Page to Series A Preferred Share Designation*]

Exhibit 4.2

WARRANT AGREEMENT

BETWEEN

FTAI INFRASTRUCTURE INC.

AND

[●],

AS WARRANT AGENT

[●], 2022

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WARRANT AGREEMENT

This WARRANT AGREEMENT (this "***Agreement***"), dated as of [●], 2022 by and between FTAI INFRASTRUCTURE INC., a Delaware corporation (the "***Company***"), and [●], a [●], as Warrant Agent (the "***Warrant Agent***") (each a "***Party***" and collectively, the "***Parties***").

PRELIMINARY STATEMENTS

WHEREAS, on the date hereof, the Company entered into that certain Subscription Agreement (the "***Subscription Agreement***") by and among the Company and purchasers party thereto (collectively the "***Initial Purchasers***") pursuant to which, *inter alios*, the Initial Purchasers agreed to purchase: (i) warrants (the "***Series I Warrants***") entitling the holders thereof to purchase 3,342,566 shares of common stock, $0.01 par value per share, of the Company (the "***Common Stock***") at an initial exercise price equal to $10.00 per share (as adjusted in accordance with this Agreement, the "***Series I Exercise Price***"), exercisable from the date hereof (the "***Issue Date***") until the Expiration Time, on the terms and subject to the conditions set forth in this Agreement; and (ii) warrants (the "***Series II Warrants***" and together with the Series I Warrants, the "***Warrants***") entitling holders thereof to purchase 3,342,566 shares of Common Stock at an exercise price equal to $0.01 per share (the "***Series II Exercise Price***"), exercisable from the Issue Date until the Expiration Time (as defined herein), on the terms and subject to the conditions set forth in this Agreement. For the avoidance of doubt, except as context otherwise requires, references herein to the "Exercise Price" shall be deemed to refer to (i) the Series I Exercise Price when such term is applied to Series I Warrants and (ii) the Series II Exercise Price when such term is applied to Series II Warrants.

WHEREAS, the Warrant Agent, at the request of the Company, has agreed to act as the agent of the Company in connection with the issuance, registration, transfer, exchange and exercise of the Warrants; and

WHEREAS, the issuance of the Warrants pursuant to the Subscription Agreement and this Agreement is in reliance on the exemption from registration under the Securities Act of 1933, as amended (the "***Securities Act***") provided by Section 4(a)(2) of the Securities Act.

NOW, THEREFORE, in consideration of the premises and mutual agreements herein set forth, the parties hereto agree as follows:

SECTION 1. Appointment of Warrant Agent. The Company hereby appoints the Warrant Agent to act as agent for the Company in accordance with the instructions hereinafter set forth in this Agreement (and no implied terms); and the Warrant Agent hereby accepts such appointment, on the terms and subject to the conditions hereinafter set forth.

SECTION 2. Issuances; Exercise Price. On the terms and subject to the conditions of this Agreement, the Company will issue the Warrants in the amounts and to the recipients specified in the signature page to the Subscription Agreement. On such date, the Warrants shall be issued by book-entry registration on the books of the Warrant Agent ("***Book-Entry Warrants***") and shall be evidenced by statements issued by the Warrant Agent from time to time to the registered holder of Book-Entry Warrants reflecting such book-entry position (the "***Warrant Statement***"). Each Warrant evidenced thereby entitles the holder, upon proper exercise and payment of the applicable Exercise Price, to receive from the Company, as adjusted as provided herein, one fully-paid, non-assessable share of Common Stock. The shares of Common Stock or (as provided pursuant to Section 12 hereof) securities, Cash or other property deliverable upon proper exercise of the Warrants are referred to herein as the "***Warrant Shares***."

SECTION 3. Form of Warrants. Subject to Section 6 of this Agreement, the Warrants shall be issued (1) via book-entry registration on the books and records of the Warrant Agent and evidenced by Warrant Statements, in customary form and substance and/or (2) if requested by any Warrantholder (as defined herein), in the form of one or more global certificates (the "***Global Warrant Certificates***"), the forms of election to exercise and of assignment to be printed on the reverse thereof, in substantially the form set forth in Exhibit A attached hereto. The Global Warrant Certificates of each of the Series I Warrants and the Series II Warrants, may bear such appropriate insertions, omissions, legends, substitutions and other variations as are required or permitted by this Agreement, and may have such letters, numbers or other marks of identification and such legends or endorsements placed thereon as may be required to comply with any law or with any rules made pursuant thereto or with any rules of any securities exchange or as may, consistently herewith, be determined by, in the case of Global Warrant Certificates, the Appropriate Officers (as defined herein) executing such Global Warrant Certificates, as evidenced by their execution of the Global Warrant Certificates.

If requested by any Warrantholder, Global Warrant Certificates shall be deposited with, or with the Warrant Agent as custodian for, The Depository Trust Company (the "***Depository***") and registered in the name of Cede & Co., or such other entity designated by the Depository, as the Depository's nominee. Each Global Warrant Certificate shall represent such number of the outstanding Warrants as specified therein, and each shall provide that it shall represent the aggregate amount of outstanding Warrants from time to time endorsed thereon and that the aggregate amount of outstanding Warrants represented thereby may from time to time be reduced or increased, as appropriate, in accordance with the terms of this Agreement.

SECTION 4. Execution of Global Warrant Certificates. Global Warrant Certificates shall be signed on behalf of the Company by its Chief Executive Officer, its Chief Financial Officer, its President, its General Counsel, its Treasurer, its Controller, a Vice President, its Secretary, an Assistant Secretary or any other authorized person appointed by the board of directors of the Company (the "***Board of Directors***") from time to time (each, an "***Appropriate Officer***"). Each such signature upon the Global Warrant Certificates may be in the form of a facsimile or electronic signature of any such Appropriate Officer and may be imprinted or otherwise reproduced on the Global Warrant Certificates and for that purpose the Company may adopt and use the facsimile or electronic signature of any Appropriate Officer.

If any Appropriate Officer who shall have signed any of the Global Warrant Certificates shall cease to be an Appropriate Officer before the Global Warrant Certificates so signed shall have been countersigned by the Warrant Agent or disposed of by the Company, such Global Warrant Certificates nevertheless may be countersigned and delivered or disposed of as though such Appropriate Officer had not ceased to be an Appropriate Officer of the Company, and any Global Warrant Certificate may be signed on behalf of the Company by any Person who, at the actual date of the execution of such Global Warrant Certificate, shall be an Appropriate Officer, although at the date of the execution of this Agreement such Person was not an Appropriate Officer. Global Warrant Certificates shall be dated the date of countersignature by the Warrant Agent and shall represent one or more whole Warrants.

SECTION 5. Registration and Countersignature. Upon written order of the Company, the Warrant Agent shall (i) register in the Warrant Register (as defined below) the Book-Entry Warrants as well as any Global Warrant Certificates and exchanges and transfers of outstanding Warrants in accordance with the procedures set forth in this Agreement and (ii) upon receipt of the Global Warrant Certificates duly executed on behalf of the Company, countersign by either manual or facsimile signature one or more Global Warrant Certificates evidencing Warrants and shall deliver such Global Warrant Certificates to or upon the written order of the Company. Such written order of the Company shall specifically state the number of Warrants that are to be issued as Book-Entry Warrants and the number of Warrants that are to be issued as a Global Warrant Certificate. A Global Warrant Certificate shall be, and shall remain, subject to the provisions of this Agreement until such time as all of the Warrants evidenced thereby shall have been duly exercised or shall have expired or been canceled in accordance with the terms hereof. Each Person in whose name any Warrant is registered (each such registered holder, a "***Warrantholder***") shall be bound by all of the terms and provisions of this Agreement (a copy of which is available on request to the Secretary of the Company) as fully and effectively as if such Warrantholder had signed the same.

No Global Warrant Certificate shall be valid for any purpose, and no Warrant evidenced thereby shall be exercisable, until such Global Warrant Certificate has been countersigned by the manual or facsimile signature of the Warrant Agent. Such signature by the Warrant Agent upon any Global Warrant Certificate executed by the Company shall be conclusive evidence that such Global Warrant Certificate so countersigned has been duly issued hereunder.

The Warrant Agent shall keep, at an office designated for such purpose, books (the "***Warrant Register***") in which, subject to such reasonable regulations as it may prescribe, it shall register the Book-Entry Warrants as well as any Global Warrant Certificates and exchanges and transfers of outstanding Warrants in accordance with the procedures set forth in Section 6 of this Agreement, all in form reasonably satisfactory to the Company and the Warrant Agent. No service charge shall be made for any exchange or registration of transfer of the Warrants, but the Company may require payment of a sum sufficient to cover any stamp or other tax or other governmental charge that may be imposed on the Warrantholder in connection with any such exchange or registration of transfer. The Warrant Agent shall have no obligation to effect an exchange or register a transfer unless and until any payments required by the immediately preceding sentence have been made.

Prior to due presentment for registration of transfer or exchange of any Warrant in accordance with the procedures set forth in this Agreement, the Warrant Agent and the Company may deem and treat the Warrantholder as the absolute owner of such Warrant (notwithstanding any notation of ownership or other writing made in a Global Warrant Certificate by anyone), for the purpose of any exercise thereof, any distribution to the Warrantholder thereof and for all other purposes, and neither the Warrant Agent nor the Company shall be affected by notice to the contrary.

SECTION 6. Registration of Transfers and Exchanges.

(a) *Transfer and Exchange of Global Warrant Certificates or Beneficial Interests Therein*. The transfer and exchange of Global Warrant Certificates or beneficial interests therein shall be effected through the Depository, in accordance with this Agreement and the procedures of the Depository therefor.

(b) Exchange of a Beneficial Interest in a Global Warrant Certificate for a Book-Entry Warrant.

(i) Any Warrantholder of a beneficial interest in a Global Warrant Certificate may, upon request, exchange such beneficial interest for a Book-Entry Warrant. Upon receipt by the Warrant Agent from the Depository or its nominee of written instructions or such other form of instructions as is customary for the Depository on behalf of any Person having a beneficial interest in a Global Warrant Certificate, the Warrant Agent shall cause, in accordance with the standing instructions and procedures existing between the Depository and Warrant Agent, the number of Warrants represented by the Global Warrant Certificate to be reduced by the number of Warrants to be represented by the Book-Entry Warrants to be issued in exchange for the beneficial interest of such Person in the Global Warrant Certificate and, following such reduction, the Warrant Agent shall register in the name of the Warrantholder a Book-Entry Warrant and deliver to said Warrantholder a Warrant Statement.

(ii) Book-Entry Warrants issued in exchange for a beneficial interest in a Global Warrant Certificate pursuant to this Section 6(b) shall be registered in such names as the Depository, pursuant to instructions from its direct or indirect participants or otherwise, shall instruct the Warrant Agent. The Warrant Agent shall deliver such Warrant Statements to the Persons in whose names such Warrants are so registered.

(c) *Transfer and Exchange of Book-Entry Warrants*. Book-Entry Warrants surrendered for exchange or for registration of transfer pursuant to clause (i) of this Section 6(c) or Section 6(i)(iv), shall be cancelled by the Warrant Agent. Such cancelled Book-Entry Warrants shall then be disposed of by or at the direction of the Company in accordance with applicable law. When Book-Entry Warrants are presented to or deposited with the Warrant Agent with a written request:

(i) to register the transfer of the Book-Entry Warrants; or

(ii) to exchange such Book-Entry Warrants for an equal number of Book-Entry Warrants of other authorized denominations;

then in each case the Warrant Agent shall register the transfer or make the exchange as requested if its requirements for such transactions are met; *provided, however*, that the Warrant Agent has received a written instruction of transfer in a form satisfactory to the Warrant Agent, duly executed by the Warrantholder thereof or by his attorney, duly authorized in writing.

(d) *Restrictions on Exchange or Transfer of a Book-Entry Warrant for a Beneficial Interest in a Global Warrant Certificate*. A Book-Entry Warrant may not be exchanged for a beneficial interest in a Global Warrant Certificate except upon satisfaction of the requirements set forth below. Upon receipt by the Warrant Agent of appropriate instruments of transfer with respect to a Book-Entry Warrant, in a form satisfactory to the Warrant Agent, together with written instructions directing the Warrant Agent to make, or to direct the Depository to make, an endorsement on the Global Warrant Certificate to reflect an increase in the number of Warrants represented by the Global Warrant Certificate equal to the number of Warrants represented by such Book-Entry Warrant (such instruments of transfer and instructions to be duly executed by the holder thereof or the duly appointed legal representative thereof or by his attorney, duly authorized in writing, such signatures to be guaranteed by an eligible guarantor institution to the extent required by the Warrant Agent or the Depository), then the Warrant Agent shall cancel such Book-Entry Warrant on the Warrant Register and cause, or direct the Depository to cause, in accordance with the standing instructions and procedures existing between the Depository and the Warrant Agent, the number of Warrants represented by the Global Warrant Certificate to be increased accordingly. If no Global Warrant Certificates are then outstanding, the Company shall issue and the Warrant Agent shall countersign a new Global Warrant Certificate representing the appropriate number of Warrants.

(e) *Restrictions on Exchange or Transfer of Global Warrant Certificates*. Notwithstanding any other provisions of this Agreement (other than the provisions set forth in Section 6(f)), unless and until it is exchanged in whole for a Book-Entry Warrant, a Global Warrant Certificate may not be transferred as a whole except by the Depository to a nominee of the Depository or by a nominee of the Depository to the Depository or another nominee of the Depository or by the Depository or any such nominee to a successor Depository or a nominee of such successor Depository.

(f) *Book-Entry Warrants*. If at any time, the Depository for the Global Warrant Certificates notifies the Company that the Depository is unwilling or unable to continue as Depository for the Global Warrant Certificates and a successor Depository for the Global Warrant Certificates is not appointed by the Company within ninety (90) days after delivery of such notice, then the Warrant Agent, upon written instructions signed by an Appropriate Officer of the Company and all other necessary information, shall register Book-Entry Warrants, in an aggregate number equal to the number of Warrants represented by the Global Warrant Certificates, in exchange for such Global Warrant Certificates, in such names and in such amounts as directed by the Depository or, in the absence of instructions from the Depository, the Company.

(g) *Restrictions on Transfers of Warrants*. No Warrants shall be sold, exchanged or otherwise transferred in violation of the Securities Act or applicable state securities laws. Each Warrantholder, by its acceptance of any Warrant under this Agreement, acknowledges and agrees that the Warrants (including any Warrant Shares issued upon exercise thereof) were issued pursuant to an exemption from the registration requirement of Section 5 of the Securities Act provided by Section 4(a)(2) of the Securities Act and such Warrantholder may not be able to sell or transfer any Warrant Shares in the absence of an effective registration statement under the Securities Act or an exemption from registration thereunder. The Warrants will not be subject to any restrictions on transfer other than those under applicable securities laws.

(h) *Cancellation of Global Warrant Certificate*. At such time as all beneficial interests in Global Warrant Certificates have either been exchanged for Book-Entry Warrants, redeemed, repurchased or cancelled, all Global Warrant Certificates shall be returned to, or retained and cancelled by, the Warrant Agent, upon written instructions from the Company satisfactory to the Warrant Agent.

(i) Obligations with Respect to Transfers and Exchanges of Warrants.

(i) To permit registrations of transfers and exchanges, the Company shall execute Global Warrant Certificates, if applicable, and the Warrant Agent is hereby authorized, in accordance with the provisions of Section 5 and this Section 6, to countersign such Global Warrant Certificates, if applicable, or register Book-Entry Warrants, if applicable, as required pursuant to the provisions of this Section 6 and for the purpose of any distribution of new Global Warrant Certificates contemplated by Section 9 or additional Global Warrant Certificates contemplated by Section 12.

(ii) All Book-Entry Warrants and Global Warrant Certificates issued upon any registration of transfer or exchange of Book-Entry Warrants or Global Warrant Certificates shall be the valid obligations of the Company, entitled to the same benefits under this Agreement as the Book-Entry Warrants or Global Warrant Certificates surrendered upon such registration of transfer or exchange.

(iii) No service charge shall be made to a Warrantholder for any registration, transfer or exchange but the Company may require payment of a sum sufficient to cover any stamp or other tax or other governmental charge that may be imposed on the Warrantholder in connection with any such exchange or registration of transfer. Neither the Company nor the Warrant Agent shall be required to pay any tax or taxes which may be payable in respect of any transfer involved in the issuance of Warrants or any certificates for Warrant Shares in a name other than that of the Warrantholder of the surrendered Warrants, and the Company shall not be required to issue or deliver such Warrants or the certificates representing the Warrant Shares unless or until the Person or Persons requesting the issuance thereof shall have paid to the Company the amount of such tax or shall have established to the satisfaction of the Company that such tax has been paid. The Warrant Agent shall have no duty to deliver such Warrants or the certificates representing such Warrant Shares unless and until it is satisfied that all such taxes and charges have been paid.

(iv) So long as the Depository, or its nominee, is the registered owner of a Global Warrant Certificate, the Depository or such nominee, as the case may be, will be considered the sole owner or Warrantholder of the Warrants represented by such Global Warrant Certificate for all purposes under this Agreement. Except as provided in Section 6(b) and Section 6(f) upon the exchange of a beneficial interest in a Global Warrant Certificate for Book-Entry Warrants, owners of beneficial interests in a Global Warrant Certificate will not be entitled to have any Warrants registered in their names, and will under no circumstances be entitled to receive physical delivery of any such Warrants and will not be considered the owners or Warrantholders thereof under the Warrants or this Agreement. Neither the Company nor the Warrant Agent, in its capacity as registrar for such Warrants, will have any responsibility or liability for any aspect of the records relating to beneficial interests in a Global Warrant Certificate or for maintaining, supervising or reviewing any records relating to such beneficial interests. Notwithstanding the foregoing, nothing herein shall prevent the Company, the Warrant Agent or any agent of the Company or the Warrant Agent from giving effect to any written certification, proxy or other authorization furnished by the Depository or impair the operations of customary practices of the Depository governing the exercise of the rights of a holder of a beneficial interest in a Global Warrant Certificate.

(v) Subject to Section 6(b), Section 6(c) and Section 6(d) hereof, and this Section 6(i), the Warrant Agent shall, upon receipt of all information required to be delivered hereunder and any evidence of authority that may be reasonably required by the Warrant Agent, from time to time register the transfer of any outstanding Warrants in the Warrant Register, upon surrender of Global Warrant Certificates, if applicable, representing such Warrants at the Warrant Agent Office (as defined below), duly endorsed, and accompanied by a completed form of assignment substantially in the form of Exhibit C hereto (or with respect to a Book-Entry Warrant, only such completed form of assignment substantially in the form of Exhibit C hereto), duly signed by the Warrantholder thereof or by the duly appointed legal representative thereof or by a duly authorized attorney, such signature to be guaranteed by a participant in the Securities Transfer Agent Medallion Program, the Stock Exchanges Medallion Program or the New York Stock Exchange, Inc. Medallion Signature Program. Upon any such registration of transfer, a new Global Warrant Certificate or a Warrant Statement, as the case may be, shall be issued to the transferee.

SECTION 7. Duration and Exercise of Warrants.

(a) Subject to the terms of this Agreement, each Warrant shall be exercisable, in whole or in part, at any time and from time to time beginning on and after the Issue Date and ending at the earlier of (i) 5:00 p.m., New York City time, on [●], 2030 or, if such date is not a Business Day, the next subsequent Business Day or (ii) upon the consummation of a Sale Transaction (as defined below) (such date and time, the "***Expiration Time***"). The Company shall promptly provide the Warrant Agent written notice of the Expiration Time. After the Expiration Time, the Warrants will be void and of no value, and may not be exercised.

(b) Subject to the provisions of this Agreement, the Warrantholder may exercise the warrants as follows:

(i) registered holders of Book-Entry Warrants must provide written notice of such election ("***Warrant Exercise Notice***") to exercise the Warrant to the Company and the Warrant Agent at the addresses set forth in Section 20 no later than the Expiration Time, which Warrant Exercise Notice shall be substantially in the form set forth in Exhibit B-1 hereto, properly completed and executed by the registered holder of the Book-Entry Warrant and paying (x) the applicable Exercise Price multiplied by the number of Warrant Shares in respect of which any Warrants are being exercised on the date the notice is provided to the Warrant Agent or (y) in the case of a Cashless Exercise, paying the required consideration in the manner set forth in Section 7(d), in each case, together with any applicable taxes and governmental charges; or

(ii) with respect to Warrants held through the book-entry facilities of the Depository, (x) a Warrant Exercise Notice to exercise the Warrant must be sent to the Company and the Warrant Agent at the addresses set forth in Section 20 no later than the Expiration Time, which Warrant Exercise Notice shall be substantially in the form set forth in Exhibit B-2 hereto, properly completed and executed by the Warrantholder; *provided* that such written notice may only be submitted with respect to Warrants held through the book-entry facilities of the Depository, by or through Persons that are direct participants in the Depository; and (y) a payment must be made, of (A) the applicable Exercise Price multiplied by the number of Warrant Shares in respect of which any Warrants are being exercised or (B) in the case of a Cashless Exercise (as defined below), the required consideration in the manner set forth in Section 7(d), in each case, together with any applicable taxes and governmental charges.

(c) The aggregate Exercise Price shall be payable in lawful money of the United States of America either by certified or official bank or bank cashier's check payable to the order of the Company or otherwise as agreed with the Company.

(d) In lieu of paying the aggregate Exercise Price as set forth in Section 7(c), *provided* the Common Stock is then listed or admitted for trading on a national securities exchange or an over-the-counter market or comparable system, subject to the provisions of this Agreement, each Warrant shall entitle the Warrantholder, at the election of such Warrantholder, to exercise the Warrant by authorizing the Company to withhold from issuance a number of Warrant Shares issuable upon exercise of all Warrants being exercised by such Warrantholder at such time which, when multiplied by the Current Market Price of the Warrant Shares, is equal to the aggregate Exercise Price, and such withheld Warrant Shares shall no longer be issuable under such Warrants (a "***Cashless Exercise***"). The formula for determining the number of Warrant Shares to be issued in a Cashless Exercise is as follows:

$$X = \frac{(A - B) \times C}{A}$$

Where: X = the number of Warrant Shares issuable upon exercise pursuant to this subsection (d).

A = the Current Market Price of a Warrant Share on the Business Day immediately preceding the date on which the Warrantholder delivers the Warrant Exercise Notice pursuant to subsection (b) above.

B = the Exercise Price.

C = the number of Warrant Shares as to which a Warrant is then being exercised including the withheld Warrant Shares.

If the foregoing calculation results in a negative number, then no Warrant Shares shall be issuable via a Cashless Exercise. The number of Warrant Shares to be issued on such exercise will be determined by the Company (with written notice thereof to the Warrant Agent) using the formula set forth in this Section 7(d). The Warrant Agent shall have no duty or obligation to investigate or confirm whether the Company's determination of the number of Warrant Shares to be issued on such exercise, pursuant to this Section 7(d), is accurate or correct.

Notwithstanding the foregoing, no Cashless Exercise shall be permitted if, as the result of any adjustment made pursuant to Section 12, at the time of such Cashless Exercise, Warrant Shares include a Cash component and the Company would be required to pay Cash to a Warrantholder upon an exercise of Warrants.

(e) Any exercise of a Warrant pursuant to the terms of this Agreement shall be irrevocable and shall constitute a binding agreement between the Warrantholder and the Company, enforceable in accordance with its terms.

(f) The Warrant Agent shall:

(i) examine all Warrant Exercise Notices and all other documents delivered to it by or on behalf of the Warrantholders as contemplated hereunder to ascertain whether or not, on their face, such Warrant Exercise Notices and any such other documents have been executed and completed in accordance with their terms and the terms hereof;

(ii) where a Warrant Exercise Notice or other document appears on its face to have been improperly completed or executed or some other irregularity in connection with the exercise of the Warrants exists, the Warrant Agent shall endeavor to inform the appropriate parties (including the Person submitting such instrument) of the need for fulfillment of all requirements, specifying those requirements which appear to be unfulfilled;

(iii) inform the Company of and cooperate with and assist the Company in resolving any discrepancies between Warrant Exercise Notices received and delivery of Warrants to the Warrant Agent's account;

(iv) advise the Company no later than three (3) Business Days after receipt of a Warrant Exercise Notice, of (i) the receipt of such Warrant Exercise Notice and the number of Warrants exercised in accordance with the terms and conditions of this Agreement, (ii) the instructions with respect to delivery of the shares of Common Stock of the Company deliverable upon such exercise, subject to timely receipt from the Depository of the necessary information, and (iii) such other information as the Company shall reasonably require; and

(v) subject to Common Stock being made available to the Warrant Agent by or on behalf of the Company for delivery to the Depository, liaise with the Depository and endeavor to effect such delivery to the relevant accounts at the Depository in accordance with its requirements.

(g) All questions as to the validity, form and sufficiency (including time of receipt) of a Warrant Exercise Notice will be determined by the Company (acting in good faith). The Warrant Agent shall incur no liability for or in respect of such determination by the Company. The Company reserves the right to reject any and all Warrant Exercise Notices not in proper form or for which any corresponding agreement by the Company to exchange would, in the opinion of the Company, be unlawful. Such determination by the Company (acting in good faith) shall be final and binding on the Warrantholders, absent manifest error. The Company reserves the absolute right to waive any of the conditions to the exercise of Warrants or defects in Warrant Exercise Notices with regard to any particular exercise of Warrants. Neither the Company nor the Warrant Agent shall be under any duty to give notice to the Warrantholders of the Warrants of any irregularities in any exercise of Warrants, nor shall it incur any liability for the failure to give such notice.

(h) As soon as practicable after the exercise of any Warrant as set forth in subsection (e), the Company shall issue, or otherwise deliver, or cause to be issued or delivered, in authorized denominations to or upon the order of the Warrantholder of the Warrants, either:

(i) if such Warrantholder holds the Warrants being exercised through the Depository's book-entry transfer facilities, by same-day or next-day credit to the Depository for the account of such Warrantholder or for the account of a participant in the Depository the number of Warrant Shares to which such Warrantholder is entitled, in each case registered in such name and delivered to such account as directed in the Warrant Exercise Notice by such Warrantholder or by the direct participant in the Depository through which such Warrantholder is acting, or

(ii) if such Warrantholder holds the Warrants being exercised in the form of Book-Entry Warrants, a book-entry interest in the Warrant Shares registered on the books of the Transfer Agent (as defined below) or, at the Company's option, by delivery to the address designated by such Warrantholder in its Warrant Exercise Notice of a physical certificate representing the number of Warrant Shares to which such Warrantholder is entitled, in fully registered form, registered in such name or names as may be directed by such Warrantholder. Such Warrant Shares shall be deemed to have been issued and any Person so designated to be named therein shall be deemed to have become a Warrantholder as of the Close of Business on the date of the delivery thereof.

If less than all of the Warrants evidenced by a Global Warrant Certificate surrendered upon the exercise of Warrants are exercised at any time prior to the Expiration Time for the Warrants, a new Global Warrant Certificate or Certificates shall be issued for the remaining number of Warrants evidenced by the Global Warrant Certificate so surrendered, and the Warrant Agent is hereby authorized to countersign the required new Global Warrant Certificate or Certificates pursuant to the provisions of Section 5 and this Section 6. The Person in whose name any certificate or certificates for the Warrant Shares are to be issued (or such Warrant Shares are to be registered, in the case of a book-entry transfer) upon exercise of a Warrant shall be deemed to have become a stockholder of such Warrant Shares on the date such Warrant Exercise Notice is delivered.

SECTION 8. Cancellation of Warrants. Upon the Expiration Time (if not already properly exercised), the Company and the Warrant Agent shall use commercially reasonable efforts to cause any Global Warrant Certificates to be delivered to the Warrant Agent and be cancelled by it and retired. The Warrant Agent shall cancel all Global Warrant Certificates surrendered for exchange, substitution, transfer or exercise in whole or in part. Such cancelled Global Warrant Certificates shall thereafter be disposed of in a manner satisfactory to the Company provided in writing to the Warrant Agent. The Warrant Agent shall (x) advise an authorized representative of the Company as directed by the Company by the end of each day or on the next Business Day following each day on which Warrants were exercised, of (i) the number of shares of Common Stock issued upon exercise of a Warrant, (ii) the delivery of Global Warrant Certificates evidencing the balance, if any, of the shares of Common Stock issuable after such exercise of the Warrant and (iii) such other information as the Company shall reasonably require and (y) forward funds received for warrant exercises in a given month by the fifth (5th) Business Day of the following month by wire transfer to an account designated by the Company. The Warrant Agent promptly shall confirm such information to the Company in writing. The Warrant Agent shall keep copies of this Agreement and any notices given or received hereunder.

SECTION 9. Mutilated or Missing Global Warrant Certificates. If any of the Global Warrant Certificates shall be mutilated, lost, stolen or destroyed and in the absence of notice to the Company or the Warrant Agent that such Warrant Certificate has been acquired by a "protected purchaser" within the meaning of Section 8-405 of the Uniform Commercial Code or by a bona fide purchaser, the Company shall issue, and the Warrant Agent shall countersign by either manual, electronic or facsimile signature and deliver, in exchange and substitution for and upon cancellation of the mutilated Global Warrant Certificate, or in lieu of and substitution for the Global Warrant Certificate lost, stolen or destroyed, a new Global Warrant Certificate of like tenor and representing an equivalent number of Warrants, but only upon receipt of (i) evidence reasonably satisfactory to the Company and the Warrant Agent of the loss, theft or destruction of such Global Warrant Certificate; and (ii) such other reasonable requirements as may be imposed by the Company or the Warrant Agent as permitted by Section 8-405 of the Uniform Commercial Code as in effect in the State of New York.

SECTION 10. Reservation of Warrant Shares. For the purpose of enabling it to satisfy any obligation to issue Warrant Shares upon exercise of Warrants, the Company will, at all times through the Expiration Time, reserve and keep available, free from preemptive rights and out of its aggregate authorized but unissued or treasury shares of Common Stock, shares of Common Stock equal to the number of Warrant Shares deliverable upon the exercise of all outstanding Warrants, and the Company will instruct the transfer agent for the Company's Common Stock (such agent, in such capacity, as may from time to time be appointed by the Company, the "***Transfer Agent***") to reserve such number of authorized and unissued or treasury shares of Common Stock as shall be required for such purpose. The Company will keep a copy of this Agreement on file with such Transfer Agent and with every transfer agent for any Warrant Shares issuable upon the exercise of Warrants pursuant to Section 7. The Warrant Agent is hereby irrevocably authorized to requisition from time to time from such Transfer Agent stock certificates issuable upon exercise of outstanding Warrants, and the Company will supply such Transfer Agent with duly executed stock certificates for such purpose.

The Company covenants that all Warrant Shares issued upon exercise of the Warrants will, upon issuance in accordance with the terms of this Agreement, be duly and validly issued, fully paid and nonassessable and free from all taxes, liens, charges and security interests created by or imposed upon the Company with respect to the issuance and holding thereof.

SECTION 11. Listing. The Company will use reasonable best efforts to list any Warrant Shares issued upon exercise of the Warrants on each securities exchange or market, if any, on which the Common Stock issued by the Company has been listed.

SECTION 12. Adjustments and Other Rights of Warrants.

(a) The applicable Exercise Price of the Series I Warrants, the number of Warrant Shares issuable upon the exercise of each Series I Warrant and the number of Series I Warrants outstanding are subject to adjustment from time to time upon the occurrence of the following:

(i) The issuance of Common Stock as a dividend or distribution to all holders of Common Stock, or a subdivision, split, reverse split, combination or similar event of Common Stock, in which event the Company will cause the Exercise Price to be adjusted based on the following formula:

$$EP_1 = EP_0 \times \frac{OS_0}{1}$$

where:

EP_0	=	the Exercise Price in effect immediately prior to the Close of Business on the Record Date for such dividend or distribution, or immediately prior to the Open of Business on the effective date for such subdivision or combination, as the case may be;
EP_1	=	the Exercise Price in effect immediately after the Close of Business on the Record Date for such dividend or distribution, or immediately after the Open of Business on the effective date for such subdivision or combination, as the case may be;
OS_0	=	the number of shares of Common Stock outstanding immediately prior to the Close of Business on the Record Date for such dividend, distribution, subdivision or combination, or immediately prior to the Open of Business on the effective date for such subdivision or combination, as the case may be; and
OS_1	=	the number of shares of Common Stock that would be outstanding immediately after, and solely as a result of, such dividend, distribution, subdivision or combination.

Such adjustment shall become effective immediately after the Close of Business on the Record Date for such dividend or distribution, or immediately after the Open of Business on the effective date for such subdivision or combination, as the case may be. If any dividend or distribution or subdivision or combination of the type described in this Section 12(a)(i) is declared or announced but not so paid or made, the Exercise Price shall again be adjusted to be the Exercise Price that would then be in effect if the distribution or subdivision or combination had not been declared or announced, as the case may be.

(ii) The dividend or distribution to all holders of Common Stock of:

(1) (A) shares of the Company's capital stock, (B) evidences of the Company's indebtedness, (C) rights or warrants to purchase the Company's securities or the Company's assets or (D) property excluding (W) the issuance of Common stock as a dividend or distribution to all holders of Common Stock, or a subdivision, split, reverse split, combination or similar event of Common Stock for which an adjustment to the Exercise Price is required pursuant to Section 12(a)(i), (X) a Transaction to which Section 12(a)(v) applies, (Y) spin-offs for which an adjustment to the Exercise Price is required pursuant to Section 12(a)(ii)(2) or (Z) a Cash Dividend for which an adjustment to the Exercise Price is required pursuant to Section 12(a)(ii)(3), in which event the Company will cause the Exercise Price to be adjusted based on the following formula:

$$EP_1 = EP_0 \times \frac{SP_0 - FMV}{SP_0}$$

where:

EP_0	=	the Exercise Price in effect immediately prior to the Close of Business on the Record Date for such dividend or distribution;
EP_1	=	the Exercise Price in effect immediately after the Close of Business on the Record Date for such dividend or distribution;
SP_0	=	the Current Market Price of a share of Common Stock; and
FMV	=	the Market Price, on the Record Date for such dividend or distribution, of the shares of capital stock, evidences of indebtedness or property, rights or warrants so distributed.

(2) shares of capital stock of, or similar equity interests in, a Subsidiary of the Company or other business unit of the Company (i.e., a spin-off) that are, or, when issued, will be, traded or quoted on any national or regional securities exchange or market, then the Exercise Price will instead be adjusted based on the following formula:

$$EP_1 = EP_0 \times \frac{MP_0}{MP_0 + FMV_0}$$

where:

EP_0	=	the Exercise Price in effect immediately prior to the Close of Business on the Record Date for such dividend or distribution;
EP_1	=	the Exercise Price in effect immediately after the Close of Business on the Record Date for such dividend or distribution;
FMV_0	=	the Market Price of the capital stock or similar equity interests distributed to holders of Common Stock applicable to one share of Common Stock calculated using the 10 consecutive Trading Days commencing on, and including, the third Trading Day after the Ex-Date for such dividend or distribution; and
MP_0	=	the Current Market Price of the Common Stock calculated using the 10 consecutive Trading Days commencing on, and including, the third Trading Day after the Ex-Date for such dividend or distribution.

(3) Cash (other than any dividend or distribution upon a Transaction to which Section 12(a)(v) applies) (a "***Cash Dividend***"), then, in lieu of the foregoing adjustments, the Exercise Price in effect immediately prior to the Close of Business on the date for the determination of the holders of Common Stock entitled to receive such dividend or distribution shall be reduced by an amount equal to the amount of the Cash so distributed to one share of Common Stock; provided that, if a reduction relating to a Cash Dividend would reduce the Exercise Price to an amount below the par value of the Common Stock, the Exercise Price shall be reduced to the then par value of the Common Stock, with any remaining amount of Cash of the Cash Dividend that would otherwise have resulted in a further reduction of the Exercise Price to instead be paid to holders of Series I Warrants as if such Series I Warrants were Series II Warrants and such remaining amount were treated as a Cash dividend pursuant to Section 12(b)(ii). So long as the Exercise Price is equal to or less than the par value of the Common Stock, it shall be treated as a Series II Warrant for purposes of this Section 12 and shall be subject to the provisions of Section 12(b).

Each adjustment pursuant to this clause (ii) shall become effective immediately after the Ex-Date for such dividend or distribution. In the event that such dividend or distribution is declared or announced but not so paid or made, the Exercise Price shall again be adjusted to be the Exercise Price which would then be in effect if such distribution had not been declared or announced.

(iii) The issuance by the Company of shares of Common Stock at a purchase price per share less than the Current Market Price as of the date of issuance of such shares, in which case the Company will cause the Exercise Price to be adjusted based on the following formula:

$$EP_1 = EP_0 \times \frac{(N_0 \times CMP) + AC}{N_1 \times CMP}$$

where:

EP_0	=	the Exercise Price in effect immediately prior to the Close of Business on the Trading Day immediately prior to the date of announcement of such issuance of shares of Common Stock;
EP_1	=	the Exercise Price in effect immediately after such issuance of shares of Common Stock;
N_0	=	the number of shares of Common Stock outstanding immediately prior to such issuance of shares of Common Stock;
CMP	=	the Current Market Price of the Common Stock immediately prior to such issuance;
AC	=	the aggregate consideration received by the Company for the total amount of Common Stock so issued; and
N_1	=	the number of shares of Common Stock outstanding immediately after such issuance of shares of Common Stock.

; *provided, however,* that the Exercise Price will not be adjusted pursuant to this Section 12(a)(iii) solely as a result of an Exempt Issuance. Such adjustment shall become effective immediately after the public announcement of such issuance. In the event that such issuance is announced but not completed, the Exercise Price shall again be adjusted to be the Exercise Price which would then be in effect if such issuance had not been announced.

(iv) For the purposes of Section 12(a)(i) and Section 12(a)(ii), any dividend or distribution to which Section 12(a)(ii) is applicable that also includes shares of Common Stock, shall be deemed instead to be (x) a dividend or distribution of the indebtedness, assets or shares or other property to which Section 12(a)(ii) applies (and any Exercise Price adjustment required by Section 12(a)(ii) with respect to such dividend or distribution shall be made in respect of such dividend or distribution) immediately followed (y) by a dividend or distribution of the shares of Common Stock to which Section 12(a)(i) applies (and any further Exercise Price adjustment required by Section 12(a)(i) with respect to such dividend or distribution shall then be made), except, for purposes of such adjustment, any shares of Common Stock included in such dividend or distribution shall not be deemed "outstanding immediately prior to the Close of Business on the Record Date."

(v) In case at any time or from time to time after the Issue Date while any Series I Warrants remain outstanding and unexpired in whole or in part, the Company shall be a party to or shall otherwise engage in any transaction or series of related transactions constituting: (1) a merger of the Company into, a direct or indirect sale of all of the Company's equity to, or a consolidation of the Company with, any other Person in which the previously outstanding shares of Common Stock shall be (either directly or upon subsequent liquidation) cancelled, reclassified or converted or changed into or exchanged for securities or other property (including Cash) or any combination of the foregoing, or a sale of all or substantially all of the assets of the Company and its Subsidiaries (taken as a whole) (a "***Non-Surviving Transaction***"), or (2) any merger of another Person into the Company in which the previously outstanding shares of Common Stock shall be cancelled, reclassified or converted or changed into or exchanged for securities of the Company or other property (including Cash) or any combination of the foregoing (a "***Surviving Transaction***"; any Non-Surviving Transaction or Surviving Transaction being herein called a "***Transaction***") then:

(1) if such Transaction is a Redomestication Transaction, as a condition to the consummation of such Redomestication Transaction, the Company shall cause such other Person to execute and deliver to the Warrant Agent a written instrument providing that:

A. so long as any Series I Warrant remains outstanding and unexpired in whole or in part (including after giving effect to the changes specified under clause B. below), such Series I Warrant, upon the exercise thereof at any time on or after the consummation of such Redomestication Transaction, shall be exercisable (on such terms and subject to such conditions as shall be as nearly equivalent as may be practicable to the provisions set forth in this Agreement) into, in lieu of the shares of Common Stock issuable upon such exercise prior to such consummation, only the securities ("***Substituted Securities***") that would have been receivable upon such Redomestication Transaction by a stockholder of the number of shares of Common Stock into which such Series I Warrant was exercisable immediately prior to such Redomestication Transaction assuming, in the case of any such Redomestication Transaction, if (as a result of rights of election or otherwise) the kind or amount of securities, Cash and other property receivable upon such Redomestication Transaction is not the same for each share of Common Stock held immediately prior to such Redomestication Transaction, such stockholder is a Person that is neither (I) an employee of the Company or of any Subsidiary thereof nor (II) a Person with which the Company consolidated or into which the Company merged or which merged into the Company or to which such sale or transfer was made, as the case may be ("***Constituent Person***"), or an Affiliate of a Constituent Person;

B. the rights and obligations of such other Person and the Holders in respect of Substituted Securities shall be changed to be as nearly equivalent as may be practicable to the rights and obligations of the Company and Holders in respect of shares of Common Stock; and

C. such written instrument shall provide for adjustments which, for events subsequent to the effective date of such written instrument shall be as nearly equivalent as may be practicable to the adjustments provided for in this Section 12. The above provisions of this Section 12(a)(iv) shall similarly apply to successive Transactions; or;

D. if such Transaction is a Sale Transaction, then, at the effective time of the consummation of such Sale Transaction any Series I Warrants not exercised prior to the closing of such Sale Transaction shall automatically terminate and become void and shall be cancelled for no further consideration.

(vi) *Other Action Affecting Common Stock Equivalents*. If the Company shall at any time and from time to time issue or sell (i) any shares of any class constituting Common Stock Equivalents other than shares of Common Stock, (ii) any evidences of its indebtedness, shares of stock or other securities which are convertible into or exchangeable for Common Stock Equivalents, with or without the payment of additional consideration in Cash or property or (iii) any warrants or other rights to subscribe for or purchase any such Common Stock Equivalents or any such evidences, shares of stock or other securities, then in each such case such issuance shall be deemed to be of, or in respect of, shares of Common Stock for purposes of this Section 12(a)

(vii) *Adjustments to Number of Warrant Shares*. Concurrently with any adjustment to the Exercise Price under this Section 12(a) (other than an adjustment in connection with a Cash Dividend pursuant to Section 12(a)(ii)), the number of Warrant Shares for which each Series I Warrant is exercisable will be adjusted such that the number of Warrant Shares for each such Series I Warrant in effect immediately following the effectiveness of such adjustment will be equal to the number of Warrant Shares for each such Series I Warrant in effect immediately prior to such adjustment, multiplied by a fraction, (i) the numerator of which is the Exercise Price in effect immediately prior to such adjustment and (ii) the denominator of which is the Exercise Price in effect immediately following such adjustment.

(viii) *Deferral or Exclusion of Certain Adjustments*. No adjustment to the Exercise Price or number of Warrant Shares for each Series I Warrant shall be required hereunder unless such adjustment together with other adjustments carried forward as provided below, would result in an increase or decrease of at least one-tenth of one percent (0.1%) of the applicable Exercise Price or Warrant Shares; *provided* that any adjustments which by reason of this Section 12(a)(vii) are not required to be made shall be carried forward and taken into account in any subsequent adjustment. No adjustment need be made for a change in the par value of the shares of Common Stock or any other Common Stock Equivalents. All calculations under this Section 12(a)(vii) shall be made to the nearest one-one thousandth (1/1,000th) of one cent ($0.01) or to the nearest one-one thousandth (1/1,000th) of a share, as the case may be.

(ix) *Restrictions on Adjustments*. In no event will the Company adjust the Exercise Price or make a corresponding adjustment to the number of Warrant Shares for any Series I Warrant to the extent that the adjustment would reduce the Exercise Price below the par value per share of Common Stock. No adjustment shall be made to the Exercise Price or the Warrant Shares for any Series I Warrant for any of the transactions described in this Section 12(a) if the Company makes provisions for Series I Warrantholders to participate in any such transaction without exercising their Series I Warrants on the same basis as holders of Common Stock and with notice that the Board of Directors determines in good faith to be fair and appropriate. If the Company takes a record of the holders of Common Stock for the purpose of entitling them to receive a dividend or other distribution, and thereafter (and before the dividend or distribution has been paid or delivered to stockholders) legally abandons its plan to pay or deliver such dividend or distribution, then thereafter no adjustment to the Exercise Price or the number of Warrant Shares for any Series I Warrant then in effect shall be required by reason of the taking of such record.

(x) *Certain Calculations*. For the purposes of any adjustment of the Exercise Price and the number of Warrant Shares issuable upon exercise of a Series I Warrant pursuant to this Section 12(a), the following provisions shall be applicable in the case of the issuance of options, warrants or other rights to purchase or acquire shares of Common Stock (whether or not at the time exercisable):

(1) the aggregate maximum number of shares of Common Stock deliverable upon exercise of such options, warrants or other rights to purchase or acquire shares of Common Stock shall be deemed to have been issued at the time such options, warrants or rights are issued and for a consideration equal to the consideration, if any, received by the Company upon the issuance or sale of such options, warrants or rights plus the minimum purchase price required to be paid to the Company pursuant to the terms of such options, warrants or rights required to be paid in exchange for the shares of Common Stock covered thereby; and

(2) if the Exercise Price and the number of shares of Common Stock issuable upon exercise of a Series I Warrant shall have been duly adjusted in accordance with the terms of this Warrant Agreement upon the issuance or sale of any such options, warrants, rights, no further adjustment of the Exercise Price or the number of shares of Common Stock issuable upon exercise of a Series I Warrant shall be made for the actual issuance of shares of Common Stock upon the exercise thereof.

(xi) In the event of a Cash exercise, the Company hereby instructs the Warrant Agent to record cost basis for newly issued shares of Common Stock in a manner to be subsequently communicated by the Company in writing to the Warrant Agent. In the event of a Cashless Exercise: the Company shall provide cost basis for shares issued pursuant to a Cashless Exercise at the time the Company provides the Cashless Exercise ratio to the Warrant Agent pursuant to Section 7(d) hereof.

(b) The number of Warrant Shares issuable upon the exercise of each Series II Warrant and the number of Series II Warrants outstanding are subject to adjustment from time to time upon the occurrence of the following:

(i) The issuance of Common Stock as a dividend or distribution to all holders of Common Stock, or a subdivision, split, reverse split, combination or other similar event, of Common Stock, in which event the Company will cause the number of Warrant Shares to be adjusted based on the following formula:

$$N_1 = N_0 \times \frac{OS_1}{OS_0}$$

where:

N_0	=	the number of shares of Common Stock for which a Series II Warrant is exercisable immediately prior to the Open of Business on the Record Date for such dividend or distribution, or immediately prior to the Open of Business on the effective date for such subdivision or combination, as the case may be;
N_1	=	the number of shares of Common Stock for which a Series II Warrant is exercisable immediately after the Close of Business on the Record Date for such dividend or distribution, or immediately after the Open of Business on the effective date for such subdivision or combination, as the case may be;
OS_0	=	the number of shares of Common Stock outstanding immediately prior to the Close of Business on the Ex-Date for such dividend, distribution, subdivision or combination, or immediately prior to the Open of Business on the effective date for such subdivision or combination, as the case may be; and
OS_1	=	the number of shares of Common Stock that would be outstanding immediately after, and solely as a result of, such dividend, distribution, subdivision or combination.

Such adjustment shall become effective immediately after the Close of Business on the Record Date for such dividend or distribution, or immediately after the Open of Business on the effective date for such subdivision or combination, as the case may be. If any dividend or distribution or subdivision or combination of the type described in this Section 12(b)(i) is declared or announced but not so paid or made, the Exercise Price shall again be adjusted to be the Exercise Price that would then be in effect if the distribution or subdivision or combination had not been declared or announced, as the case may be.

(ii) If the Company shall declare or make any dividend or other distribution to holders of shares of Common Stock, by way of return of capital or otherwise (including, without limitation, any distribution (other than a dividend or distribution subject to Section 12(b)(i) or any dividend or distribution upon a Transaction to which Section 12(b)(iii) applies) of Cash, securities or other property by way of a dividend, spin off, reclassification, corporate rearrangement, scheme of arrangement or other similar transaction), at any time after the issuance of a Series II Warrant, then, in each such case, provision shall be made so that the Series II Warrantholder shall receive, upon exercise of a Series II Warrant, in addition to the number of Warrant Shares receivable thereupon, the kind and amount of Cash, securities or other property which the Warrantholder would have been entitled to receive had the Warrant been exercised in full into Warrant Shares on the date of such event and had the Warrantholder thereafter, during the period from the date of such event to and including the Exercise Date, retained such Cash, securities or other property receivable by them as aforesaid during such period, giving application to all adjustments called for during such period under this Section 12(b) with respect to the rights of the Warrantholder; provided, that, no such provision shall be made if the Warrantholder receives, simultaneously with the distribution to the holders of Common Stock, a dividend or other distribution of such Cash, securities other property in an amount equal to the amount of such Cash, securities or other property as the Warrantholder would have received if the Warrant had been exercised in full into Warrant Shares on the date of such event.

(iii) In case at any time or from time to time after the Issue Date while any Series II Warrants remain outstanding and unexpired in whole or in part, the Company shall be a party to or shall otherwise engage in any transaction or series of related transactions constituting: (1) a Non-Surviving Transaction or (2) a Surviving Transaction then:

(1) if such Transaction is a Redomestication Transaction, as a condition to the consummation of such Redomestication Transaction, the Company shall cause such other Person to execute and deliver to the Warrant Agent a written instrument providing that:

A. so long as any Series II Warrant remains outstanding and unexpired in whole or in part (including after giving effect to the changes specified under clause B. below), such Series II Warrant, upon the exercise thereof at any time on or after the consummation of such Redomestication Transaction, shall be exercisable (on such terms and subject to such conditions as shall be as nearly equivalent as may be practicable to the provisions set forth in this Agreement) into, in lieu of the shares of Common Stock issuable upon such exercise prior to such consummation, only the Substituted Securities that would have been receivable upon such Redomestication Transaction by a stockholder of the number of shares of Common Stock into which such Series II Warrant was exercisable immediately prior to such Redomestication Transaction assuming, in the case of any such Redomestication Transaction, if (as a result of rights of election or otherwise) the kind or amount of securities, Cash and other property receivable upon such Redomestication Transaction is not the same for each share of Common Stock held immediately prior to such Redomestication Transaction, such stockholder is a Person that is neither (I) an employee of the Company or of any Subsidiary thereof nor (II) a Constituent Person or an Affiliate of a Constituent Person;

B. the rights and obligations of such other Person and the Holders in respect of Substituted Securities shall be changed to be as nearly equivalent as may be practicable to the rights and obligations of the Company and Holders in respect of shares of Common Stock; and

C. such written instrument shall provide for adjustments which, for events subsequent to the effective date of such written instrument shall be as nearly equivalent as may be practicable to the adjustments provided for in this Section 12. The above provisions of this Section 12(b)(iii) shall similarly apply to successive Transactions; or;

(2) if such Transaction is a Sale Transaction, then, at the effective time of the consummation of such Sale Transaction any Series II Warrants not exercised prior to the closing of such Sale Transaction shall automatically terminate and become void and shall be cancelled for no further consideration.

(iv) *Other Action Affecting Common Stock Equivalents*. If the Company shall at any time and from time to time issue or sell (i) any shares of any class constituting Common Stock Equivalents other than shares of Common Stock, (ii) any evidences of its indebtedness, shares of stock or other securities which are convertible into or exchangeable for Common Stock Equivalents, with or without the payment of additional consideration in Cash or property or (iii) any warrants or other rights to subscribe for or purchase any such Common Stock Equivalents or any such evidences, shares of stock or other securities, then in each such case such issuance shall be deemed to be of, or in respect of, shares of Common Stock for purposes of this Section 12(b).

(v) *Deferral or Exclusion of Certain Adjustments*. No adjustment to the number of Warrant Shares for each Series II Warrant shall be required hereunder unless such adjustment together with other adjustments carried forward as provided below, would result in an increase or decrease of at least one-tenth of one percent (0.1%) of the applicable Exercise Price or Warrant Shares; *provided* that any adjustments which by reason of this Section 12(b)(v) are not required to be made shall be carried forward and taken into account in any subsequent adjustment. No adjustment need be made for a change in the par value of the shares of Common Stock or any other Common Stock Equivalents. All calculations under this Section 12(b)(v) shall be made to the nearest one-one thousandth (1/1,000th) of one cent ($0.01) or to the nearest one-one thousandth (1/1,000th) of a share, as the case may be.

(vi) *Restrictions on Adjustments*. No adjustment shall be made to the Exercise Price or the Warrant Shares for any Series II Warrant for any of the transactions described in this Section 12(b) if the Company makes provisions for Series II Warrantholders to participate in any such transaction without exercising their Series II Warrants on the same basis as holders of Common Stock and with notice that the Board of Directors determines in good faith to be fair and appropriate. If the Company takes a record of the holders of Common Stock for the purpose of entitling them to receive a dividend or other distribution, and thereafter (and before the dividend or distribution has been paid or delivered to stockholders) legally abandons its plan to pay or deliver such dividend or distribution, then thereafter no adjustment to the Exercise Price or the number of Warrant Shares for any Series II Warrant then in effect shall be required by reason of the taking of such record.

(vii) In the event of a Cash exercise, the Company hereby instructs the Warrant Agent to record cost basis for newly issued shares of Common Stock in a manner to be subsequently communicated by the Company in writing to the Warrant Agent. In the event of a Cashless Exercise: the Company shall provide cost basis for shares issued pursuant to a Cashless Exercise at the time the Company provides the Cashless Exercise ratio to the Warrant Agent pursuant to Section 7(d) hereof.

SECTION 13. No Fractional Shares. The Company shall not be required to issue Warrants to purchase fractions of Warrant Shares, or to issue fractions of Warrant Shares upon exercise of the Warrants, or to distribute certificates which evidence fractional Warrant Shares and no Cash shall be distributed in lieu of such fractional shares or rights. If more than one Warrant shall be presented for exercise in full at the same time by the same Warrantholder, the number of full Warrant Shares which shall be issuable upon the exercise thereof shall be computed on the basis of the aggregate number of Warrant Shares purchasable on exercise of the Warrants so presented. If any fraction of a share would, except for the provisions of this Section 13, be issuable on the exercise of any Warrants (or specified portion thereof), as applicable, such share shall be rounded to the next higher whole number.

SECTION 14. Redemption. The Warrants shall not be redeemable by the Company or any other Person.

SECTION 15. Required Notices to Warrantholders. In the event the Company shall:

(a) take any action that would result in an adjustment to the Exercise Price and/or the number of shares of Common Stock issuable upon exercise of a Warrant pursuant to Section 12 or

(b) consummate any Winding Up (as defined below);

(c) consummate any Sale Transaction; or

(d) make or declare, or fix a record date for the determination of stockholders of Common Stock entitled to receive, a dividend or any other distribution payable in securities of the Company, Cash or other property (each of (a), (b), (c) or (d) an "***Action***");

then, in each such case, the Company shall cause to be delivered to the Warrant Agent and shall direct the Warrant Agent to give written notice thereof to each Holder at such Holder's address appearing on the Warrant Register , in accordance with Section 20, a written notice of such Action. Such notice shall be given promptly after the earlier of (i) the effective date of such Action or (ii) in the case of any Action covered by clause (c) above, the date that is twenty (20) Trading Days prior to the closing of the relevant Sale Transaction; or (iii) in the case of any Action covered by clause (d) above, the date that is ten (10) Calendar Days prior to such record date.

If at any time the Company shall cancel any of the Actions for which notice has been given under this Section 15 prior to the consummation thereof, the Company shall give each Holder prompt notice of such cancellation in accordance with Section 20.

SECTION 16. Merger, Consolidation or Change of Name of Warrant Agent. Any Person into which the Warrant Agent may be merged or converted or with which it may be consolidated, or any Person resulting from any merger, conversion or consolidation to which the Warrant Agent is a party, or any Person succeeding to the shareholder services business of the Warrant Agent or any successor Warrant Agent, shall be the successor to the Warrant Agent hereunder without the execution or filing of any document or any further act on the part of any of the parties hereto, if such Person would be eligible for appointment as a successor Warrant Agent under the provisions of Section 18. If any of the Global Warrant Certificates have been countersigned but not delivered at the time such successor to the Warrant Agent succeeds under this Agreement, any such successor to the Warrant Agent may adopt the countersignature of the original Warrant Agent; and if at that time any of the Global Warrant Certificates shall not have been countersigned, any successor to the Warrant Agent may countersign such Global Warrant Certificates either in the name of the predecessor Warrant Agent or in the name of the successor Warrant Agent; and in all such cases such Global Warrant Certificates shall have the full force provided in the Global Warrant Certificates and in this Agreement.

If at any time the name of the Warrant Agent is changed and at such time any of the Global Warrant Certificates have been countersigned but not delivered, the Warrant Agent whose name has changed may adopt the countersignature under its prior name; and if at that time any of the Global Warrant Certificates have not been countersigned, the Warrant Agent may countersign such Global Warrant Certificates either in its prior name or in its changed name; and in all such cases such Global Warrant Certificates shall have the full force provided in the Global Warrant Certificates and in this Agreement.

SECTION 17. Warrant Agent. The Warrant Agent undertakes only the duties and obligations expressly imposed by this Agreement and the Global Warrant Certificates, in each case upon the following terms and conditions, by all of which the Company and the Warrantholders, by their acceptance thereof, shall be bound:

(a) The statements contained herein and in the Global Warrant Certificates shall be taken as statements of the Company, and the Warrant Agent assumes no responsibility for the accuracy of any of the same except to the extent that such statements describe the Warrant Agent or action taken or to be taken by the Warrant Agent. Except as expressly provided herein, the Warrant Agent assumes no responsibility with respect to the execution, delivery or distribution of the Global Warrant Certificates.

(b) The Warrant Agent shall not be responsible for any failure of the Company to comply with any of the covenants contained in this Agreement or in the Global Warrant Certificates to be complied with by the Company, nor shall it at any time be under any duty or responsibility to any Warrantholder to make or cause to be made any adjustment in the Exercise Price or in the number of Warrants Shares any Warrant is exercisable for (except as instructed in writing by the Company), or to determine whether any facts exist that may require any such adjustments, or with respect to the nature or extent of or method employed in making any such adjustments when made.

(c) The Warrant Agent may consult at any time with counsel satisfactory to it (who may be counsel for the Company or an employee of the Warrant Agent), and the advice or opinion of such counsel will be full and complete authorization and protection to the Warrant Agent as to any action taken, suffered or omitted by it in accordance with such advice or opinion, absent gross negligence, bad faith or willful misconduct in the selection and continued retention of such counsel and the reliance on such counsel's advice or opinion (each as determined by a final non-appealable order, judgment, ruling or decree of a court of competent jurisdiction).

(d) The Warrant Agent shall incur no liability or responsibility to the Company or to any Warrantholder for any action taken in reliance in good faith on any written notice, resolution, waiver, consent, order, certificate or other paper, document or instrument believed by it to be genuine and to have been signed, sent or presented by the proper party or parties. The Warrant Agent shall not take any instructions or directions except those given in accordance with this Agreement.

(e) The Company agrees to pay to the Warrant Agent reasonable compensation for all services rendered by the Warrant Agent under this Agreement in accordance with a fee schedule to be mutually agreed upon, to reimburse the Warrant Agent upon demand for all reasonable and documented out-of-pocket expenses, including counsel fees and other disbursements, incurred by the Warrant Agent in the preparation, administration, delivery, execution and amendment of this Agreement and the performance of its duties under this Agreement and to indemnify the Warrant Agent and save it harmless against any and all losses, liabilities and expenses, including judgments, damages, fines, penalties, claims, demands and costs (including reasonable out-of-pocket counsel fees and expenses), for anything done or omitted by the Warrant Agent arising out of or in connection with this Agreement except as a result of its gross negligence, bad faith or willful misconduct (each as determined by a final non-appealable order, judgment, ruling or decree of a court of competent jurisdiction). The costs and expenses incurred by the Warrant Agent in enforcing the right to indemnification shall be paid by the Company except to the extent that the Warrant Agent is not entitled to indemnification due to its gross negligence, bad faith or willful misconduct (each as determined by a final non-appealable order, judgment, ruling or decree of a court of competent jurisdiction). Notwithstanding the foregoing, the Company shall not be responsible for any settlement made without its written consent; *provided* that nothing in this sentence shall limit the Company's obligations contained in this paragraph other than pursuant to such a settlement.

(f) The Warrant Agent shall be under no obligation to institute any action, suit or legal proceeding or to take any other action likely to involve expense or liability. All rights of action under this Agreement or under any of the Warrants may be enforced by the Warrant Agent without the possession of any of the Warrants or the production thereof at any trial or other proceeding relative thereto, and any such action, suit or proceeding instituted by the Warrant Agent shall be brought in its name as Warrant Agent, and any recovery or judgment shall be for the ratable benefit of the Warrantholders, as their respective rights or interests may appear.

(g) The Warrant Agent, and any member, stockholder, affiliate, director, officer or employee thereof, may buy, sell or deal in any of the Warrants or other securities of the Company or become pecuniarily interested in any transaction in which the Company is interested, or contract with or lend money to the Company or otherwise act as fully and freely as though it was not the Warrant Agent under this Agreement, or a member, stockholder director, officer or employee of the Warrant Agent, as the case may be. Nothing herein shall preclude the Warrant Agent from acting in any other capacity for the Company or for any other legal entity.

(h) The Warrant Agent shall act hereunder solely as agent for the Company, and its duties shall be determined solely by the provisions hereof. The Warrant Agent shall not be liable for anything that it may do or refrain from doing in connection with this Agreement except in connection with its own gross negligence, bad faith or willful misconduct (each as determined by a final non-appealable order, judgment, ruling or decree of a court of competent jurisdiction). Notwithstanding anything in this Agreement to the contrary, in no event will the Warrant Agent be liable for special, indirect, incidental, punitive or consequential loss or damage of any kind whatsoever (including, but not limited to, lost profits), even if the Warrant Agent has been advised of the possibility of such loss or damage.

(i) The Company agrees that it will perform, execute, acknowledge and deliver or cause to be performed, executed, acknowledged and delivered all such further and other acts, instruments and assurances as may reasonably be required by the Warrant Agent for the carrying out or performing of the provisions of this Agreement.

(j) The Warrant Agent shall not be under any responsibility in respect of the validity of this Agreement or the execution and delivery hereof (except the due and validly authorized execution hereof by the Warrant Agent) or in respect of the validity or execution of any Global Warrant Certificate (except its due and validly authorized countersignature thereof), nor shall the Warrant Agent by any act hereunder be deemed to make any representation or warranty as to the authorization or reservation of the Warrant Shares to be issued pursuant to this Agreement or any Warrant or as to whether the Warrant Shares will when issued be validly issued, fully paid and nonassessable or as to the Exercise Price or the number of Warrant Shares a Warrant is exercisable for.

(k) Whenever in the performance of its duties under this Agreement the Warrant Agent deems it necessary or desirable that any fact or matter be proved or established by the Company prior to taking or suffering any action hereunder, the Warrant Agent is hereby authorized and directed to accept instructions with respect to the performance of its duties hereunder from an Appropriate Officer of the Company and to apply to such Appropriate Officer for advice or instructions in connection with its duties, and such instructions shall be full authorization and protection to the Warrant Agent and, absent gross negligence, bad faith or willful misconduct (each as determined by a final non-appealable order, judgment, ruling or decree of a court of competent jurisdiction), the Warrant Agent shall not be liable for any action taken, suffered to be taken, or omitted to be taken by it in accordance with instructions of any such Appropriate Officer or in reliance upon any statement signed by any one of such Appropriate Officers of the Company with respect to any fact or matter (unless other evidence in respect thereof is herein specifically prescribed) which may be deemed to be conclusively proved and established by such signed statement. The Warrant Agent shall not be held to have notice of any change of authority of any person, until receipt of written notice thereof from Company.

(l) Notwithstanding anything contained herein to the contrary, the Warrant Agent's aggregate liability during any term of this Agreement with respect to, arising from, or arising in connection with this Agreement, or from all Services provided or omitted to be provided under this Agreement, whether in contract, or in tort, or otherwise, is limited to, and shall not exceed, the amounts paid hereunder by the Company to the Warrant Agent as fees and charges, but not including reimbursable expenses, during the twelve (12) months immediately preceding the event for which recovery from Warrant Agent is being sought.

(m) No provision of this Agreement shall require the Warrant Agent to expend or risk its own funds or otherwise incur any financial liability in the performance of any of its duties hereunder or in the exercise of its rights if it believes that repayment of such funds or adequate indemnification against such risk or liability is not reasonably assured to it.

(n) If the Warrant Agent shall receive any notice or demand (other than notice of or demand for exercise of Warrants) addressed to the Company by any Warrantholder pursuant to the provisions of the Warrants, the Warrant Agent shall promptly forward such notice or demand to the Company.

(o) The Warrant Agent may execute and exercise any of the rights or powers hereby vested in it or perform any duty hereunder either itself or by or through its attorneys, accountants, agents or other experts, and the Warrant Agent will not be answerable or accountable for any act, default, neglect or misconduct of any such attorneys or agents or for any loss to the Company or the Warrantholders resulting from any such act, default, neglect or misconduct, absent gross negligence, bad faith or willful misconduct in the selection and continued employment thereof (each as determined by a final non-appealable order, judgment, ruling or decree of a court of competent jurisdiction).

(p) The Warrant Agent will not be under any duty or responsibility to ensure compliance with any applicable federal or state securities laws in connection with the issuance, transfer or exchange of the Warrants.

(q) The Warrant Agent shall have no duties, responsibilities or obligations as the Warrant Agent except those which are expressly set forth herein, and in any modification or amendment hereof to which the Warrant Agent has consented in writing, and no duties, responsibilities or obligations shall be implied or inferred. Without limiting the foregoing, unless otherwise expressly provided in this Agreement, the Warrant Agent shall not be subject to, nor be required to comply with, or determine if any Person has complied with, the Warrants or any other agreement between or among the parties hereto, even though reference thereto may be made in this Agreement, or to comply with any notice, instruction, direction, request or other communication, paper or document other than as expressly set forth in this Agreement.

(r) The Warrant Agent shall not incur any liability for not performing any act, duty, obligation or responsibility by reason of any occurrence beyond the control of the Warrant Agent (including without limitation any act or provision of any present or future law or regulation or governmental authority, any act of God, war, civil disorder or failure of any means of communication, terrorist acts, pandemics, epidemics, shortage of supply, breakdowns or malfunctions, interruptions or malfunction of computer facilities, or loss of data due to power failures or mechanical difficulties with information storage or retrieval systems, labor difficulties).

(s) In the event the Warrant Agent believes any ambiguity or uncertainty exists hereunder or in any notice, instruction, direction, request or other communication, paper or document received by the Warrant Agent hereunder, or is for any reason unsure as to what action to take hereunder, the Warrant Agent shall notify the Company in writing as soon as practicable, and upon delivery of such notice may, in its sole discretion, refrain from taking any action, and shall be fully protected and shall not be liable in any way to the Company or any Warrantholder or other Person for refraining from taking such action, unless the Warrant Agent receives written instructions signed by the Company which eliminates such ambiguity or uncertainty to the satisfaction of Warrant Agent.

(t) The Warrant Agent and the Company agree that all books, records, information and data pertaining to the business of the other party, including inter alia, personal, non-public Warrantholder information, which are exchanged or received pursuant to the negotiation or the carrying out of this Agreement including the fees for services set forth in the attached schedule shall remain confidential, and shall not be voluntarily disclosed to any other person, except as may be required by law, including, without limitation, pursuant to subpoenas from state or federal government authorities (e.g., in divorce and criminal actions).

(u) The provisions of this Section 17 shall survive the termination of this Agreement, the exercise or expiration of the Warrants and the resignation or removal of the Warrant Agent.

(v) No provision of this Agreement shall be construed to relieve the Warrant Agent from liability for fraud, or its own gross negligence, bad faith or its willful misconduct (each as determined by a final non-appealable order, judgment, ruling or decree of a court of competent jurisdiction).

SECTION 18. Change of Warrant Agent. If the Warrant Agent resigns (such resignation to become effective not earlier than thirty (30) calendar days after the giving of written notice thereof to the Company) or shall be adjudged bankrupt or insolvent, or shall file a voluntary petition in bankruptcy or make an assignment for the benefit of its creditors or consent to the appointment of a receiver of all or any substantial part of its property or affairs or shall generally not pay its debts as such debts become due, or shall admit in writing its inability to pay or meet its debts generally as they become due, or if an order of any court shall be entered approving any petition filed by or against the Warrant Agent under the provisions of bankruptcy laws or any similar legislation, or if a receiver, trustee or other similar official of it or of all or any substantial part of its property shall be appointed, or if any public officer shall take charge or control of it or of its property or affairs, for the purpose of rehabilitation, conservation, protection, relief, winding up or liquidation, or becomes incapable of acting as Warrant Agent or if the Board of Directors of the Company by resolution removes the Warrant Agent (such removal to become effective not earlier than thirty (30) calendar days after the filing of a certified copy of such resolution with the Warrant Agent and the giving of written notice of such removal to the Warrantholders), the Company shall appoint a successor to the Warrant Agent. If the Company fails to make such appointment within a period of thirty (30) calendar days after such removal or after it has been so notified in writing of such resignation or incapacity by the Warrant Agent, then any Warrantholder may apply to any court of competent jurisdiction for the appointment of a successor to the Warrant Agent. Notwithstanding the foregoing, the Warrantholders may remove the Warrant Agent (i) in their sole discretion, no more than once in any twelve (12) month period and (ii) at any time For Cause (as defined below), in each case, by written notice to the Company provided by Warrantholders holding a majority of the outstanding Warrants, in which case the successor Warrant Agent shall be specified by such Warrantholders and reasonably acceptable to the Company. Pending appointment of a successor to the Warrant Agent, the duties of the Warrant Agent shall be carried out by the Company. Any successor Warrant Agent shall be an entity, in good standing, incorporated under the laws of any state or of the United States of America. As soon as practicable after appointment of the successor Warrant Agent, the Company shall cause written notice of the change in the Warrant Agent to be given to each of the Warrantholders at such Warrantholder's address appearing on the Warrant Register. After appointment, the successor Warrant Agent shall be vested with the same powers, rights, duties and responsibilities as if it had been originally named as Warrant Agent without further act or deed. The former Warrant Agent shall deliver and transfer to the successor Warrant Agent any property at the time held by it hereunder and execute and deliver, at the expense of the Company, any further assurance, conveyance, act or deed necessary for the purpose. Failure to give any notice provided for in this Section 18 or any defect therein, shall not affect the legality or validity of the removal of the Warrant Agent or the appointment of a successor Warrant Agent, as the case may be. For purposes of this Section 18, "For Cause" means acts or omissions of the Warrant Agent that constitute gross negligence, bad faith or willful misconduct in the fulfillment of its duties as set forth in this Agreement.

SECTION 19. Warrantholder Not Deemed a Stockholder. Nothing contained in this Agreement or in any of the Warrants shall be construed as conferring upon the Warrantholders thereof the right to vote or to receive dividends or to participate in any transaction that would give rise to an adjustment under Section 12 or to consent or to receive notice as stockholders in respect of the meetings of stockholders or for the election of directors of the Company or any other matter, or any rights whatsoever as stockholders of the Company.

SECTION 20. Notices to Company and Warrant Agent. Any notice or demand authorized or permitted by this Agreement to be given or made by the Warrant Agent or by any Warrantholder to or on the Company to be effective shall be in writing (including by facsimile or email, as applicable), and shall be deemed to have been duly given or made when delivered by hand, or when sent if delivered to a recognized courier or deposited in the mail, first class and postage prepaid or, in the case email or facsimile notice, when received, addressed as follows (until another address, facsimile number or email address is filed in writing by the Company with the Warrant Agent):

FTAI INFRASTRUCTURE INC.
1345 Avenue of the Americas
New York, New York 10105
Attention: Joseph P. Adams, Jr., Chief Executive Officer
Ken Nicholson, Managing Director
Email: jadams@fortress.com and knicholson@fortress.com

with a copy to:

Akin Gump Strauss Hauer & Feld LLP
One Bryant Park
New York, New York 10036
Attention: Brittain A. Rogers
E-mail address: brogers@akingump.com

Any notice or demand pursuant to this Agreement to be given by the Company or by any Warrantholder to the Warrant Agent shall be sufficiently given if sent in the same manner as notices or demands are to be given or made to or on the Company (as set forth above) to the Warrant Agent at the office maintained by the Warrant Agent (the "***Warrant Agent Office***") as follows (until another address is filed in writing by the Warrant Agent with the Company, which other address shall become the address of the Warrant Agent Office for the purposes of this Agreement):

[●]
[Address]
[Address]
Attention: [●]

Where this Agreement provides for notice to Warrantholders of any event, such notice shall be sufficiently given (unless otherwise herein expressly provided) if in writing and mailed, first-class postage prepaid, to each Warrantholder affected by such event, at the address of such Warrantholder as it appears in the Warrant Register, not later than the latest date, and not earlier than the earliest date, prescribed for the giving of such notice. In any case where notice to Warrantholders is given by mail, neither the failure to mail such notice, nor any defect in any notice so mailed, to any particular Warrantholder shall affect the sufficiency of such notice with respect to other Warrantholders. Where this Agreement provides for notice in any manner, such notice may be waived in writing by the Person entitled to receive such notice, either before or after the event, and such waiver shall be the equivalent of such notice.

In case by reason of the suspension of regular mail service or by reason of any other cause it shall be impracticable to give such notice by mail, then such notification as shall be made by a method approved by the Warrant Agent as one which would be most reliable under the circumstances for successfully delivering the notice to the addressees shall constitute a sufficient notification for every purpose hereunder.

Where this Agreement provides for notice of any event to a Warrantholder of a Global Warrant Certificate, such notice shall be sufficiently given if given to the Depository (or its designee), pursuant to the rules and procedures of the Depository, not later than the latest date (if any), and not earlier than the earliest date (if any), prescribed for the giving of such notice.

SECTION 21. Tax Matters.

(a) The Company shall comply with all applicable tax withholding and reporting requirements imposed by any governmental and regulatory authority, and all distributions or other situations requiring withholding under applicable law (including deemed distributions) pursuant to the Warrants will be subject to applicable withholding and reporting requirements. Notwithstanding any provision to the contrary, the Company shall be authorized to: (a) take any actions that may be necessary or appropriate to comply with such withholding and reporting requirements, (b) apply a portion of any Cash distribution to be made under the Warrants to pay applicable withholding taxes, (c) holdback and liquidate a portion of any non-Cash distribution to be made under the Warrants to generate sufficient funds to pay applicable withholding taxes, (d) require reimbursement from any Warrantholder to the extent any withholding is required in the absence of any distribution, or (e) establish any other mechanisms the Company believes are reasonable and appropriate, including requiring Warrantholders to submit appropriate tax and withholding certifications (such as IRS Forms W-9 or any successor form) that are necessary to comply with this Section 21.

(b) Each party acknowledges and agrees that (i) the Series II Warrants will be treated as equity for U.S. federal, state and local tax purposes, (ii) the exercise of Series II Warrants will be treated as a recapitalization under Section 368 of the Code, and (iii) it shall not take any action or file any tax return, report or declaration inconsistent with the foregoing.

SECTION 22. Dissolution, Liquidation or Winding Up.

(a) Unless Section 12(a)(iv) or Section 12(b)(iii) applies, if, on or prior to the Expiration Time, the Company (or any other Person controlling the Company) shall propose a voluntary or involuntary dissolution, liquidation or winding up (a "***Winding Up***") of the affairs of the Company, the Company shall give written notice thereof to the Warrant Agent and all Holders in the manner provided in Section 20 prior to the date on which such transaction is expected to become effective or, if earlier, the record date for such transaction. Such notice shall also specify the date as of which the stockholders of record of the Common Stock shall be entitled to exchange their Common Stock for securities, money or other property deliverable upon such dissolution, liquidation or winding up, as the case may be, on which date each Warrantholder shall receive the securities, money or other property which such Warrantholder would have been entitled to receive had such Warrantholder been the stockholder of record into which the Warrants were exercisable immediately prior to such dissolution, liquidation or winding up (net of the then applicable Exercise Price) and the rights to exercise the Warrants shall terminate.

(b) Unless Section 12(a)(iv) or Section 12(b)(iii) apply, in case of any Winding Up of the affairs of the Company, the Company shall deposit with the Warrant Agent any funds or other property which the Warrantholders are entitled to receive pursuant to this Section 22, together with instructions as to the distribution thereof. After receipt of such deposit from the Company and any such other necessary information as the Warrant Agent may reasonably require, the Warrant Agent shall make payment in appropriate amount to such Person or Persons as it may be directed in writing by each Warrantholder. The Warrant Agent shall not be required to pay interest on any money deposited pursuant to the provisions of this Section 22 except such as it shall agree with the Company to pay thereon. Any moneys, securities or other property which at any time shall be deposited by the Company or on its behalf with the Warrant Agent pursuant to this Section 22 shall be, and are hereby, assigned, transferred and set over to the Warrant Agent in trust; provided, that, moneys, securities or other property need not be segregated from other funds, securities or other property held by the Warrant Agent except to the extent required by law.

SECTION 23. Supplements and Amendments. This Agreement constitutes the entire agreement and supersedes all other prior agreements and understandings, both written and oral, among the parties, or any of them, with respect to the subject matter hereof and may not be amended, except in a writing signed by both of them. The Company and the Warrant Agent may from time to time amend, modify or supplement (i) this Agreement (with respect to the Series I Warrants) or the Series I Warrants with the prior written consent of Warrantholders holding at least a majority of the Warrant Shares then issuable upon exercise of the Series I Warrants then outstanding, pursuant to a written amendment or supplement executed by the Company and the Warrant Agent or (ii) this Agreement (with respect to the Series II Warrants) or the Series II Warrants with the prior written consent of Warrantholders holding at least a majority of the Warrant Shares then issuable upon exercise of the Series II Warrants then outstanding, pursuant to a written amendment or supplement executed by the Company and the Warrant Agent; *provided, however*, that any amendment or supplement to this Agreement that would reasonably be expected to materially and adversely affect any right of a Warrantholder of the same series relative to the other Warrantholders of the same series shall require the written consent of each such Warrantholder. In addition, the consent of each Warrantholder affected shall be required for any amendment pursuant to which the Exercise Price would be increased or the number of Warrant Shares issuable upon exercise of Warrants would be decreased (other than pursuant to adjustments provided in this Agreement). Notwithstanding anything to the contrary herein, upon the delivery of a certificate from an Appropriate Officer of the Company which states that the proposed supplement or amendment is in compliance with the terms of this Section 23 and provided that such supplement or amendment does not adversely affect the Warrant Agent's rights, duties, liabilities, immunities or obligations hereunder, the Warrant Agent shall execute such supplement or amendment. Any amendment, modification or waiver effected pursuant to and in accordance with the provisions of this Section 23 will be binding upon all Warrantholders and upon each future Warrantholder, the Company and the Warrant Agent. In the event of any amendment, modification, supplement or waiver, the Company will give prompt notice thereof to all Warrantholders and, if appropriate, notation thereof will be made on all Global Warrant Certificates thereafter surrendered for registration of transfer or exchange.

SECTION 24. Successors. All the covenants and provisions of this Agreement by or for the benefit of the Company or the Warrant Agent shall bind and inure to the benefit of their respective successors and assigns hereunder.

SECTION 25. Termination. This Agreement shall terminate at the Expiration Time. Notwithstanding the foregoing, this Agreement will terminate on such earlier date on which all outstanding Warrants have been exercised. Termination of this Agreement shall not relieve the Company or the Warrant Agent of any of their obligations arising prior to the date of such termination or in connection with the settlement of any Warrant exercised prior to the Expiration Time. The provisions of Section 17, this Section 25, Section 26 and Section 27 shall survive such termination and the resignation or removal of the Warrant Agent.

SECTION 26. Governing Law Venue and Jurisdiction; Trial By Jury. This Agreement and each Warrant issued hereunder shall be deemed to be a contract made under the laws of the State of New York and for all purposes shall be governed by and construed in accordance with the laws of such state. Each party hereto consents and submits to the jurisdiction of the courts of the State of New York and any federal courts located in such state in connection with any action or proceeding brought against it that arises out of or in connection with, that is based upon, or that relates to this Agreement or the transactions contemplated hereby. In connection with any such action or proceeding in any such court, each party hereto hereby waives personal service of any summons, complaint or other process and hereby agrees that service thereof may be made in accordance with the procedures for giving notice set forth in Section 20 hereof. Each party hereto hereby waives any objection to jurisdiction or venue in any such court in any such action or proceeding and agrees not to assert any defense based on lack of jurisdiction or venue in any such court in any such action or proceeding. Each of the parties hereto hereby irrevocably waives, to the fullest extent permitted by applicable law, any right it may have to a trial by jury in respect of any action, proceeding or counterclaim as between the parties directly or indirectly arising out of, under or in connection with this Agreement or the transactions contemplated hereby or disputes relating hereto. Each of the parties hereto (i) certifies that no representative, agent or attorney of any other party hereto has represented, expressly or otherwise that such other party hereto would not, in the event of litigation, seek to enforce the foregoing waiver and (ii) acknowledges that it and the other parties hereto have been induced to enter into this Agreement by, among other things, the mutual waivers and certifications in this Section 26.

SECTION 27. Benefits of this Agreement. Nothing in this Agreement shall be construed to give to any Person other than the Company, the Warrant Agent and the Warrantholders any legal or equitable right, remedy or claim under this Agreement, and this Agreement shall be for the sole and exclusive benefit of the Company, the Warrant Agent and the Warrantholders.

SECTION 28. Counterparts. This Agreement may be executed (including by means of facsimile or electronically transmitted portable document format (.pdf) signature pages) in any number of counterparts and each such counterpart shall for all purposes be deemed to be an original, and all such counterparts shall together constitute but one and the same instrument.

SECTION 29. Headings. The headings of sections of this Agreement have been inserted for convenience of reference only, are not to be considered a part hereof and in no way modify or restrict any of the terms or provisions hereof.

SECTION 30. Severability. Whenever possible, each provision of this Agreement shall be interpreted in such manner as to be effective and valid under applicable law, but if any provision of this Agreement is held to be invalid, illegal or unenforceable in any respect under any applicable law in any jurisdiction, such invalidity, illegality or unenforceability shall not affect the validity, legality or enforceability of any other provision of this Agreement in such jurisdiction or affect the validity, legality or enforceability of any provision in any other jurisdiction, and the invalid, illegal or unenforceable provision shall be interpreted and applied so as to produce as near as may be the economic result intended by the parties hereto. Upon determination that any term or other provision is invalid, illegal or incapable of being enforced, the parties hereto shall negotiate in good faith to modify this Agreement so as to effect the original intent of the parties as closely as possible in an acceptable manner to the end that the transactions contemplated hereby are fulfilled to the extent possible; *provided, however*, that if such excluded provision shall materially and adversely affect the rights, immunities, liabilities, duties or obligations of the Warrant Agent, the Warrant Agent shall be entitled to resign immediately upon written notice to the Company.

SECTION 31. Meaning of Terms Used in Agreement.

(a) The language used in this Agreement shall be deemed to be the language chosen by the parties to express their mutual intent, and no rule of strict construction shall be applied against any party. Any references to any federal, state, local or foreign statute or law shall also refer to all rules and regulations promulgated thereunder, unless the context otherwise requires. Unless the context otherwise requires: (a) a term has the meaning assigned to it by this Agreement; (b) forms of the word "include" mean that the inclusion is not limited to the items listed; (c) "or" is disjunctive but not exclusive; (d) words in the singular include the plural, and in the plural include the singular; and (e) provisions apply to successive events and transactions; (f) "hereof", "hereunder", "herein" and "hereto" refer to the entire Agreement and not any section or subsection.

(b) The following terms used in this Agreement shall have the meanings set forth below:

"***$***" shall mean the currency of the United States.

"***Affiliate***" means, with respect to any Person, any other Person that, directly or indirectly, Controls or is Controlled by or is under common Control with such Person as of the date on which, or at any time during the period for which, the determination of affiliation is being made; *provided* that for purposes of this Agreement, each Plan Sponsor and their respective Affiliates shall be deemed an Affiliate of the Company. "***Affiliated***" shall have a correlative meaning.

"***Business Day***" means any day that is not a Saturday, a Sunday or other day on which banks are required or authorized by law or other governmental action to be closed in New York, New York.

"***Cash***" means such coin or currency of the United States as at any time of payment is legal tender for the payment of public and private debts in the United States. For the avoidance of doubt, "Cash" shall be United States Dollars unless United States Dollars are no longer accepted as legal tender for the payment of public and private debts in the United States.

"***Close of Business***" means 5:00 p.m., New York City time.

"***Common Stock Equivalent***" means any warrant, right or option to acquire any shares of Common Stock or other common equity of the Company or any security convertible into or exchangeable for shares of Common Stock or such other common equity of the Company.

"***Control***" means, with respect to any Person, (i) the possession, directly or indirectly, of the power to direct or cause the direction of the management and policies of such Person, whether through the ownership of voting securities, by contract or agency or otherwise, or (ii) the ownership of at least 50% of the equity securities in such Person. "***Controlled***" shall have a correlative meaning.

"***Current Market Price***" means, in connection with a Cashless Exercise, dividend, issuance or distribution, the Volume Weighted-Average Price per share of Common Stock or other security for, unless the context requires otherwise, the twenty (20) Trading Days ending on, but excluding, the earlier of the date in question and the Trading Day immediately preceding the Ex-Date for such dividend, issuance or distribution. If the Common Stock is not traded on any U.S. national or regional securities exchange or quotation system, the Current Market Price shall be the price per share of Common Stock that the Company could obtain from a willing buyer for shares of Common Stock sold by the Company from authorized but unissued shares of Common Stock, as such price shall be reasonably determined in good faith by the Board of Directors.

"***Ex-Date***" means, when used with respect to any issuance of or distribution in respect of the Common Stock or any other securities, the first date on which the Common Stock or such other securities trade without the right to receive such issuance or distribution.

"***Exempt Issuance***" means (a) the Company's issuance or grant of shares of Common Stock or Common Stock Equivalents to employees, directors or consultants of the Company or any of its Subsidiaries as part of any incentive equity arrangement, *provided*, that the exercise price per share of Common Stock or Common Stock Equivalents of any such issuance or grant on the date of the issuance or grant is at least equal to the Grant Date Fair Value of such issuance or grant; (b) the Company's issuance of securities upon the exercise, exchange or conversion of any securities that are exercisable or exchangeable for, or convertible into, shares of Common Stock and are outstanding as of the Issue Date; *provided*, that such exercise, exchange or conversion is effected pursuant to the terms of such securities as in effect on the Issue Date; (c) the Company's issuance of the Warrants and any shares of Common Stock upon exercise of the Warrants and (d) the Company's issuance or grant of shares of Common Stock or Common Stock Equivalents on the Closing Date (as defined in the Subscription Agreement) to FIG LLC, its directors, officers, employees, service providers, consultants and advisors as contemplated by the Amended and Restated Management and Advisory Agreement dated as of [●], 2022 between the Company and FIG LLC and as described in the Company's Information Statement dated [●]. For purposes of this definition, "consultant" means a consultant that may participate in an "employee benefit plan" in accordance with the definition of such term in Rule 405 under the Securities Act.

"***Grant Date Fair Value***" means the fair value per share of the issuance or grant of Common Stock or Common Stock Equivalents pursuant to the Company's incentive equity arrangements as determined in accordance with U.S. Generally Accepted Accounting Principles for purposes of reporting any such award in the Company's financial statements.

"***Market Price***" means (w) if in reference to cash, the current cash value on the date of measurement in U.S. dollars, (x) if in reference to equity securities or securities included within other property, which are listed or admitted for trading on a national securities exchange, the Volume Weighted-Average Price of a share (or similar relevant unit) of such securities as reported on the principal national securities exchange on which the shares (or similar relevant units) of such securities are listed or admitted for trading, or (y) in all other cases, the value as determined in good faith by the Board of Directors of the Company. In each such case, unless the context requires otherwise, the average price shall be averaged over a period of twenty-one (21) consecutive Trading Days consisting of the Trading Day immediately preceding the day on which the "Market Price" is being determined and the twenty (20) consecutive Trading Days prior to such day.

"***Non-Sale Transaction*"** means any Transaction if holders of Common Stock as of immediately prior to such Transaction own, directly or indirectly and solely on account of their Common Stock, a majority of the equity of the purchasing entity, the surviving entity or its applicable parent entity immediately after the consummation of such Transaction.

"***Open of Business***" means 9:00 a.m., New York City time.

"***Person***" means any individual, corporation, limited partnership, general partnership, limited liability partnership, limited liability company, joint stock company, joint venture, corporation, unincorporated organization, association, company, trust, group or other legal entity, or any governmental or political subdivision or any agency, department or instrumentality thereof.

"***Record Date***" means, with respect to any dividend, distribution or other transaction or event in which the holders of Common Stock have the right to receive any Cash, securities or other property or in which Common Stock (or other applicable security) is exchanged for or converted into any combination of Cash, securities or other property, the date fixed for determination of holders of Common Stock entitled to receive such Cash, securities or other property (whether such date is fixed by the Board of Directors or by statute, contract or otherwise).

"***Redomestication Transaction***" means a Non-Surviving Transaction in which all of the property received upon such Non-Surviving Transaction by stockholders of the Company consists solely of securities, Cash in lieu of fractional securities and other de minimis consideration, and the stockholders of the Company immediately prior to such Non-Surviving Transaction are the only holders of the equity securities of the surviving Person immediately after the consummation of such Non-Surviving Transaction.

"***Sale Transaction***" means a Non-Surviving Transaction with or to a Third Party and excluding any Non-Sale Transaction or any Redomestication Transaction.

"***Subsidiary***" means, with respect to any Person, any corporation, partnership, joint venture or other legal entity as to which such Person (either alone or through or together with any other Subsidiary), (a) owns, directly or indirectly, more than fifty percent (50%) of the stock or other equity interests, (b) has the power to elect a majority of the board of directors or similar governing body, or (c) has the power to direct the business and policies.

"***Third Party***" means any Person or "group" (as defined under Section 13(d) of the Securities Exchange Act of 1934, as amended) of Persons, other than the Company or any of its Affiliates.

"***Trading Day***" means (i) if the applicable security is listed on the New York Stock Exchange, a day on which trades may be made thereon or (ii) if the applicable security is listed or admitted for trading on the American Stock Exchange, the NASDAQ Global Select Market, the NASDAQ Global Market or other national securities exchange or market, a day on which the American Stock Exchange, the NASDAQ Global Select Market, the NASDAQ Global Market or such other national securities exchange or market is open for business or (iii) if the applicable security is not so listed, admitted for trading or quoted, any Business Day.

"***Volume Weighted-Average Price***" means, with respect to any security and a period of Trading Days, (i) the volume weighted average price of such security during the regular trading session of each Trading Day during such period (including any extensions thereof, without regard to pre-open or after hours trading outside of such regular trading session) as reported by the principal U.S. national or regional securities exchange or quotation system on which such security is then listed or quoted, as published by Bloomberg at 4:15 P.M., New York City time (or 15 minutes following the end of any extension of the regular trading session), or (ii) if such volume weighted average price is unavailable or in manifest error as reasonably determined in good faith by the Board of Directors, the market value of one unit of such security during such period determined using a volume weighted average price method by an independent nationally recognized investment bank or other qualified financial institution selected by the Board of Directors and reasonably acceptable to the Warrant Agent.

[The next page is the signature page]

IN WITNESS WHEREOF, the parties hereto have caused this Agreement to be executed and delivered as of the day and year first above written.

FTAI INFRASTRUCTURE INC.

By: _____
Name: [●]
Title: [●]

[●]
as Warrant Agent

By: _____
Name: [●]
Title: [●]

[SIGNATURE PAGE TO WARRANT AGREEMENT]

EXHIBIT A

FORM OF GLOBAL WARRANT CERTIFICATE

THIS SECURITY HAS BEEN ACQUIRED FOR INVESTMENT AND WITHOUT A VIEW TO DISTRIBUTION AND HAS NOT BEEN REGISTERED UNDER THE SECURITIES ACT OF 1933 (THE "ACT"), OR UNDER STATE SECURITIES LAWS. NO OFFER, TRANSFER, SALE, ASSIGNMENT, PLEDGE, HYPOTHECATION OR OTHER DISPOSITION OF THIS SECURITY OR ANY INTEREST OR PARTICIPATION THEREIN MAY BE MADE EXCEPT (A) PURSUANT TO AN EFFECTIVE REGISTRATION STATEMENT UNDER THE ACT OR (B) PURSUANT TO AN EXEMPTION FROM REGISTRATION UNDER THE ACT AND APPLICABLE STATE SECURITIES LAWS AND, IN THE CASE OF CLAUSE (B), UNLESS FTAI INFRASTRUCTURE INC. (THE "COMPANY") RECEIVES (OR WAIVES THE REQUIREMENT TO RECEIVE) AN OPINION OF COUNSEL IN FORM AND SUBSTANCE SATISFACTORY TO THE COMPANY TO THE EFFECT THAT REGISTRATION IS NOT REQUIRED UNDER THE ACT AND APPLICABLE STATE SECURITIES LAWS.

VOID AFTER [●], 2030

This Global Warrant Certificate is held by The Depository Trust Company (the "***Depositary***") or its nominee in custody for the benefit of the beneficial owners hereof, and is not transferable to any Person under any circumstances except that (i) this Global Warrant Certificate may be exchanged in whole but not in part pursuant to Section 6(a) of the Warrant Agreement, (ii) this Global Warrant Certificate may be delivered to the Warrant Agent for cancellation pursuant to Section 6(h) of the Warrant Agreement and (iii) this Global Warrant Certificate may be transferred to a successor Depositary with the prior written consent of the Company.

Unless this Global Warrant Certificate is presented by an authorized representative of the Depositary to the Company or the Warrant Agent for registration of transfer, exchange or payment and any certificate issued is registered in the name of Cede & Co. or such other entity as is requested by an authorized representative of the Depositary (and any payment hereon is made to Cede & Co. or to such other entity as is requested by an authorized representative of the Depositary), any transfer, pledge or other use hereof for value or otherwise by or to any Person is wrongful because the registered owner hereof, Cede & Co., has an interest herein.

Transfers of this Global Warrant Certificate shall be limited to transfers in whole, but not in part, to nominees of the Depositary or to a successor thereof or such successor's nominee, and transfers of portions of this Global Warrant Certificate shall be limited to transfers made in accordance with the restrictions set forth in Section 6 of the Warrant Agreement.

No registration or transfer of the securities issuable pursuant to the Warrant will be recorded on the books of the Company until such provisions have been complied with.

No. _____

CUSIP No._____
WARRANT TO PURCHASE _____
SHARES OF COMMON STOCK

FTAI INFRASTRUCTURE INC.

GLOBAL WARRANT TO PURCHASE COMMON STOCK

FORM OF FACE OF WARRANT CERTIFICATE

VOID AFTER [•], 2030

This Warrant Certificate ("Warrant Certificate") certifies that [•] or its registered assigns is the registered holder (the "Warrantholder") of a Warrant (the "Warrant") of [●], a Delaware corporation (the "Company"), to purchase the number of shares (the "Warrant Shares") of common stock, par value $[0.01] per share (the "Common Stock") of the Company set forth above. This warrant expires upon the earlier of (i) 5:00 p.m., New York City time, on [●], 2030 or, if such date is not a Business Day, the next subsequent Business Day or (ii) upon the consummation of a Sale Transaction (such date and time, the "Expiration Time"), and entitles the holder to purchase from the Company the number of fully paid and non-assessable Warrant Shares set forth above at the exercise price (the "Exercise Price") multiplied by the number of Warrant Shares set forth above (the "Exercise Amount"), payable to the Company either by certified or official bank or bank cashier's check payable to the order of the Company, or by wire transfer in immediately available funds of the Exercise Amount to an account of the Warrant Agent specified in writing by the Warrant Agent for such purpose, no later than the Expiration Time. The initial Exercise Price shall be [Series I: $10.00][Series II: $0.01]. This Warrant is subject to adjustment upon the occurrence of certain events as set forth in the Warrant Agreement.

In lieu of paying the Exercise Amount as set forth in the preceding paragraph, subject to the provisions of the Warrant Agreement (as defined on the reverse hereof), each Warrant shall entitle the Warrantholder thereof, at the election of such Warrantholder, to exercise the Warrant by authorizing the Company to withhold from issuance a number of Warrant Shares issuable upon exercise of the Warrant which when multiplied by the Current Market Price of the Common Stock is equal to the aggregate Exercise Price, and such withheld Warrant Shares shall no longer be issuable under the Warrant, in accordance with the Warrant Agreement. Notwithstanding the foregoing, no Cashless Exercise shall be permitted if, as the result of such adjustment provided for in Section 12 of the Warrant Agreement at the time of such Cashless Exercise, Warrant Shares include a Cash component and the Company would be required to pay Cash to a Warrantholder upon exercise of Warrants.

No Warrant may be exercised after the Expiration Time. After the Expiration Time, the Warrants will become wholly void and of no value.

REFERENCE IS HEREBY MADE TO THE FURTHER PROVISIONS OF THIS WARRANT CERTIFICATE SET FORTH ON THE REVERSE HEREOF. SUCH FURTHER PROVISIONS SHALL FOR ALL PURPOSES HAVE THE SAME EFFECT AS THOUGH FULLY SET FORTH AT THIS PLACE.

This Warrant Certificate shall not be valid unless countersigned by the Warrant Agent.

IN WITNESS WHEREOF, the Company has caused this Warrant Certificate to be executed by its duly authorized officer.

Dated: _____

FTAI INFRASTRUCTURE INC.

By: _____
Name:
Title:

[●]
as Warrant Agent

By: _____
Name:
Title:

FORM OF REVERSE OF GLOBAL WARRANT CERTIFICATE

FTAI INFRASTRUCTURE INC.

The Warrant evidenced by this Warrant Certificate is a part of a duly authorized issue of Warrants to purchase a maximum of [Series I: 3,342,566 shares of common stock][Series II: 3,342,566 shares of common stock] issued pursuant to that certain Warrant Agreement, dated as of the Issue Date (the "Warrant Agreement"), duly executed and delivered by the FTAI Infrastructure Inc., a Delaware corporation, and [●], a [●] corporation, as Warrant Agent (the "Warrant Agent"). The Warrant Agreement hereby is incorporated by reference in and made a part of this instrument and is hereby referred to for a description of the rights, limitation of rights, obligations, duties and immunities thereunder of the Warrant Agent, the Company and the Warrantholders. A copy of the Warrant Agreement may be inspected at the Warrant Agent office and is available upon written request addressed to the Company. All capitalized terms used in this Warrant Certificate but not defined that are defined in the Warrant Agreement shall have the meanings assigned to them therein. In the event of a conflict between the provisions set forth in this Warrant Certificate and the provisions of the Warrant Agreement, the provisions of the Warrant Agreement shall govern and be controlling.

Warrants may be exercised to purchase Warrant Shares from the Company from the Issue Date until the Expiration Time, at the Exercise Price set forth on the face hereof, subject to adjustment as described in the Warrant Agreement. Subject to the terms and conditions set forth herein and in the Warrant Agreement, the Warrantholder evidenced by this Warrant Certificate may exercise such Warrant by:

(i) providing written notice of such election ("Warrant Exercise Notice") to exercise the Warrant to the Warrant Agent at the address set forth in the Warrant Agreement, "Re: Warrant Exercise", by hand or by facsimile, no later than the Expiration Time, which Warrant Exercise Notice shall substantially be in the form of an election to purchase Warrant Shares set forth herein, properly completed and executed by the Warrantholder;

(ii) paying the applicable Exercise Amount, together with any applicable taxes and governmental charges.

In lieu of paying the Exercise Amount as set forth in the preceding paragraph, subject to the provisions of the Warrant Agreement, each Warrant shall entitle the Warrantholder thereof, at the election of such Warrantholder, to exercise the Warrant by authorizing the Company to withhold from issuance a number of Warrant Shares issuable upon exercise of the Warrant which when multiplied by the Current Market Price of the Warrant Shares is equal to the aggregate Exercise Price in accordance with the Warrant Agreement, and such withheld Warrant Shares shall no longer be issuable under the Warrant.

In the event that upon any exercise of the Warrant evidenced hereby the number of Warrant Shares actually purchased shall be less than the total number of Warrant Shares purchasable upon exercise of the Warrant evidenced hereby, there shall be issued to the Warrantholder hereof, or such Warrantholder's assignee, a new Warrant Certificate evidencing a Warrant to purchase the Warrant Shares not so purchased. No adjustment shall be made for any Cash dividends on any Warrant Shares issuable upon exercise of this Warrant. After the Expiration Time, unexercised Warrants shall become wholly void and of no value.

The Company shall not be required to issue fractions of Warrant Shares or any certificates that evidence fractional Warrant Shares.

Warrant Certificates, when surrendered by book-entry delivery through the facilities of the Depositary may be exchanged, in the manner and subject to the limitations provided in the Warrant Agreement, but without payment of any service charge, for another Warrant Certificate or Warrant Certificates of like tenor evidencing a Warrant to purchase in the aggregate a like number of Warrant Shares.

No Warrants may be sold, exchanged or otherwise transferred in violation of the Warrant Agreement. The securities represented by this instrument (including any securities issued upon exercise hereof) have not been registered under the Securities Act of 1933, as amended (the "Securities Act") or the securities laws of any state and were issued pursuant to an exemption from the registration requirement of Section 4(a)(2) of the Securities Act, such holder may not be able to sell or transfer any securities represented by this instrument (including any securities issued upon exercise hereof) in the absence of an effective registration statement relating thereto under the Securities Act and in accordance with applicable state securities laws or pursuant to an exemption from registration under such act or such laws.

The Company and Warrant Agent may deem and treat the registered holder hereof as the absolute owner of this Warrant Certificate (notwithstanding any notation of ownership or other writing hereon made by anyone) for the purpose of any exercise hereof and for all other purposes, and neither the Company nor the Warrant Agent shall be affected by any notice to the contrary.

[Balance of page intentionally remains blank]

EXHIBIT B-1

FORM OF ELECTION TO EXERCISE BOOK-ENTRY

WARRANTS (TO BE EXECUTED UPON EXERCISE OF THE WARRANT)

The undersigned hereby irrevocably elects to exercise the right, represented by this Warrant Statement, to purchase _____ newly issued shares of Common Stock of FTAI INFRASTRUCTURE INC. (the "Company") at the Exercise Price of [Series I: $10.00][Series II: $0.01] per share, as adjusted pursuant to the Warrant Agreement.

The undersigned represents, warrants and promises that it has the full power and authority to exercise and deliver the Warrants exercised hereby. The undersigned represents, warrants and promises that it has delivered or will deliver in payment for such shares $_____ by certified or official bank or bank cashier's check payable to the order of the Company, or through a Cashless Exercise (as described below), no later than the Expiration Time.

☐ Please check if the undersigned, in lieu of paying the Exercise Price as set forth in the preceding paragraph, elects to exercise the Warrant by authorizing the Company to withhold from issuance a number shares issuable upon exercise of the Warrant which when multiplied by the Current Market Price of the common stock is equal to the aggregate Exercise Price, and such withheld shares shall no longer be issuable under the Warrant.

The undersigned requests that a certificate representing the shares of Common Stock be delivered as follows:

Name

Address:

Delivery Address (if different):

If such number of shares of common stock is less than the aggregate number of shares of common stock purchasable hereunder, the undersigned requests that a new Book-Entry Warrant representing the balance of such Warrants shall be registered, with the appropriate Warrant Statement delivered as follows:

Name

Address:

Delivery Address (if different):

Social Security or Other Taxpayer Identification Number of Warrantholder:

Signature

Note: The above signature must correspond with the name as written upon the Warrant Statement in every particular, without alteration or enlargement or any change whatsoever. If the certificate representing the shares of common stock or any Warrant Statement representing Warrants not exercised is to be registered in a name other than that in which this Warrant is registered, the signature of the holder hereof must be guaranteed.

SIGNATURE GUARANTEED

By:

Signatures must be guaranteed by a participant in the Securities Transfer Agent Medallion Program, the Stock Exchanges Medallion Program or the New York Stock Exchange, Inc. Medallion Signature Program.

EXHIBIT B-2

FORM OF ELECTION TO EXERCISE WARRANTS REPRESENTED BY GLOBAL WARRANT CERTIFICATES
TO BE COMPLETED BY DIRECT PARTICIPANT
IN THE DEPOSITORY TRUST COMPANY
FTAI INFRASTRUCTURE INC.

Warrants to Purchase _____ Shares of Common Stock

(TO BE EXECUTED UPON EXERCISE OF THE WARRANT)

The undersigned hereby irrevocably elects to exercise the right, represented by _____ Warrants held for its benefit through the book-entry facilities of The Depository Trust Company (the "Depositary"), to purchase newly issued shares of Common Stock of FTAI INFRASTRUCTURE INC. (the "Company") at the Exercise Price of [Series I: $10.00][Series II: $0.01] per share, as adjusted pursuant to the Warrant Agreement.

The undersigned represents, warrants and promises that it has the full power and authority to exercise and deliver the Warrants exercised hereby. The undersigned represents, warrants and promises that it has delivered or will deliver in payment for such shares $_____ by certified or official bank or bank cashier's check payable to the order of the Company, or by wire transfer in immediately available funds of the aggregate Exercise Price to an account of the Warrant Agent specified in writing by the Warrant Agent for such purpose or through a Cashless Exercise (as described below), no later than the Expiration Time.

☐ Please check if the undersigned, in lieu of paying the Exercise Price as set forth in the preceding paragraph, elects to exercise the Warrant by authorizing the Company to withhold from issuance a number of shares issuable upon exercise of the Warrant which when multiplied by the Current Market Price of the Common Stock is equal to the aggregate Exercise Price, and such withheld shares shall no longer be issuable under the Warrant.

The undersigned requests that the shares of common stock purchased hereby be in registered form in the authorized denominations, registered in such names and delivered, all as specified in accordance with the instructions set forth below, provided that if the shares of common stock are evidenced by global securities, the shares of common stock shall be registered in the name of the Depositary or its nominee.

Dated: _____

NOTE: THIS EXERCISE NOTICE MUST BE DELIVERED TO THE WARRANT AGENT, PRIOR TO THE EXPIRATION TIME. THE WARRANT AGENT SHALL NOTIFY YOU (THROUGH THE CLEARING SYSTEM) OF (1) THE WARRANT AGENT'S ACCOUNT AT THE DEPOSITORY TO WHICH YOU MUST DELIVER YOUR WARRANTS ON THE EXERCISE DATE AND (2) THE ADDRESS, PHONE NUMBER AND FACSIMILE NUMBER WHERE YOU CAN CONTACT THE WARRANT AGENT AND TO WHICH WARRANT EXERCISE NOTICES ARE TO BE SUBMITTED.

NAME OF DIRECT PARTICIPANT IN THE DEPOSITORY:

(PLEASE PRINT)

ADDRESS

CONTACT NAME:

ADDRESS:

TELEPHONE (INCLUDING INTERNATIONAL CODE):

FAX (INCLUDING INTERNATIONAL CODE):

SOCIAL SECURITY OR OTHER TAXPAYER IDENTIFICATION NUMBER (IF APPLICABLE):

ACCOUNT FROM WHICH WARRANTS ARE BEING DELIVERED:

DEPOSITORY ACCOUNT NO.: _____

WARRANT EXERCISE NOTICES WILL ONLY BE VALID IF DELIVERED IN ACCORDANCE WITH THE INSTRUCTIONS SET FORTH IN THIS NOTIFICATION (OR AS OTHERWISE DIRECTED), MARKED TO THE ATTENTION OF "WARRANT EXERCISE". WARRANTHOLDER DELIVERING WARRANTS, IF OTHER THAN THE DIRECT DTC PARTICIPANT DELIVERING THIS WARRANT EXERCISE NOTICE:

NAME:
(PLEASE PRINT)

CONTACT NAME:

TELEPHONE (INCLUDING INTERNATIONAL CODE):

FAX (INCLUDING INTERNATIONAL CODE):

SOCIAL SECURITY OR OTHER TAXPAYER IDENTIFICATION NUMBER (IF APPLICABLE):

ACCOUNT TO WHICH THE SHARES OF

COMMON STOCK ARE TO BE CREDITED:

DEPOSITORY ACCOUNT NO.: _____

FILL IN FOR DELIVERY OF THE COMMON STOCK, IF OTHER THAN TO THE PERSON DELIVERING THIS WARRANT EXERCISE NOTICE:

NAME:
(PLEASE PRINT)
ADDRESS

CONTACT NAME:

TELEPHONE (INCLUDING INTERNATIONAL CODE):

FAX (INCLUDING INTERNATIONAL CODE):

SOCIAL SECURITY OR OTHER TAXPAYER IDENTIFICATION NUMBER (IF APPLICABLE): _____

NUMBER OF WARRANTS BEING EXERCISED

(ONLY ONE EXERCISE PER WARRANT EXERCISE NOTICE)

Signature: _____

Name: _____

Capacity in which Signing: _____

Signature Guaranteed
BY: _____

Signatures must be guaranteed by a participant in the Securities Transfer Agent Medallion Program, the Stock Exchanges Medallion Program or the New York Stock Exchange, Inc. Medallion Signature Program.

EXHIBIT C

FORM OF ASSIGNMENT

(TO BE EXECUTED BY THE REGISTERED WARRANTHOLDER IF
SUCH WARRANTHOLDER DESIRES TO TRANSFER A WARRANT)

FOR VALUE RECEIVED, the undersigned registered holder hereby sells, assigns and transfers unto

Name of Assignee

Address of Assignee

_____ Warrants to purchase shares of Common Stock held by the undersigned, together with all right, title and interest therein, and does irrevocably constitute and appoint _____ attorney, to transfer such Warrants on the books of the Warrant Agent, with full power of substitution.

Dated _____

Signature _____

Social Security or Other Taxpayer _____

Identification Number of Assignee _____

SIGNATURE GUARANTEED BY: _____

Signatures must be guaranteed by a participant in the Securities Transfer
Agent Medallion Program, the Stock Exchanges Medallion Program
or the New York Stock Exchange, Inc. Medallion Signature Program.

Exhibit 10.17

SUBSCRIPTION AGREEMENT

This SUBSCRIPTION AGREEMENT (this "Subscription Agreement") is entered into on June 30, 2022 by and between FTAI Infrastructure LLC, a Delaware limited liability company (the "Company"), a majority-owned subsidiary of Fortress Transportation & Infrastructure Investors LLC ("Parent"), Transtar, LLC, a Delaware limited liability company ("Transtar"), and the subscriber party set forth on such subscriber's signature page hereto ("Subscriber"). Capitalized terms used but not defined herein shall have the meanings set forth in the Certificate of Designations (as defined below).

WHEREAS, the board of directors of Parent is contemplating a spin-off transaction, whereby, among other things, (i) the Company will be converted into a Delaware corporation, (ii) the Company's name will be changed to "FTAI Infrastructure Inc.", (iii) the board of directors of Parent will declare the distribution of all the shares of common stock of the Company, with a par value of $0.01 per share (such distributed shares of common stock of the Company, "Common Stock") owned by Parent, such that each shareholder of the Parent holding a common share of Parent ("Parent Common Shareholders") will receive one share of Common Stock for each common share of Parent held by such Parent Common Shareholders, and (iv) upon such distribution (the "Distribution"), Parent Common Shareholders will own substantially all of the Common Stock (collectively, the "Spin-Off");

WHEREAS, Subscriber desires to subscribe for and purchase from the Company and, immediately prior to the commencement of regular-way trading of the Common Stock on any national securities exchange, the Company desires to issue and sell to Subscriber in consideration of the payment of the Net Purchase Price (as defined below) by or on behalf of Subscriber to the Company that number (as set forth on Subscriber's signature page hereto) of the Company's (i) shares of preferred stock, with a par value of $0.01 per share, to be designated as a series known as "Series A Senior Preferred Stock" (the "Preferred Shares"), and having the respective designations, powers, preferences and relative, participating, optional, special and other rights, and the qualifications, limitations and restrictions set forth in a certificate of designations, a form of which is attached hereto as Exhibit A (the "Certificate of Designations"), (ii) warrants (the "Series I Warrants") representing the right to purchase, on the terms and subject to the conditions set forth in the Series I Warrants, shares of Common Stock, at an exercise price of $10.00 per share, a form of which is attached hereto as Exhibit B, and (iii) warrants ("Series II Warrants" and, together with the Series I Warrants, the "Warrants") representing the right to purchase, on the terms and subject to the conditions set forth in the Series II Warrant, shares of Common Stock at an exercise price of $0.01 per share, a form of which is attached hereto as Exhibit B (collectively, the "Securities"), for an aggregate purchase price set forth on Subscriber's signature page hereto (the "Purchase Price");

WHEREAS, the aggregate amount of Securities to be sold by the Company pursuant to this Subscription Agreement and the other subscription agreements with certain Affiliates of the Subscriber (the "Other Subscription Agreements") equals (a) 300,000 Preferred Shares, (b) 3,342,566 Series I Warrants and (c) 3,342,566 Series II Warrants; and

WHEREAS, concurrently with the Spin-Off, the Company is entering into that certain management agreement with FIG LLC ("Fortress") substantially in the form attached hereto as Exhibit C (the "Management Agreement").

NOW, THEREFORE, in consideration of the foregoing and the mutual representations, warranties and covenants, and subject to the conditions, herein contained, and intending to be legally bound hereby, the parties hereto hereby agree as follows:

1. Subscription.

(a) Subject to the terms and conditions hereof, Subscriber hereby subscribes for and agrees to purchase from the Company, and the Company hereby agrees to issue and sell the number of Securities to Subscriber as set forth on the signature page hereto (such subscription and issuance, the "Subscription"), upon the payment of the Purchase Price, net of an amount equal to the Discount as set forth on the signature page hereto (such net amount, the "Net Purchase Price"). The "Discount" for the Subscriber is the amount set forth on Subscriber's signature page hereto representing three percent (3%) of Subscriber's Purchase Price for the Securities, which shall be treated as a discount to the Purchase Price for U.S. federal and applicable state and local income tax purposes. The Subscriber's "Allocation Percentage" shall be the fraction, expressed as a percentage, equal to the Purchase Price set forth on the signature page hereto *divided by* $300,000,000.

(b) If any change in the Securities or Common Stock (including the number of shares of Common Stock to be outstanding immediately following the Spin-Off) shall occur between the date hereof and the Closing (as defined below) by reason of any reclassification, recapitalization, stock split (including reverse stock split) or combination, exchange or readjustment of shares, or any stock dividend, the number and type of Securities issued to Subscriber (including, in respect of the Warrants, the exercise price and underlying number of shares of Common Stock) and the number of Securities shall be appropriately adjusted to reflect such change.

(c) Each of the Company and Subscriber acknowledges and agrees that for U.S. federal and applicable state and local income tax purposes (i) the Net Purchase Price shall be allocated between the Preferred Shares and the Warrants issued to Subscriber hereunder based on their relative fair market values as of the Closing Date, (ii) such allocation shall be used in determining the issue price and redemption premium of the Preferred Shares (the "Redemption Premium") for the purposes of Treasury Regulation Section 1.305-5(b) and (iii) the Warrants are part of an "investment unit" within the meaning of Section 1273(c)(2) of the Internal Revenue Code of 1986 (the "Code"), which investment unit includes the Preferred Shares. The Company and Subscriber shall, promptly following the Closing, mutually agree on the determination of such allocation, issue price and Redemption Premium in a reasonable manner.

(d) Each of the Company and Subscriber and their respective affiliates agrees to file all U.S. federal, state and local tax returns or other information returns in a manner consistent with (i) the Preferred Shares being treated as equity that is "preferred stock" within the meaning of Section 305 of the Code and (ii) the Compounded Dividends (as defined in the Certificate of Designations) not being treated as "deemed" or constructive distributions of property that result in taxable income under Section 305 of the Code to Subscriber, provided that the Compounded Dividends have not been paid or declared by the Company, unless otherwise required by a change of law subsequent to the date hereof.

(e) The Company agrees that if, in connection with an Optional Redemption or Mandatory Redemption (each term as defined in the Certificate of Designations), it receives a letter from Subscriber that it deems to be satisfactory, as determined in its sole good faith discretion, to the effect that Subscriber is disposing of a portion of its Series I Warrants, or Common Stock, as applicable, as part of a plan which includes the Optional Redemption or Mandatory Redemption, it shall report such redemption in a manner consistent with a sale or exchange of such Preferred Shares (and not as a dividend) for U.S. federal and applicable state and local income tax purposes, unless otherwise required by a change in law or facts subsequent to the date hereof. Subscriber agrees to file all U.S. federal, state and local tax returns consistent with such treatment.

2. Closing.

(a) Upon (a) satisfaction or waiver of the conditions set forth in this Subscription Agreement and (b) delivery of written notice from (or on behalf of) the Company to Subscriber (the "Closing Notice") that the Spin-Off (including the Distribution) has occurred, Subscriber shall deliver to the Company on the same day as the Distribution (such date of delivery, the "Closing Date"), (i) the Net Purchase Price by wire transfer of U.S. dollars in immediately available funds to the account(s) specified by the Company in the Closing Notice and (ii) any other information that is reasonably requested in the Closing Notice necessary for the Company to issue Subscriber's Securities, including, without limitation, the legal name of the entity in whose name such Securities are to be issued and a duly executed Internal Revenue Service Form W-9 (or any successor form) of such person, as applicable. For purposes of this Subscription Agreement, "business day" refers to any day on which the principal offices of the Securities and Exchange Commission (the "Commission") in Washington, D.C. are open to accept filings or, in the case of determining a date when any payment is due, any day on which banks are not authorized or obligated to be closed in New York, New York; provided, that banks shall not be deemed to be authorized or obligated to be closed due to a "shelter-in-place," "non-essential employee" or similar closure of physical branch locations at the direction of any governmental authority if such banks' electronic funds transfer systems (including for wire transfers) are open for use by customers on such day. The Company shall provide the Subscriber written notice of the Closing Date at least five business days prior to such Closing Date.

(b) Subject to the satisfaction or waiver of the conditions set forth in this Subscription Agreement, on the Closing Date, the Company shall deliver to Subscriber (i) the Securities in book entry form, free and clear of any liens or other restrictions (other than those arising under this Subscription Agreement (including the Certificate of Designations, the Warrants and the Investors' Rights Agreement (as defined below)) or applicable securities laws) in the name of Subscriber (or its nominee in accordance with its delivery instructions) or to a custodian designated by Subscriber, as applicable; (ii) a copy of the records of the Company's transfer agent and warrant agent, as applicable (each, an "Agent" and, collectively, the "Agents"), or other evidence showing Subscriber as the owner of the Securities on and as of the Closing Date; provided, however, that the Company's obligation to issue the Securities to Subscriber is contingent upon the Company having received the Net Purchase Price in full accordance with Section 2(a) and (iii) the executed officer's certificate required pursuant to Section 2(d)(viii).

(c) Upon the transfer of the Company's deliverables to Subscriber hereunder (or to its nominee in accordance with its delivery instructions), the Net Purchase Price will be deemed fully released to the Company.

(d) The closing of the Subscription contemplated hereby (the "Closing") shall be subject to the conditions that:

(i) the Company shall have filed the Certificate of Designations with the Secretary of the State of Delaware, the Certificate of Designations shall have become effective and the Spin-Off will be concurrently consummated;

(ii) solely with respect to Subscriber, (A) the Company will issue at least $450,000,000 and not more than $500,000,000 aggregate principal amount of senior secured notes ("Senior Secured Notes") (and for the avoidance of doubt, not more than $500,000,000) prior to or substantially concurrent with the Spin-Off in all material respects in accordance with the terms of the draft Description of Notes provided to Subscriber on June 27, 2022, as supplemented by the Pricing Term Sheet, dated June 29, 2022 (the "Description of Notes"), without giving effect to any modifications to such draft that are adverse to Subscriber in any material respect without the prior written consent of Subscriber, provided, that for purposes of this clause (A) incremental revisions to the covenants contained in such draft, whether qualitative or quantitative, that are adverse to the Company shall not be adverse to Subscriber solely as a result of such covenants being adverse to the Company, provided further, that Senior Secured Notes being issued with a floating interest rate shall be deemed a modification that is adverse to Subscriber in a material respect, (B) the Company shall have irrevocably offered Subscriber (together with the subscribers under the Other Subscription Agreements, allocated in their sole discretion) a right to purchase $166,500,000 of aggregate principal amount of the Senior Secured Notes (or such lesser amount as determined by Subscriber (together with the subscribers under the Other Subscription Agreements)) through one or more initial purchasers on terms no less favorable (including with respect to original issue discount) than the terms offered to any other purchasers of such Senior Secured Notes (it being understood and agreed that any purchase by Subscriber of Senior Secured Notes must be at the same time as all other purchasers participating in the offering of the Senior Secured Notes, which shall be prior to or contemporaneous with the Closing) and (C) such Senior Secured Notes do not contain any terms or provisions that deviate from the Description of Notes such that Subscriber's exercise of rights or remedies under the Certificate of Designations, Investors' Rights Agreement and/or any Warrants, or the Company's compliance with the Certificate of Designations (including the cash dividend and mandatory redemption provisions thereof), Investors' Rights Agreement and/or any Warrants, would, or would be reasonably likely to, conflict with or result in a breach or violation of any of the terms or provisions of, or constitute a default under, or result in the creation or imposition of any lien, charge or encumbrance upon any of the property or assets of the Company or any of its Subsidiaries or give to others any rights of termination, amendment, acceleration or cancellation under such Senior Secured Notes;

(iii) solely with respect to Subscriber, (A) each of the representations and warranties made by the Company in Sections 3(a)–3(i), 3(k)-3(l), 3(p), 3(t) and 3(aa)-3(dd) of this Subscription Agreement shall be true and correct (other than such failures to be true and correct as are *de minimis*) at and as of the Closing Date, other than those representations and warranties expressly made as of an earlier date (which shall be true and correct (other than such failures to be true and correct as are *de minimis*) as of such date), (B) each of the representations and warranties made by the Company in Sections 3(j), 3(n) and 3(z) of this Subscription Agreement (disregarding any qualifications and exceptions contained therein relating to materiality, material adverse effect and Material Adverse Effect or any similar qualification or exception) shall be true and correct at and as of the Closing Date, other than those representations and warranties expressly made as of an earlier date (which shall be true and correct as of such date), except in the case of this clause (B), for inaccuracies or omissions that would not, individually or in the aggregate, be material and adverse to the Company or Subscriber, and (C) the other representations and warranties made by the Company in Section 3 of this Subscription Agreement (disregarding any qualifications and exceptions contained therein relating to materiality, material adverse effect and Material Adverse Effect or any similar qualification or exception) shall be true and correct at and as of the Closing Date, other than those representations and warranties expressly made as of an earlier date (which shall be true and correct as of such date), except in the case of this clause (C), for inaccuracies or omissions that would not, individually or in the aggregate, have or reasonably be expected to have a Material Adverse Effect (as defined below);

(iv) solely with respect to the Company, the representations and warranties made by Subscriber in this Subscription Agreement shall be true and correct in all material respects as of the Closing Date (other than those representations and warranties expressly made as of an earlier date, which shall be true and correct in all material respects as of such date, and other than those representations and warranties that are qualified as to materiality or Material Adverse Effect, which shall be true and correct in all respects as of the Closing Date);

(v) solely with respect to Subscriber, (i) Transtar and the Company shall have performed, satisfied and complied in all material respects with all covenants, agreements and conditions required by this Subscription Agreement to be performed, satisfied or complied with by it at or prior to the Closing and (ii) the Management Agreement shall be in effect;

(vi) on the Closing Date, no governmental authority shall have enacted, issued, promulgated, enforced or entered any judgment, order, law, rule or regulation (whether temporary, preliminary or permanent), and there shall not be in force and effect any (A) law, rule or regulation (whether temporary, preliminary or permanent) or (B) order, judgment, verdict, subpoena, injunction, decree, ruling, determination or award by any governmental authority of competent jurisdiction, in either case, enjoining, prohibiting or having the effect of making illegal the consummation of the transactions contemplated by this Subscription Agreement, and no such governmental authority shall have instituted a proceeding seeking to impose any such restriction or prohibition;

(vii) solely with respect to Subscriber, (A) since March 31, 2022 there shall not have occurred and be continuing any Material Adverse Effect, (B) there shall not have occurred any Incurrence (as defined in the Certificate of Designations) by Percy Acquisition LLC ("Percy"), Transtar or any of their respective Subsidiaries (as defined below) of any Indebtedness (as defined in the Certificate of Designations), except for (x) the Senior Secured Notes, (y) any other Indebtedness Incurred prior to March 31, 2022 that was extinguished in full prior to the date of this Agreement (with no further liability to Percy, Transtar or any of their respective Subsidiaries) and (z) as set forth on Schedule H hereto, (C) the Form 10 filed by the Company with the Commission on May 24, 2022 (the "Form 10") has not been amended, modified or supplemented in any material respect (other than solely to the extent necessary to reflect (i) the terms of the Preferred Shares and the Senior Secured Notes and pro forma financial information solely to the extent necessary to reflect the foregoing, (ii) the terms of the Equity Investment Agreement, dated as of June 24, 2022, by and among Newlight Technologies, Inc., Eagle Ridge 4, LLC and Ohio River Partners Holdco LLC, (iii) any investment entered into by the Company or any of its Subsidiaries following the date of this Agreement (an "Interim Investment") that would not violate the terms of the Certificate of Designations if taken following the Spin-Off and for which the Company has provided the Subscriber at least five Business Days' written notice prior to entering into any written agreement relating thereto, which notice shall summarize the material terms thereof, and (iv) the Incurrence of up to $50,000,000 of Indebtedness by the Company after the date of this Agreement (the "Permitted Bridge Debt") that when Incurred would not violate the terms of the Certificate of Designations if taken following the Spin-Off and for which the Company has provided the Subscriber at least five Business Days' written notice prior to entering into any written agreement relating thereto, which notice shall summarize the material terms thereof the Incurrence of the Permitted Bridge Debt, and (D) since the date hereof, neither the Company nor any of its Subsidiaries (including, for the avoidance of doubt, any entity that will be a Subsidiary of the Company following the Spin-Off) has taken any actions that, if taken following the Spin-Off, would violate the terms of the Certificate of Designations;

(viii) solely with respect to Subscriber, the Company shall have delivered to Subscriber a certificate, dated as of the Closing Date, duly executed by a senior executive officer of the Company, certifying as to the satisfaction of conditions specified in Section 2(d)(iii) and (v)-(vii);

(ix) the Company shall have delivered to Subscriber a certified copy of (i) the resolutions of the Board of Directors of the Company setting forth the approval necessary to implement Section 1.3 of the Investors' Rights Agreement (as defined below) and (ii) resolutions of Parent, as majority stockholder of the Company, approving the issuance of the Preferred Shares, in each case, in such form and substance reasonably acceptable to Subscriber; and

(x) the closing of the Other Subscription Agreements shall occur contemporaneously with the Closing.

(e) At the Closing, the parties hereto shall execute and deliver the Investors' Rights Agreement in the form attached hereto as Exhibit D (the "Investors' Rights Agreement") and such additional documents and take such additional actions as the parties reasonably may deem necessary in order to consummate the Subscription as contemplated by this Subscription Agreement.

(f) The Company shall use reasonable best efforts to consummate the Closing; provided, however, this Section 2(f) shall be without prejudice to Parent's right to consummate (or abandon) the Spin-Off in Parent's sole discretion (subject to the joint and several obligation of the Company and Transtar to pay the Commitment Fee (as defined below) and compliance with Section 6(j)).

3. Company Representations and Warranties. The Company represents and warrants to Subscriber that:

(a) The Company has been duly formed and is validly existing in good standing under the laws of the State of Delaware, with power and authority to own, lease and operate its properties and conduct its business as presently conducted and to enter into, deliver and perform its obligations under this Subscription Agreement.

(b) As of the Closing Date, the Securities will be duly authorized and, when issued and delivered to Subscriber against full payment of the Net Purchase Price for the Securities in accordance with the terms of this Subscription Agreement and registered with the Agents, the Securities will (i) be validly issued, fully paid, non-assessable and will be owned of record and beneficially by Subscriber, free and clear of any encumbrances other than pursuant to securities laws or the transfer restrictions and other terms and conditions set forth herein or in the Investors' Rights Agreement and (ii) not have been issued in violation of or subject to any preemptive rights, rights of first refusal or first offer or similar rights of any kind, whether voluntarily or involuntarily incurred, created under the Company's certificate of incorporation and bylaws (each as amended to the Closing Date), the laws of the State of Delaware or by contract or otherwise, including any agreement to give any of the foregoing in the future. As of the Closing Date, the Common Stock will have been duly authorized and reserved for issuance upon exercise of the applicable Purchased Warrant and when so issued will be validly issued, fully paid and non-assessable, and free and clear of any encumbrances, other than liens or encumbrances created by this Subscription Agreement or arising as a matter of applicable law.

(c) Attached hereto as Exhibit E is a complete and correct copy of the form of certificate of incorporation (including any certificate of designations) of the Company, which is in substantially final form. Attached hereto as Exhibit F is a complete and correct copy of the form of bylaws of the Company, which is in substantially final form. As of the Closing, the certificate of incorporation and bylaws will be in full force and effect in form of Exhibit E and Exhibit F, respectively, and the Company will not be in violation of any of the provisions of its certificate of incorporation and bylaws in any material respect.

(d) This Subscription Agreement has been duly authorized, executed and delivered by Transtar and the Company and, assuming that this Subscription Agreement constitutes the valid and binding agreement of Subscriber, is the valid and binding obligation of Transtar and the Company, enforceable against Transtar and the Company in accordance with its terms, except as may be limited or otherwise affected by (i) bankruptcy, insolvency, reorganization, fraudulent conveyance, moratorium or other laws relating to or affecting the rights of creditors generally, and (ii) principles of equity, whether considered at law or equity.

(e) The execution, delivery and performance of this Subscription Agreement, including the issuance and sale of the Securities and the consummation of the other transactions contemplated hereby, will not conflict with or result in a breach or violation of any of the terms or provisions of, or constitute a default under, or result in the creation or imposition of any lien, charge or encumbrance upon any of the property or assets of Transtar, the Company or any of its Subsidiaries or give to others any rights of termination, amendment, acceleration or cancellation (with or without notice, lapse of time, or both) pursuant to the terms of (i) any indenture, mortgage, deed of trust, loan agreement, lease, license or other agreement or instrument to which Transtar, the Company or any of its Subsidiaries is a party or by which Transtar, the Company or any of its Subsidiaries is bound or to which any of the property or assets of Transtar, the Company or its Subsidiaries is subject; (ii) the organizational documents of Transtar, the Company or its Subsidiaries; or (iii) any statute or any judgment, order, rule or regulation of any court or governmental agency, taxing authority or regulatory body, domestic or foreign, having jurisdiction over Transtar, the Company or its Subsidiaries or any of their properties, except in the case of each of clauses (i) and (iii), such as has not had and would not reasonably be expected to have, individually or in the aggregate, prevented, delayed, or otherwise impeded Transtar or the Company's timely performance of all its obligations hereunder in full or have a materially adverse effect on the business, properties, assets, liabilities, operations, conditions (including financial condition), stockholders' equity or results of operations of the Company or materially and adversely affect the validity of the Securities or the legal authority or ability of the Company to perform in any material respects its obligations (a "Material Adverse Effect").

(f) After giving effect to the Spin-Off, and other than as described on Schedule A, the Company will own directly 100% of the equity interests in Percy, free and clear of any liens or other restrictions (other than those arising under this Subscription Agreement (including the Certificate of Designations, the Warrants and the Investors' Rights Agreement), those arising under the Senior Debt Agreement (as defined in the Certificate of Designations) or applicable securities laws). Percy owns directly 100% of the equity interests Transtar, free and clear of any liens or other restrictions (other than those arising under this Subscription Agreement (including the Certificate of Designations, the Warrants and the Investors' Rights Agreement), those expressly set forth in Article 8 of that certain Limited Liability Company Agreement of Transtar, LLC dated December 31, 2016, and those arising under the Senior Debt Agreement or applicable securities laws). Except for (x) Indebtedness incurred pursuant to the Senior Secured Notes in connection with the Closing or (y) as set forth on Schedule H hereto, neither Percy nor Transtar has any liability for any Indebtedness. The assets of Transtar and its Subsidiaries, taken as a whole, constitute all of the assets, rights, and properties necessary for the conduct of the Transtar Business immediately following the Closing. "Transtar Business" means the business acquired pursuant to the Membership Interest Purchase Agreement dated as of June 7, 2021 by and between Percy and United States Steel Corporation, relating to the purchase and sale of 100% of the equity interests of Transtar, together with the other documents and agreements entered into in connect therewith. The Company is not an obligor in respect of any Indebtedness, and has not Incurred any Indebtedness, other than indebtedness for borrowed money incurred pursuant to the Senior Debt Agreement or pursuant to the Incurrence of the Permitted Bridge Debt. As of the date of this Agreement and as of Closing, neither the Company nor any of its Subsidiaries (x) is liable for any Indebtedness or other obligation, (y) holds any Investment or (z) is party to any transaction, that in each case would, if Incurred, made, held or engaged in (as applicable) following the Spin-Off, would violate Section 8(a)(xvi) of the Certificate of Designations. The Company has provided the Subscriber a true and complete copy of the Limited Liability Company Agreement of Transtar, LLC dated December 31, 2016 prior to the date of this Agreement.

(g) There are no securities or instruments issued by or to which the Company or its Subsidiaries is a party containing anti-dilution or similar provisions that will be triggered by the issuance of the Securities that have not been or will not be validly waived on or prior to the Closing Date. "Subsidiary" means, when used with respect to any person, any corporation, limited liability company, joint venture or partnership of which such person (i) beneficially owns, either directly or indirectly, more than fifty percent (50%) of (A) the total combined voting power of all classes of voting securities, (B) the total combined equity interests, or (C) the capital or profit interests, in the case of a partnership, or (ii) otherwise has the power to vote, either directly or indirectly, a sufficient number of securities to elect a majority of the board of directors (or similar governing body) of such person.

(h) No bonds, debentures, notes or other indebtedness of the Company or its Subsidiaries having the right to vote (or convertible into or exchangeable for securities having the right to vote) on any matters on which shareholders of the Company or its Subsidiaries may vote are issued or outstanding.

(i) Schedule A sets forth a true, correct and complete list of the (i) name and jurisdiction of incorporation or organization, as applicable of each direct or indirect Subsidiary of the Company and (ii) authorized, issued and outstanding equity interests of each such Subsidiary and the equityholder thereof, in each case, as of the date hereof and as of Closing. Except as disclosed on Schedule A, there are no authorized or outstanding equity interests or other securities, or options, subscriptions, warrants, calls, convertible securities, convertible debt or authorized stock appreciation, phantom, stock, profit participation or other rights (including preemptive rights) exercisable for or convertible into, or that derive their value from, equity interests of any such Subsidiary, to which any such Subsidiary is party to or bound by. The outstanding share capital or registered capital, as the case may be, of each Subsidiary of the Company that is owned by the Company or its Subsidiaries is, in all material respects, duly authorized, validly issued, fully paid and, if such Subsidiary is a corporation, non-assessable, and all of the outstanding share capital or registered capital, as the case may be, of each such Subsidiary is, in all material respects, owned, directly or indirectly, by the Company free and clear of any encumbrances and free of any other material restriction including any restriction on the right to vote, sell or otherwise dispose of such capital stock or other equity interests, but excluding restrictions under the Securities Act of 1933, as amended (the "Securities Act") or other applicable law related to the securities.

(j) None of the Company or any of its Subsidiaries directly or indirectly owns any equity or similar interest in, or any interest convertible into or exchangeable or exercisable for any equity or similar interest in, any corporation, partnership, joint venture or other business association or entity (other than Subsidiaries of the Company and as set forth on Schedule I).

(k) After giving effect to the consummation of the Spin-Off but before giving effect to the issuance of the Securities pursuant to this Subscription Agreement and the Other Subscription Agreements, (i) 2,000,000,000 shares of Common Stock will be authorized and 99,378,776 shares of Common Stock are issued and outstanding; (ii) 200,000,000 shares of preferred stock are authorized and no shares of preferred stock are issued and outstanding and (iii) no warrants are issued and outstanding. After giving effect to the consummation of the Spin-Off and after giving effect to the issuance of the Securities pursuant to this Subscription Agreement, 200,000,000 shares of preferred stock will be authorized of which 300,000 Preferred Shares are authorized, issued and outstanding (with no other shares of preferred stock issued and outstanding) and (iii) 3,342,566 Series I Warrants will be issued and outstanding, 3,342,566 Series II Warrants will be issued and outstanding and no other warrants will be issued and outstanding. Other than the foregoing (and after giving effect to the assumptions regarding the issuance of the Securities pursuant to this Subscription Agreement and the Other Subscription Agreements), there are no other authorized, issued or outstanding shares of capital stock or other equity securities (including options, subscriptions, warrants, calls, convertible securities, convertible debt or authorized stock appreciation, phantom, stock, profit participation or other rights (including preemptive rights) exercisable for or convertible into, or that derive their value from, equity securities) of the Company that are authorized, issued or outstanding except for 33,762,742 shares of Common Stock to be issued pursuant to equity securities issued under (x) the Company's Nonqualified Stock Option and Incentive Award Plan, (y) the Management Agreement, (z) the Management and Advisory Agreement, dated as of May 20, 2015, between Parent and the Manager as disclosed in the Form 10 and (aa) equity securities assumed by the Company in connection with the Spin-Off. The Company has not and will not enter into any side letter or similar agreement with any other investor in connection with any other investor's direct or indirect investment in the Company.

(l) The Securities are not being offered in a manner involving a public offering under, or in a distribution in violation of, the Securities Act, or any state securities laws and, assuming the accuracy of Subscriber's representations and warranties set forth in Section 4 of this Subscription Agreement, no registration under the Securities Act is required for the offer and sale of the Securities by the Company to Subscriber in the manner contemplated by this Subscription Agreement. The Company is not required to obtain any consent, waiver, authorization or order of, give any notice to, or make any filing or registration with, any court or other federal, state, local or other governmental authority, self-regulatory organization or other person in connection with the execution, delivery and performance by the Company of this Subscription Agreement (including, without limitation, the issuance of the Securities), other than (i) any filings required to be made with the Commission in connection with entering into the Subscription Agreement and the transactions contemplated hereby, (ii) filings required by applicable state securities laws, (iii) the filing of a Notice of Exempt Offering of Securities on Form D with the Commission under Regulation D of the Securities Act, (iv) those that may be required by the New York Stock Exchange or the Nasdaq Stock Market LLC, and (v) those the failure to obtain which would not be reasonably likely to have, individually or in the aggregate, a Material Adverse Effect.

(m) The Company and its respective Subsidiaries have not (x) entered into, made, proposed, or agreed to any material amendment or modification of the form of separation and distribution agreement filed as an exhibit to the Form 10 that is proposed to be entered into between the Company and Parent or (y) waived compliance with any material obligations of any party thereunder without the prior written consent of Subscriber, such consent not to be unreasonably withheld, delayed or conditioned. The foregoing provisions of this Section 3(m) shall be without prejudice to Parent's right to consummate (or abandon) the Spin-Off in Parent's sole discretion.

(n) At least one Business Day prior to the date of this Subscription Agreement, the Company has made available to Subscriber (including via the Commission's EDGAR system) a true, correct and complete copy of the most recent Form 10 filed by the Company with the Commission. The Form 10 does not and did not when filed, and taken as a whole and as amended to the date hereof, contain any untrue statement of a material fact or omit to state a material fact necessary in order to make the statements made therein, in the light of the circumstances under which they were made, not misleading and such Form 10 complied in all material respects with the requirements of the Exchange Act and the rules and regulations of the Commission promulgated thereunder.

(o) The financial statements of the Company included in the Form 10 ("Company Financial Statements") comply in all material respects with U.S. GAAP and the rules and regulations of the Commission with respect thereto as in effect at the time of filing and fairly present in all material respects the financial position of the Company as of and for the dates thereof and the results of operations and cash flows for the periods then ended, subject, in the case of unaudited statements, to normal, year-end audit adjustments. None of the Company or any of its Subsidiaries has any liabilities of any nature (whether accrued, absolute, determined, fixed, contingent or otherwise) required to be reflected on a balance sheet prepared in accordance with U.S. GAAP except liabilities (A) reflected or reserved on the Company Financial Statements (including the notes thereto), (B) incurred pursuant to this Subscription Agreement, (C) incurred since the date of the Company Financial Statements in the ordinary course of business and in a manner consistent with past practice or (D) such other liabilities that have not and would not be reasonably likely to have, individually or in the aggregate, a Material Adverse Effect.

(p) Other than disclosed in the Form 10, the Company and its Subsidiaries maintain (and have maintained), with respect to the operations of the business of the Company and its Subsidiaries (i) a system of internal controls over financial reporting that is sufficient to provide reasonable assurance that transactions are recorded as necessary to permit preparation of consolidated financial statements of the Company in accordance with U.S. GAAP, and (ii) accounting controls that are sufficient to provide reasonable assurance in all material respects that (A) transactions are executed in accordance with management's general or specific authorizations, (B) transactions are recorded as necessary to permit the accurate preparation of consolidated financial statements in accordance with U.S. GAAP and (C) unauthorized acquisition, use or disposition of the assets of the business of the Company and its Subsidiaries that could have a material effect on the Company Financial Statements are prevented or timely detected.

(q) Except for such matters as have not had and would not be reasonably likely to have, individually or in the aggregate, a Material Adverse Effect, (x) there is no (i) action, suit, claim or other proceeding, in each case by or before any governmental authority or arbitrator pending, or, to the knowledge of the Company, threatened against the Company or (ii) judgment, decree, injunction, ruling or order of any governmental authority or arbitrator outstanding against the Company, (y) the Company and each of its Subsidiaries has all franchises, permits, licenses and any similar authority necessary for the ownership of its assets and conduct of its business as now being conducted by it and (z) none of the Company or its Subsidiaries is in default under any of such franchises, permits, licenses or other similar authority, and no condition exists that would constitute a material default thereunder and none of them will be terminated or impaired by the transactions contemplated hereby or by the Spin-Off.

(r) Except for placement fees payable to the Placement Agents (as defined below) in amounts materially consistent with amounts previously disclosed to Subscriber, the Company has not paid, and is not obligated to pay, any brokerage, finder's or other fee or commission in connection with its issuance and sale of the Securities pursuant to this Subscription Agreement, including, for the avoidance of doubt, any fee or commission payable to any stockholder or affiliate of the Company.

(s) Neither the Company nor any of its Subsidiaries or, to the knowledge of the Company, any director or officer of the foregoing, acting in their capacity as such and solely with respect to the business of the Company and its Subsidiaries, has, in violation of applicable law, (A) made or offered any unlawful payment, or offered or promised to make any unlawful payment, or provided or offered or promised to provide anything of value (whether in the form of property or services or in any other form), to any foreign or domestic official or employee of any governmental entity (which includes any political party or candidate), or to any finder, agent, representative or other party acting for, on behalf of, or under the auspices of any official or employee of any governmental entity (each, a "Government Official") for purposes of unlawfully (i) influencing any act or decision of any Government Official in his or her official capacity, (ii) inducing any Government Official to do or omit to do any act in violation of his or her lawful duty, (iii) securing any improper advantage; or (iv) inducing any Government Official to influence or affect any act or decision of any Governmental Entity, in each case for the purpose of obtaining or retaining business or directing business to any person or (B) used any corporate funds for unlawful contributions, gifts, entertainment or other unlawful expenses relating to political activity.

(t) Neither Company nor any of its Subsidiaries, nor any officer or director of Company or any of its Subsidiaries, is (i) a person or entity who is the target of economic, financial or trade sanctions administered or enforced by the United States (including the U.S. Treasury Department's Office of Foreign Assets Control ("OFAC"), U.S. Department of State, and U.S. Department of Commerce), United Kingdom, European Union (or member state thereof) or UN Security Council (collectively, "Sanctions"), including any person or entity named on the List of Specially Designated Nationals and Blocked Persons administered by OFAC or Sectoral Sanctions Identifications List, or any other Sanctions-related list maintained by a Sanctions authority, (ii) controlled by, or acting on behalf of, such person described in clause (i), (iii) organized, incorporated, established, located, resident, or a citizen, national, or the government, including any political subdivision, agency, or instrumentality thereof, of, a country or territory which is the target of comprehensive Sanctions (currently, Cuba, Iran, North Korea, Syria, the Crimea region of Ukraine, and those portions of the Donetsk People's Republic or Luhansk People's Republic regions (and such other regions) of Ukraine over which any Sanctions authority has imposed comprehensive Sanctions) or whose government is the subject or target of Sanctions (currently, Venezuela) or that is otherwise the subject of broad Sanctions restrictions (including Afghanistan, Russia and Belarus), (iv) a Designated National as defined in the Cuban Assets Control Regulations, 31 C.F.R. Part 515, (v) a non-U.S. shell bank or providing banking services indirectly to a non-U.S. shell bank. Company agrees to provide law enforcement agencies, if requested thereby, such records as required by applicable law, provided that Company is permitted to do so under applicable law. Company represents that it and its Subsidiaries have been and is in compliance with (i) Sanctions; (ii) the U.S. Foreign Corrupt Practices Act of 1977, the U.K. Bribery Act 2010, in each case, as amended, and the rules and regulations thereunder, and any other applicable laws or regulations concerning or relating to bribery or corruption ("Anti-Corruption Laws") and (iii) the Bank Secrecy Act (31 U.S.C. section 5311 et seq.), as amended by the USA PATRIOT Act of 2001, and its implementing regulations, Money Laundering Control Act of 1986 (18 U.S.C. §§ 1956-1957) and any other applicable laws related to money laundering, including know-your-customer (KYC) and financial recordkeeping and reporting requirements (collectively, "Anti-Money Laundering Laws"). Company represents that to the extent required, it and its Subsidiaries maintains policies and procedures reasonably designed to ensure compliance with Sanctions, Anti-Corruption Laws and Anti-Money Laundering Laws.

(u) The Company has made available, prior to the date hereof, to Subscriber true, correct and complete copies of the following: (i) any contract between or among the Company or its Subsidiaries, on the one hand, and Parent, on the other hand, that is material to the business of the Company, (ii) any contract between or among the Company or its Subsidiaries, on the one hand, and Fortress or any of its affiliates, on the other hand (provided that, paragraph (c) of the definition of the "Manager Group" in the Certificate of Designations shall be applied as a limitation with respect to the determination of the affiliates of Fortress for purposes of this Section 3(u)), that is material to the business of the Company, including the Management Agreement and (iii) the draft Description of Notes relating to the anticipated issuance of the Senior Secured Notes by the Company or its Subsidiary that the Company will distribute to potential lenders and its investors ("Spin Debt Instruments").

(v) Each of the Company and its Subsidiaries has good and valid title to, or in the case of leased assets, valid leasehold interests in all their respective assets (other than assets that have been sold or disposed of, or for which a leasehold interest has expired or not been removed, in each case in the ordinary course of business consistent with past practice), except where the failure to have such good and valid title, or valid leasehold interest, individually or in the aggregate, has not had and would not reasonably be expected to have a Material Adverse Effect.

(w) Except for such matters as have not had and would not be reasonably likely to have, individually or in the aggregate, a Material Adverse Effect, (i) the Company and its Subsidiaries have timely filed all U.S. federal, state and local tax returns which are required to be filed by them (taking into account any extensions of time to file); (ii) all taxes due and owing by the Company and its Subsidiaries have been fully and timely paid or properly accrued; (iii) all tax returns filed by the Company and its Subsidiaries are true, correct and complete; (iv) all taxes which the Company is obligated to withhold from amounts owing to any employee, stockholder, creditor or third party have been fully withheld and have, to the extent required, been paid or remitted to the appropriate governmental authority; and (v) the Company and its Subsidiaries are not liable for the taxes of any other person as a transferee or successor, or by contract (other than a contract entered into in the ordinary course of business, the primary purpose of which is not related to taxes).

(x) The assets set forth in the Company Financial Statements include all the assets and properties used or employed, or presently contemplated to be used or employed, in the business as presently conducted by the Company and its Subsidiaries. As of immediately after the consummation of the Spin-Off, the Company and its Subsidiaries will (i) have all right, title, and interest in and to, or will have a valid right to use, such assets and properties; and (ii) have all assets, rights, employees, subcontractors and other persons and items which are reasonably necessary to carry on the business and operations of the Company after the Spin-Off in substantially the same manner as conducted during the six months preceding the Spin-Off.

(y) As of the date hereof and as of the Closing, no disqualifying event described in Rule 506(d)(1)(i)–(viii) of the Securities Act (a "Disqualification Event") is applicable to the Company or any of its Rule 506(d) Related Parties (as defined below), except, if applicable, for a Disqualification Event as to which Rule 506(d)(2)(ii) or (iii) or (d)(3) is applicable. For purposes of this paragraph (z), "Rule 506(d) Related Party" shall mean a person or entity that is a beneficial owner of the Company's outstanding voting equity securities for purposes of Rule 506(d) of the Securities Act.

(z) Prior to Closing, the Board of Directors of the Company has provided the written approval contemplated by Section 1.3 of the Investors' Rights Agreement.

(aa) Schedule B attached hereto sets forth a sample calculation of the LTM Unlevered Free Cash Flow (as such term is defined in the Certificate of Designations) of the Company as of March 31, 2022.

(bb) Schedule D attached hereto sets forth each Affiliate Transaction in effect as of the date hereof and as of the Closing.

(cc) Schedule E attached hereto sets forth each restriction of the type described in clauses (1) through (3) of Section 8(a)(xiv) of the Certificate of Designations as of the date hereof and as of the Closing.

(dd) Schedule F attached hereto sets forth each Inter-Silo Transaction in effect as of the date hereof and as of the Closing.

(ee) The representations and warranties set forth in the contracts relating to Spin Debt Instruments are incorporated herein, mutatis mutandis.

(ff) If taken following the Spin-Off, the transactions contemplated by the Equity Investment Agreement, dated as of June 24, 2022, by and among Newlight Technologies, Inc., Eagle Ridge 4, LLC and Ohio River Partners Holdco LLC would not violate the terms of the Certificate of Designations. If taken following the Spin-Off, the transactions contemplated by any Interim Investment entered into after the date hereof would not violate the terms of the Certificate of Designations. If Incurred following the Spin-Off, the transactions contemplated by any Permitted Bridge Debt entered into after the date hereof would not violate the terms of the Certificate of Designations. Except as would not and would not reasonably be expected to be material and adverse to the Company and its Subsidiaries, taken as a whole, neither the Company nor any of its Subsidiaries (including, for the avoidance of doubt, any entity that will be a Subsidiary of the Company following the Spin-Off) has taken any actions since the filing of the Form 10 that, if taken following the Spin-Off, would violate the terms of the Certificate of Designations.

4. Subscriber Representations and Warranties and Acknowledgements. Subscriber represents, warrants and acknowledges that:

(a) Subscriber has been duly formed or incorporated and is validly existing in good standing under the laws of its jurisdiction of incorporation or formation, with power and authority to enter into, deliver and perform its obligations under this Subscription Agreement.

(b) This Subscription Agreement has been duly authorized, executed and delivered by Subscriber, and, assuming that this Subscription Agreement constitutes the valid and binding agreement of the Company and Transtar, this Subscription Agreement is the valid and binding obligation of Subscriber, enforceable against Subscriber in accordance with its terms, except as may be limited or otherwise affected by (i) bankruptcy, insolvency, reorganization, fraudulent conveyance, moratorium or other laws relating to or affecting the rights of creditors generally, and (ii) principles of equity, whether considered at law or equity.

(c) The execution, delivery and performance by Subscriber of this Subscription Agreement, including the consummation of the transactions contemplated hereby, will not conflict with or result in a breach or violation of any of the terms or provisions of, or constitute a default under, or result in the creation or imposition of any lien, charge or encumbrance upon any of the property or assets of Subscriber or any of its Subsidiaries or give to others any rights of termination, amendment, acceleration or cancellation (with or without notice, lapse of time, or both) pursuant to the terms of (i) any indenture, mortgage, deed of trust, loan agreement, lease, license or other agreement or instrument to which Subscriber or any of its Subsidiaries is a party or by which Subscriber or any of its Subsidiaries is bound or to which any of the property or assets of Subscriber or any of its Subsidiaries is subject; (ii) the organizational documents of Subscriber; or (iii) any statute or any judgment, order, rule or regulation of any court or governmental agency or body, domestic or foreign, having jurisdiction over Subscriber or any of its Subsidiaries or any of their respective properties that, in the case of clauses (i) and (iii), would reasonably be expected to prevent, delay or otherwise impede Subscriber's timely performance of all its obligations hereunder in full.

(d) Subscriber (i) is a "qualified institutional buyer" (as defined in Rule 144A under the Securities Act) or an institutional "accredited investor" (within the meaning of Rule 501(a)(1), (2), (3), (7), (8), (9), (12) or (13) (where, for (13) only family clients that are institutions) under the Securities Act) satisfying the applicable requirements set forth on Schedule C, (ii) is acquiring the Securities only for its own account and not for the account of others, or if Subscriber is a "qualified institutional buyer" and is subscribing for the Securities as a fiduciary or agent for one or more investor accounts, each owner of such account is a "qualified institutional buyer" and Subscriber has full investment discretion with respect to each such account, and the full power and authority to make the acknowledgements, representations and agreements herein on behalf of each owner of each such account, and (iii) is not acquiring the Securities with a view to, or for offer or sale in connection with, any distribution thereof in violation of the Securities Act. Subscriber has completed Schedule C following the signature pages hereto and the information contained therein is accurate and complete.

(e) Subscriber acknowledges and agrees that the Securities are being offered in a transaction not involving any public offering within the meaning of the Securities Act and that the Securities have not been registered under the Securities Act. Subscriber acknowledges and agrees that the Securities may not be offered, resold, transferred, pledged or otherwise disposed of by Subscriber absent an effective registration statement under the Securities Act, except (i) to the Company or a Subsidiary thereof, (ii) to non-U.S. persons pursuant to offers and sales that occur in an "offshore transaction" within the meaning of Regulation S under the Securities Act, (iii) pursuant to Rule 144 under the Securities Act ("Rule 144"), provided that all of the applicable conditions thereof have been met or (iv) pursuant to another applicable exemption from the registration requirements of the Securities Act, and in each of clauses (i), (iii) and (iv) in accordance with any applicable securities laws of the states and other jurisdictions of the United States, and that any book entry records representing the Securities shall contain a restrictive legend to such effect in substantially the following form.

"THE SECURITIES REPRESENTED HEREBY HAVE NOT BEEN REGISTERED UNDER THE U.S. SECURITIES ACT OF 1933, AS AMENDED, OR THE SECURITIES LAWS OF ANY STATE OR OTHER JURISDICTION AND MAY NOT BE SOLD OR TRANSFERRED IN THE ABSENCE OF SUCH REGISTRATION OR AN EXEMPTION THEREFROM."

Subscriber acknowledges and agrees that it has been advised to consult legal counsel prior to making any offer, resale, pledge or transfer of any of the Securities.

(f) Subscriber acknowledges and agrees that Subscriber is purchasing the Securities directly from the Company. Subscriber further acknowledges and agrees that there have been no representations, warranties, covenants and agreements made to Subscriber by or on behalf of the Company, Transtar, any of their respective affiliates or any control persons, officers, directors, employees, partners, agents or representatives of any of the foregoing or any other person or entity, expressly or by implication, other than those representations, warranties, covenants and agreements expressly made by Transtar or the Company in this Subscription Agreement.

(g) Subscriber represents and warrants that its acquisition and holding of the Securities will not constitute or result in a non-exempt prohibited transaction under section 406 of the Employee Retirement Income Security Act of 1974, as amended, section 4975 of the Code, or any applicable similar law.

(h) In making its decision to purchase the Securities, Subscriber represents and warrants that it has received, reviewed and understood the information made available to it in connection with this offer and sale of the Securities, and relied solely upon independent investigation made by Subscriber and the representations, warranties, covenants and agreements expressly made by Transtar or the Company herein. Except in the case of fraud, Subscriber acknowledges and agrees that as of the date of this Agreement Subscriber has received such information as Subscriber deems necessary in order to make an investment decision with respect to the Securities, including with respect to the Company, the Spin-Off and the business of the Company and its Subsidiaries. Subscriber represents, acknowledges and agrees that Subscriber and Subscriber's professional advisor(s), if any, have had the full opportunity to ask such questions, receive such answers and obtain such information as Subscriber and such Subscriber's professional advisor(s), if any, have deemed necessary to make an investment decision with respect to the Securities. Except for the representations, warranties and agreements of Transtar or the Company expressly set forth in this Subscription Agreement, Subscriber hereby represents and warrants that it is relying exclusively on such Subscriber's own sources of information, investment analysis and due diligence (including professional advice such Subscriber deems appropriate) with respect to this offering of the Securities, and the business, condition (financial and otherwise), management, operations, properties and prospects of the Company, including but not limited to all business, legal, regulatory, accounting, credit and tax matters. Subscriber represents, acknowledges and agrees that it has not relied on any statements or other information provided by the Placement Agents or any affiliates of the Placement Agents, or any other person or entity with respect to its decision to purchase the Securities other than the representations, warranties, covenants and agreements expressly made by Transtar or the Company herein.

(i) Subscriber acknowledges that no person has made any written or oral representations (i) that any person will resell or repurchase the Securities; (ii) that any person will refund the purchase price of the Securities; or (iii) as to the future price or value of the Securities.

(j) Subscriber became aware of this offering of the Securities solely by means of direct contact between Subscriber and the Company, or by means of contact from Morgan Stanley & Co. LLC, Barclays Capital Inc. or any of their respective affiliates, acting as placement agents for the Company (collectively, the "Placement Agents"), and the Securities were offered to Subscriber solely by direct contact between Subscriber and the Company, or by means of contact between Subscriber and the Placement Agents. Subscriber did not become aware of this offering of the Securities, nor were the Securities offered to Subscriber, by any other means. Subscriber acknowledges and agrees that the Securities (i) were not offered by any form of general solicitation or general advertising, and (ii) are not being offered in a manner involving a public offering under, or in a distribution in violation of, the Securities Act, or any state securities laws. Subscriber acknowledges and agrees that it is not relying upon, and has not relied upon, any statement, representation or warranty made by any person, firm or corporation (including, without limitation, the Company, Parent, the Placement Agents, any of their respective affiliates or any control persons, officers, directors, employees, partners, agents or representatives of any of the foregoing), other than the representations and warranties made by the Company contained in this Subscription Agreement, in making its investment or decision to purchase the Securities.

(k) Subscriber acknowledges and agrees that it is aware that there are substantial risks incident to the purchase and ownership of the Securities. Subscriber has such knowledge and experience in financial and business matters as to be capable of evaluating the merits and risks of an investment in the Securities, Subscriber has sought such accounting, legal and tax advice as Subscriber has considered necessary to make an informed investment decision, and Subscriber has made its own assessment and has satisfied itself concerning relevant tax and other economic considerations relative to its purchase of the Securities. Except to the extent arising from a breach or other violation of an agreement with any such person described in the follow clause, Subscriber will not look to the Placement Agents, the Company, Parent, Transtar or any other person for all or part of any such loss or losses Subscriber may suffer, is able to sustain a complete loss on its investment in the Securities, has no need for liquidity with respect to its investment in the Securities and has no reason to anticipate any change in circumstances, financial or otherwise, which may cause or require any sale or distribution of all or any part of the Securities. Accordingly, Subscriber acknowledges that the offering of the Securities meets the institutional account exemptions from filing under FINRA Rule 2111(b). Subscriber acknowledges and agrees that neither the Company nor any of its affiliates has provided any tax advice to Subscriber or made guarantees to Subscriber regarding the tax treatment of its investment in the Securities.

(l) Subscriber represents, acknowledges and agrees that alone, or together with any professional advisor(s), Subscriber has adequately analyzed and fully considered the risks of an investment in the Securities and determined based on the information provided to it on which it is entitled to rely that (i) the Securities are a suitable investment for Subscriber, (ii) its investment in the Securities is fully consistent with Subscriber's financial needs, objectives and condition, (iii) its investment in the Securities is fully consistent and complies with all investment policies, guidelines and other restrictions applicable to Subscriber and (iv) Subscriber is able at this time and in the foreseeable future to bear the economic risk of a total loss of Subscriber's investment in the Company. Subscriber acknowledges specifically that a possibility of total loss exists.

(m) Subscriber understands and agrees that no federal or state agency has passed upon or endorsed the merits of the offering of the Securities or made any findings or determination as to the fairness of this investment.

(n) Subscriber hereby acknowledges and agrees that (i) each Placement Agent is acting solely as placement agent in connection with the offering of the Securities and is not acting as an underwriter or in any other capacity and is not and shall not be construed as a fiduciary for Subscriber, the Company or any other person or entity in connection with the offering of the Securities, (ii) no Placement Agent has made or will make any representation or warranty, whether express or implied, of any kind or character and has not provided any advice or recommendation in connection with the offering of the Securities, (iii) no Placement Agent or any of its affiliates, control persons, officers, directors, partners, employees, agents or representatives will have any responsibility with respect to (x) any representations, warranties or agreements made by any person or entity under or in connection with the offering of the Securities or the Spin-Off or any of the documents furnished pursuant thereto or in connection therewith, or the execution, legality, validity or enforceability (with respect to any person) or any thereof, or (y) the business, affairs, financial condition, operations, properties or prospects of, or any other matter concerning the Company or the offering of the Securities, and (iv) no Placement Agent or any of its affiliates, control persons, officers, directors, partners, employees, agents or representatives shall have any liability or obligation (including without limitation, for or with respect to any losses, claims, damages, obligations, penalties, judgments, awards, liabilities, costs, expenses or disbursements incurred by you, the Company or any other person or entity), whether in contract, tort or otherwise, to Subscriber, or to any person claiming through Subscriber, in respect of the offering of the Securities. Subscriber acknowledges that the Placement Agents, affiliates of the Placement Agents and their respective control persons, officers, directors, partners, employees, agents and representatives may have acquired non-public information with respect to the Company, which Subscriber agrees, subject to applicable law, need not be provided to it.

(o) Neither Subscriber nor any of its Subsidiaries, nor any officer or director of Subscriber or any of its Subsidiaries, is (i) a person or entity who is the target of economic, financial or trade sanctions administered or enforced by OFAC, U.S. Department of State, and U.S. Department of Commerce), United Kingdom, European Union (or member state thereof) or UN Security Council, including any person or entity named on the List of Specially Designated Nationals and Blocked Persons administered by OFAC or Sectoral Sanctions Identifications List, or any other Sanctions-related list maintained by a Sanctions authority, (ii) owned or controlled by, or acting on behalf of, such person described in clause (i), (iii) organized, incorporated, established, located, resident or born in, or a citizen, national, or the government, including any political subdivision, agency, or instrumentality thereof, of, a country or territory which is the target of comprehensive Sanctions (currently, Cuba, Iran, North Korea, Syria, the Crimea region of Ukraine, and those portions of the Donetsk People's Republic or Luhansk People's Republic regions (and such other regions) of Ukraine over which any Sanctions authority has imposed comprehensive Sanctions) or whose government is the subject or target of Sanctions (currently, Venezuela) or that is otherwise the subject of broad Sanctions restrictions (including Afghanistan, Russia and Belarus), (iv) a Designated National as defined in the Cuban Assets Control Regulations, 31 C.F.R. Part 515, (v) a non-U.S. shell bank or providing banking services indirectly to a non-U.S. shell bank. Subscriber agrees to provide law enforcement agencies, if requested thereby, such records as required by applicable law, provided that Subscriber is permitted to do so under applicable law. Subscriber represents that it has been and is in compliance with (i) Sanctions; (ii) Anti-Corruption Laws and (iii) Anti-Money Laundering Laws. Subscriber represents that, to the extent required, it maintains policies and procedures reasonably designed to ensure compliance with Sanctions, Anti-Corruption Laws and Anti-Money Laundering Laws. Subscriber (i) shall not, and shall not permit any of its Subsidiaries to, directly or indirectly, fund all or part of the purchase of the Securities out of proceeds derived from criminal activity or activity or transactions in violation of any Anti-Corruption Laws, Anti-Money Laundering Laws, or Sanctions, or that would otherwise cause any person (including any person participating in the purchase of Securities), to be in violation of any Anti-Corruption Laws, Anti-Money Laundering Laws, or Sanctions; and (ii) further represents and warrants that, to the extent required, it maintains policies and procedures reasonably designed to ensure compliance with clause (i).

(p) If Subscriber is an "employee benefit plan" (as defined in Section 3(3) of the Employee Retirement Income Security Act of 1974, as amended ("ERISA")); a "plan" (as defined in Section 4975(e) of the Code); a plan, account or arrangement that is subject to provisions under any other federal, state, local, non-U.S. or other laws or regulations that are similar to such provisions of ERISA or the Code ("Similar Law"); or an entity whose underlying assets are considered to include "plan assets" of any such employee benefit plan, plan, account or arrangement (each, a "Plan"), Subscriber represents and warrants that (i) neither the Company, Parent, the Placement Agents nor any of their respective affiliates (the "Transaction Parties") has acted as the Plan's fiduciary, or has been relied on for advice, with respect to its decision to acquire and hold the Securities, and none of the Transaction Parties shall at any time be relied upon as the Plan's fiduciary with respect to any decision to acquire, continue to hold or transfer the Securities; and (ii) the Plan's acquisition and holding of the Securities will not constitute a non-exempt prohibited transaction under ERISA, Section 4975 of the Code or Similar Law.

(q) Other than the Placement Agents, to the knowledge of Subscriber, there is no person acting or purporting to act in connection with the transactions contemplated herein who is entitled to any brokerage, finder's or other commission or similar fee.

(r) Subscriber has, and at the time of payment of the Net Purchase Price in accordance with Section 2 will have, sufficient funds to pay the Net Purchase Price pursuant to Section 2(a).

(s) Subscriber (for itself and for each account for which Subscriber is acquiring the Securities) acknowledges that it is aware that each Placement Agent is acting as one of the Company's placement agents and that no disclosure or offering document has been prepared by the Placement Agents in connection with the offer and sale of the Securities.

(t) Subscriber does not have, as of the date hereof, and during the 30-day period immediately prior to the date hereof Subscriber has not entered into, any "put equivalent position", as such term is defined in Rule 16a-1 under the Exchange Act, or short sale positions, with respect to the securities of the Company or Parent.

(u) Subscriber is not currently a member of a "group" (within the meaning of Section 13(d)(3) or Section 14(d)(2) of the Exchange Act or any successor provision) acting for the purpose of acquiring, holding, voting or disposing of equity securities of the Company or Parent (within the meaning of Rule 13d-5(b)(1) under the Exchange Act), in each case other than a "group" comprised solely of affiliates of Subscriber.

(v) If Subscriber is a Massachusetts Business Trust, a copy of the Agreement and Declaration of Trust of Subscriber or any affiliate thereof is on file with the Secretary of State of the Commonwealth of Massachusetts and notice is hereby given that the Subscription Agreement is executed on behalf of the trustees of Subscriber or any affiliate thereof as trustees and not individually and that the obligations of the Subscription Agreement are not binding on any of the trustees, officers or stockholders of Subscriber or any affiliate thereof individually but are binding only upon Subscriber or any affiliate thereof and its assets and property.

(w) Subscriber acknowledges that this Subscription Agreement requires Subscriber to provide certain personal information relating to Subscriber to the Company and the Placement Agents. Such information is being collected and will be used by the Company and the Placement Agents for the purposes of completing the offering, which includes, without limitation, determining Subscriber's eligibility to purchase the Securities under applicable securities laws, arranging for non-certificated, electronic delivery of securities, and completing filings required by any securities regulatory authority or stock exchange. Such personal information may be disclosed by the Company or the Placement Agents to (a) securities regulatory authorities and stock exchanges, (b) the Company's registrar and the Agents, (c) any government agency, board or other entity and (d) any of the other parties involved in the offering, including the legal counsel of the Company, and may be included in record books in connection with the offering. By executing this Subscription Agreement, Subscriber consents to the foregoing collection, use and disclosure of such personal information.

(x) As of the date hereof and as of the Closing, no Disqualification Event is applicable to Subscriber or any of its Rule 506(d) Related Parties (as defined below), except, if applicable, for a Disqualification Event as to which Rule 506(d)(2)(ii) or (iii) or (d)(3) is applicable. For purposes of this paragraph (x), "Rule 506(d) Related Party" shall mean a person or entity that is a beneficial owner of Subscriber's securities for purposes of Rule 506(d) of the Securities Act.

(y) Subscriber's domicile and principal place of business are as set forth on Subscriber's signature page hereto, and such jurisdictions are the only jurisdictions in which an offer to sell, or the solicitation of an offer to buy, the Securities was made to Subscriber.

(z) Subscriber is a "U.S. Person" (as defined under Section 7701(a)(30) of the Code) for U.S. federal income tax purposes.

5. Termination. This Subscription Agreement shall terminate and be void and of no further force and effect, and all rights and obligations of the parties hereunder shall terminate without any further liability on the part of any party in respect thereof, upon the earlier to occur of (a) upon the mutual written agreement of each of the parties hereto to terminate this Subscription Agreement, (b) the Company's notification to Subscriber in writing that it or the Parent has abandoned its plans to move forward with the Spin-Off and terminates Subscriber's obligations with respect to the subscription without the delivery of the Securities having occurred or (c) at the election of Subscriber, if the Closing has not occurred by August 30, 2022 (the "Outside Date"); provided, that nothing herein will relieve any party from liability for any willful breach hereof prior to the time of termination, and each party will be entitled to any remedies at law or in equity to recover losses, liabilities or damages arising from such willful breach. Without limiting the foregoing, if any termination hereof occurs, Transtar and the Company, jointly and severally, shall promptly (but not later than one (1) business day thereafter) pay to Subscriber its Commitment Fee and if such termination occurs after the delivery by the undersigned of the Net Purchase Price for the Securities pursuant to Section 2, the Company shall promptly (but not later than one (1) business day thereafter) return the Net Purchase Price to the undersigned without any interest or deduction for or on account of any tax, withholding, charges, or set-off; provided, however, that Subscriber shall not be entitled to the Commitment Fee and neither the Company nor Transtar shall be obligated to pay such Commitment Fee if the material breach by Subscriber of its obligation under this Subscription Agreement shall have been the primary cause of the failure of the Closing to occur on or prior to the Outside Date. This Section 5 and Section 6 shall survive any termination of this Subscription Agreement pursuant to this Section 5. The Subscriber's "Commitment Fee" shall be an amount equal to (a) $9,000,000 *multiplied by* (b) the Subscriber's Allocation Percentage.

6. Miscellaneous.

(a) Each party hereto acknowledges that the other party hereto, the Placement Agents (as third-party beneficiaries with the right to enforce Section 3, Section 4 and Sections 6(a), (b), (c), (e), (l), (m) and (p) hereof on their own behalf and not, for the avoidance of doubt, on behalf of the Company) and others will rely on the acknowledgments, understandings, agreements, representations and warranties contained in this Subscription Agreement. Prior to the Closing, each party hereto agrees to promptly notify the other party hereto and the Placement Agents if any of the acknowledgments, understandings, agreements, representations and warranties set forth herein with respect to it are no longer accurate in all material respects. Subscriber further acknowledges and agrees that the Placement Agents are third-party beneficiaries of the representations and warranties of Subscriber contained in this Subscription Agreement and, for the avoidance of doubt, are entitled to rely upon the representation and warranties made by Subscriber in this Subscription Agreement.

(b) Each of the Company, Subscriber and Placement Agents is entitled to rely upon this Subscription Agreement and is irrevocably authorized to produce this Subscription Agreement or a copy hereof to any interested party in any administrative or legal proceeding or official inquiry with respect to the matters covered hereby.

(c) All the representations and warranties made by each party hereto in this Subscription Agreement shall survive the Closing.

(d) The Company may request from Subscriber such additional information as is reasonably necessary to evaluate the eligibility of Subscriber to acquire the Securities, and Subscriber shall provide such information as may be reasonably requested, to the extent readily available; provided, that the Company agrees to keep any such information provided by Subscriber confidential other than disclosure to the Company's legal, financial or tax advisors or as necessary to include in any filing with the Commission that Parent or the Company is required to make in connection with this Subscription Agreement and the transactions contemplated hereby. Subscriber acknowledges that a copy of this Subscription Agreement may be filed as exhibit to a current report, proxy statement, periodic report, registration statement or other document filed with the Commission.

(e) This Subscription Agreement may not be amended, modified, waived or terminated except by an instrument in writing, signed by each of the parties hereto. No failure or delay of either party in exercising any right or remedy hereunder shall operate as a waiver thereof, nor shall any single or partial exercise of any such right or power, or any abandonment or discontinuance of steps to enforce such right or power, or any course of conduct, preclude any other or further exercise thereof or the exercise of any other right or power.

(f) This Subscription Agreement (including Schedule A, Schedule B, Schedule C, Schedule D, Schedule E, Schedule F, Schedule H, Schedule I, Exhibit A, Exhibit B, Exhibit C, Exhibit D, Exhibit E and Exhibit F attached hereto) constitutes the entire agreement, and supersedes all other prior agreements, understandings, representations and warranties, both written and oral, among the parties, with respect to the subject matter hereof.

(g) Except as otherwise provided herein, this Subscription Agreement shall be binding upon, and inure to the benefit of the parties hereto and their heirs, executors, administrators, successors, legal representatives, and permitted assigns, and the agreements, representations, warranties, covenants and acknowledgments contained herein shall be deemed to be made by, and be binding upon, such heirs, executors, administrators, successors, legal representatives and permitted assigns. Neither this Subscription Agreement nor any rights that may accrue to the Company hereunder may be transferred or assigned; provided, however, that each Subscriber may assign its rights and obligations under this Subscription Agreement to one or more of its Affiliates (as such term is defined in the Investors' Rights Agreement) with prompt written notice to the Company.

(h) If any provision of this Subscription Agreement shall be adjudicated by a court of competent jurisdiction to be invalid, illegal or unenforceable, the validity, legality or enforceability of the remaining provisions of this Subscription Agreement shall not in any way be affected or impaired thereby and shall continue in full force and effect.

(i) This Subscription Agreement may be executed in two (2) or more counterparts (including by electronic means), all of which shall be considered one and the same agreement and shall become effective when signed by each of the parties and delivered to the other parties, it being understood that all parties need not sign the same counterpart.

(j) On the date hereof, Transtar and the Company, jointly and severally, shall reimburse Subscriber (and the subscribers under the Other Subscription Agreements) for any reasonably incurred and documented out-of-pocket expenses that are incurred in connection with this Subscription Agreement (or the Other Subscription Agreements) and the transactions contemplated by this Subscription Agreement and the Other Subscription Agreements. If Subscriber incurs additional expenses subsequent to the date hereof, Transtar and the Company, jointly and severally, shall also reimburse such amounts within two (2) business days of receipt by the Company of reasonable documentation of such reasonably incurred out-of-pocket expenses; provided, however, that the reasonably incurred out-of-pocket expenses reimbursed pursuant to Section 6(j) of this Agreement and of the Other Subscription Agreements, whether reimbursed on the date hereof or subsequent to the date hereof, shall not exceed an aggregate of $2,250,000.

(k) The Company shall be responsible for the fees of the Agents, stamp taxes and all of the Depository Trust Company's fees associated with the issuance of the Securities.

(l) Subscriber understands and agrees that (i) no disclosure or offering document has been prepared by the Placement Agents or any of their affiliates in connection with the offer and sale of the Securities; (ii) the Placement Agents and their directors, officers, employees, representatives and controlling persons have made no independent investigation with respect to the Company, the Spin-Off or the Securities or the accuracy, completeness or adequacy of any information supplied to Subscriber by the Company or Parent; and (iii) certain information provided to the Placement Agents was based on projections, and such projections were prepared based on assumptions and estimates that are inherently uncertain and are subject to a wide variety of significant business, economic and competitive risks and uncertainties that could cause actual results to differ materially from those contained in these projections and that such information and projections were prepared without the participation of the Placement Agents and that the Placement Agents do not assume responsibility for independent verification of, or the accuracy or completeness of, such information or projections.

(m) Only the parties to this Subscription Agreement shall have any obligation or liability under this Subscription Agreement. Notwithstanding anything that may be express or implied in this Subscription Agreement, no recourse under this Subscription Agreement, shall be had against any current or future affiliate of Subscriber, any current or future direct or indirect shareholder, member, general or limited partner, controlling person or other beneficial owners of Subscriber or of any such affiliate, any of their respective representatives or any of the successors and assigns of each of the foregoing (collectively, "Non-Liable Persons"), whether by enforcement of any assessment or any legal or equitable proceeding, or by virtue of any statute, regulation or other applicable law, it being expressly agreed and acknowledged that no personal liability whatsoever shall attach to, be imposed on or otherwise be incurred by any Non-Liable Person for any obligation of Subscriber under this Subscription Agreement for any claim based on, in respect of or by reason of such obligations or their creation; provided that the foregoing shall not apply to any Non-Liable Person who becomes a party to this Subscription Agreement in accordance with the terms hereof. Nothing in this Subscription Agreement shall be deemed to constitute a partnership among any of the parties hereto.

(n) Subscriber agrees that none of the Placement Agents or any of their respective affiliates, control persons, officers, directors, partners, employees, agents or representatives shall be liable to Subscriber (whether in contract, tort, under federal or state securities laws or otherwise) for any action heretofore or hereafter taken or omitted to be taken by any of them in connection with the sale of the Securities or with respect to any claim for breach of this Subscription Agreement or in respect of any written or oral representations made or alleged to be made in connection herewith or for any actual or alleged inaccuracies, misstatements or omissions with respect to any information or materials of any kind furnished by any person concerning the Company, Parent, the Placement Agents, any of their controlled affiliates, this Subscription Agreement or the transactions contemplated hereby. On behalf of Subscriber and its affiliates, Subscriber releases the Placement Agents and their affiliates, control persons, officers, directors, partners, employees, agents and representatives in respect of any losses, claims, damages, obligations, penalties, judgments, awards, liabilities, costs, expenses or disbursements related to the sale of the Securities. Subscriber also agrees that in connection with the issue and purchase of the Securities, the Placement Agents have not acted as Subscriber's financial or tax advisor or fiduciary and further releases the Placement Agents and their affiliates, control persons, officers, directors, partners, employees, agents and representatives, to the fullest extent permitted by law, of any claims that Subscriber may have against any of such persons with respect to any breach or alleged breach of any fiduciary or similar duty to Subscriber in connection with the transactions contemplated by this Subscription Agreement or any matters leading up to such transactions. Subscriber agrees not to commence any litigation or bring any claim against either of the Placement Agents or any of their affiliates, control persons, officers, directors, partners, employees, agents or representatives in any court or any other forum which relates to, may arise out of, or is in connection with, the sale of the Securities. This undertaking is given freely and after obtaining independent legal advice. Notwithstanding anything contained in this Subscription Agreement to the contrary, nothing herein shall serve as a release by Subscriber of any losses, claims, damages, obligations, penalties, judgments, awards, liabilities, costs, expenses or disbursements relating to, or arising from, fraud.

(o) Any notice or communication required or permitted hereunder shall be in writing and either delivered personally, emailed or by facsimile, sent by overnight mail via a reputable overnight carrier, or sent by certified or registered mail, postage prepaid, and shall be deemed to be given and received (a) when so delivered personally, (b) upon receipt of an appropriate electronic answerback or confirmation when so delivered by facsimile (to such number specified below or another number or numbers as such person may subsequently designate by notice given hereunder), (c) when sent, with no mail undeliverable or other rejection notice, if sent by email, or (d) five (5) business days after the date of mailing to the address below or to such other address or addresses as such person may hereafter designate by notice given hereunder:

if to Subscriber, to such address or addresses set forth on Subscriber's signature page hereto with a required copy to (which copy shall not constitute notice):

Paul, Weiss, Rifkind, Wharton & Garrison LLP
1285 Avenue of the Americas
New York, New York 10019
Attention: Kenneth Schneider
Michael Vogel
Thomas de la Bastide III
Lawrence Wee
Email: kschneider@paulweiss.com, mvogel@paulweiss.com, tdelabastide@paulweiss.com and lwee@paulweiss.com

if to the Company, to:

FTAI Infrastructure LLC
1345 Avenue of the Americas
New York, New York 10105
Attention: Joseph P. Adams, Jr.
Ken Nicholson
Telephone: (212) 515-4644
E-mail: jadams@fortress.com and knicholson@fortress.com
with a required copy to
(which copy shall not constitute notice):

Akin Gump Strauss Hauer & Feld LLP
One Bryant Park
New York, NY 10036-6745
Attention: Brittain A. Rogers
Telephone: (212) 872-7444
E-mail: brogers@akingump.com

(p) The parties hereby expressly recognize and acknowledge that immediate, extensive and irreparable damage would result, no adequate remedy at law would exist, and damages would be difficult to determine in the event that any provision of this Subscription Agreement is not performed in accordance with its specific terms or otherwise breached. Therefore, in addition to, and not in limitation of, any other remedy available to any party hereto (whether at law, in equity, under this Subscription Agreement or otherwise), a party under this Subscription Agreement will be entitled to specific performance of the terms hereof and immediate injunctive relief, without the necessity of proving the inadequacy of money damages as a remedy and without bond or other security being required. Such remedies, and any and all other remedies provided for in this Subscription Agreement, will, however, be cumulative in nature and not exclusive and will be in addition to any other remedies whatsoever which any party may otherwise have. Each of the parties hereto hereby acknowledges and agrees that it may be difficult to prove damages with reasonable certainty, that it may be difficult to procure suitable substitute performance, and that injunctive relief and/or specific performance will not cause an undue hardship to the parties. Each of the parties hereto hereby further acknowledges that the existence of any other remedy contemplated by this Subscription Agreement does not diminish the availability of specific performance of the obligations hereunder or any other injunctive relief. Each party hereto hereby further agrees that in the event of any action by any other party for specific performance or injunctive relief, it will not assert that a remedy at law or other remedy would be adequate or that specific performance or injunctive relief in respect of such breach or violation should not be available on the grounds that money damages are adequate or any other grounds.

(q) This Subscription Agreement, and any claim or cause of action hereunder based upon, arising out of or related to this Subscription Agreement (whether based on law, in equity, in contract, in tort or any other theory) or the negotiation, execution, performance or enforcement of this Subscription Agreement, shall be governed by and construed in accordance with the laws of the State of Delaware, without giving effect to the principles of conflicts of laws thereof.

THE PARTIES HERETO IRREVOCABLY SUBMIT TO THE EXCLUSIVE JURISDICTION OF THE UNITED STATES DISTRICT COURT LOCATED IN THE STATE OF DELAWARE AND THE COURT OF CHANCERY OF THE STATE OF DELAWARE LOCATED IN WILMINGTON, DELAWARE SOLELY IN RESPECT OF THE INTERPRETATION AND ENFORCEMENT OF THE PROVISIONS OF THIS SUBSCRIPTION AGREEMENT AND THE TRANSACTIONS CONTEMPLATED HEREBY, AND HEREBY WAIVE, AND AGREE NOT TO ASSERT, AS A DEFENSE IN ANY ACTION, SUIT OR PROCEEDING FOR INTERPRETATION OR ENFORCEMENT HEREOF OR THAT SUCH ACTION, SUIT OR PROCEEDING MAY NOT BE BROUGHT OR IS NOT MAINTAINABLE IN SAID COURTS OR THAT VENUE THEREOF MAY NOT BE APPROPRIATE OR THAT THIS SUBSCRIPTION AGREEMENT MAY NOT BE ENFORCED IN OR BY SUCH COURTS, AND THE PARTIES HERETO IRREVOCABLY AGREE THAT ALL CLAIMS WITH RESPECT TO SUCH ACTION, SUIT OR PROCEEDING SHALL BE HEARD AND DETERMINED BY SUCH A DELAWARE STATE OR FEDERAL COURT. THE PARTIES HEREBY CONSENT TO AND GRANT ANY SUCH COURT JURISDICTION OVER THE PERSON OF SUCH PARTIES AND OVER THE SUBJECT MATTER OF SUCH DISPUTE AND AGREE THAT MAILING OF PROCESS OR OTHER PAPERS IN CONNECTION WITH SUCH ACTION, SUIT OR PROCEEDING IN THE MANNER PROVIDED IN SECTION 6(o) OR IN SUCH OTHER MANNER AS MAY BE PERMITTED BY LAW SHALL BE VALID AND SUFFICIENT SERVICE THEREOF.

EACH PARTY ACKNOWLEDGES AND AGREES THAT ANY CONTROVERSY WHICH MAY ARISE UNDER THIS SUBSCRIPTION AGREEMENT OR THE TRANSACTIONS CONTEMPLATED HEREBY IS LIKELY TO INVOLVE COMPLICATED AND DIFFICULT ISSUES, AND THEREFORE EACH SUCH PARTY HEREBY IRREVOCABLY AND UNCONDITIONALLY WAIVES ANY RIGHT SUCH PARTY MAY HAVE TO A TRIAL BY JURY IN RESPECT OF ANY LITIGATION DIRECTLY OR INDIRECTLY ARISING OUT OF OR RELATING TO THIS SUBSCRIPTION AGREEMENT OR THE TRANSACTIONS CONTEMPLATED BY THIS SUBSCRIPTION AGREEMENT. EACH PARTY CERTIFIES AND ACKNOWLEDGES THAT (I) NO REPRESENTATIVE, PLACEMENT AGENT OR ATTORNEY OF ANY OTHER PARTY HAS REPRESENTED, EXPRESSLY OR OTHERWISE, THAT SUCH OTHER PARTY WOULD NOT, IN THE EVENT OF LITIGATION, SEEK TO ENFORCE THE FOREGOING WAIVER; (II) SUCH PARTY UNDERSTANDS AND HAS CONSIDERED THE IMPLICATIONS OF THE FOREGOING WAIVER; (III) SUCH PARTY MAKES THE FOREGOING WAIVER VOLUNTARILY AND (IV) SUCH PARTY HAS BEEN INDUCED TO ENTER INTO THIS SUBSCRIPTION AGREEMENT BY, AMONG OTHER THINGS, THE MUTUAL WAIVER AND CERTIFICATIONS IN THIS SECTION 6(p).

(r) No later than ten (10) days prior to the Spin-Off, the Company will prepare and deliver to Subscriber a certificate executed by a senior executive officer of the Company setting forth the Company's itemized good faith calculation of the HY Premium Rate (as defined in the Certificate of Designations) (the "Calculation Certificate"). Subscriber shall have seven (7) days from the date on which the Calculation Certificate is received to review the Calculation Certificate (the "Review Period"); provided, that, if the Company fails to timely deliver the Calculation Certificate then the HY Premium Rate shall be determined by Subscriber in its reasonable discretion by written notice to the Company as promptly as practicable following the Spin-Off. From the commencement of the Review Period until such time as the HY Premium Rate is finally determined in accordance with this paragraph, the Company shall provide Subscriber with prompt access to all information reasonably requested by Subscriber relating to its review of the Calculation Certificate. If Subscriber disagrees with any or all of the calculations set forth in the Calculation Certificate, Subscriber shall deliver to the Company within the Review Period a written notice of dispute (a "Dispute Notice") which shall set forth, in reasonable detail, the basis for such dispute. Subscriber and the Company shall use reasonable efforts to resolve any calculation raised in the Dispute Notice prior to the Spin-Off. If the Company and Subscriber do not obtain a final resolution of the HY Premium Rate prior to the Spin-Off, then the dispute shall be submitted promptly thereafter for resolution to an independent internationally recognized accounting firm mutually selected by the Company and Subscriber acting reasonably (any such firm, as the case may be, the "Accountant"), with the fees and expenses of such Accountant to be paid by the Company, unless the HY Premium Rate set forth in the Final Rate Report (as defined below) is less than 85% of the HY Premium Rate set forth in the Calculation Certificate, in which case the fees and expenses of such Accountant shall be paid by Subscriber. The Company and Subscriber shall direct the Accountant to, as promptly as practicable and in no event later than thirty (30) calendar days following its retention by the Company and Subscriber, deliver to the Company and Subscriber a written report (the "Final Rate Report") setting forth its calculation of the HY Premium Rate. Unless otherwise agreed in writing by the Company and Subscriber, the Final Rate Report shall be final and binding on the parties, absent manifest error or fraud. During the pendency of any such dispute, the HY Premium Rate shall be calculated as reasonably determined by the Company; provided, however, that if the final determination of the HY Premium Rate (as set forth in the Final Rate Report or as otherwise agreed in writing by the parties) is such that the HY Premium Rate is greater than that reasonably determined by the Company during the pendency of such dispute then the Company and Transtar, jointly and severally, shall promptly pay to Subscriber an amount in cash equal to the excess, if any, of (x) the Dividends (as defined in the Certificate of Designations) that would have accrued on the Preferred Shares based on the Dividend Rate (as defined in the Certificate of Designations) assuming the HY Premium Rate as finally determined in accordance with this paragraph and (y) the Dividends that actually accrued on the Preferred Shares based on the Dividend Rate utilized by the Company during the pendency of such dispute, in each case, assuming such dividends were not paid in cash.

(s) Subscriber has delivered or will deliver to the Company a duly executed IRS Form W-9 (or any successor form), and will provide any other tax-related documentation or information reasonably requested by the Company.

[Signature pages follow.]

IN WITNESS WHEREOF, each of the Company, Transtar and Subscriber has executed or caused this Subscription Agreement to be executed by its duly authorized representative as of the date set forth below.

COMPANY:

FTAI INFRASTRUCTURE LLC

By: _____
Name:
Title:

TRANSTAR:

TRANSTAR, LLC

By: _____
Name:
Title:

Date: , 2022

IN WITNESS WHEREOF, Subscriber has executed or caused this Subscription Agreement to be executed by its duly authorized representative as of the date first set forth above.

Name of Subscriber:

(Please print. Please indicate name and capacity of person signing above.)

Signature of Subscriber:

By:
Name:
Title:

State/Country of Formation or Domicile (if applicable):
Email Address:
Business Address:

Attention:

Number of Preferred Shares:	[●][1]
Number of Series I Warrants:	[●][2]
Number of Series II Warrants:	[●][3]
Purchase Price:	$[●][4]
Discount:	$[●][5]
Net Purchase Price for Securities*:	$[●]

* You must pay the Purchase Price by wire transfer of U.S. $ in immediately available funds to the account specified by the Securities in the Closing Notice. To the extent the offering is oversubscribed, the number of Securities received may be less than the number of Securities subscribed for.

1 Amounts to be allocated.
2 Amounts to be allocated.
3 Amounts to be allocated.
4 Amounts to be allocated.
5 Amounts to be allocated.

SCHEDULE A
COMPANY SUBSIDIARIES

[●]

Schedule A constitutes a part of the Subscription Agreement.

SCHEDULE B
SAMPLE CALCULATION OF THE LTM UNLEVERED FREE CASH FLOW

[●]

Schedule B constitutes a part of the Subscription Agreement.

SCHEDULE C
ELIGIBILITY REPRESENTATIONS OF SUBSCRIBER

This Schedule must be completed by Subscriber and forms a part of the Subscription Agreement to which it is attached. Capitalized terms used and not otherwise defined in this Schedule have the meanings given to them in the Subscription Agreement. Subscriber must check the applicable box in either Part A or Part B below and the applicable box in Part C below.

A. QUALIFIED INSTITUTIONAL BUYER STATUS

(Please check the applicable subparagraphs):

☐	Subscriber is a "qualified institutional buyer" (as defined in Rule 144A under the Securities Act (a "QIB")).
☐	Subscriber is subscribing for the Securities as a fiduciary or agent for one or more investor accounts, and each owner of such accounts is a QIB.

*** OR ***

B. INSTITUTIONAL ACCREDITED INVESTOR STATUS

(Please check the applicable subparagraphs):

Subscriber is an institutional "accredited investor" (within the meaning of Rule 501(a) under the Securities Act) and has checked below the box(es) for the applicable provision under which Subscriber qualifies as such:

☐	Subscriber is an organization described in Section 501(c)(3) of the Internal Revenue Code of 1986, as amended, a corporation, Massachusetts or similar business trust, partnership, or limited liability company that was not formed for the specific purpose of acquiring the securities of the Company being offered in this offering, with total assets in excess of $5,000,000.
☐	Subscriber is a "private business development company" as defined in Section 202(a)(22) of the Investment Advisers Act of 1940.
☐	Subscriber is a "bank" as defined in Section 3(a)(2) of the Securities Act.
☐	Subscriber is a "savings and loan association" or other institution as defined in Section 3(a)(5)(A) of the Securities Act, whether acting in its individual or fiduciary capacity.
☐	Subscriber is a broker or dealer registered pursuant to Section 15 of the Exchange Act.
☐	Subscriber is an "insurance company" as defined in Section 2(a)(13) of the Securities Act.
☐	Subscriber is an investment adviser relying on the exemption from registering with the Commission under Section 203(l) or (m) of the Investment Advisers Act of 1940.

Schedule C should be completed by Subscriber
and constitutes a part of the Subscription Agreement.

☐	Subscriber is an investment adviser registered pursuant to Section 203 of the Investment Advisers Act of 1940 or registered pursuant to the laws of a state.	
☐	Subscriber is an investment company registered under the Investment Company Act of 1940.	
☐	Subscriber is a "business development company" as defined in Section 2(a)(48) of the Investment Company Act of 1940.	
☐	Subscriber is a "Small Business Investment Company" licensed by the U.S. Small Business Administration under either Section 301(c) or (d) of the Small Business Investment Act of 1958.	
☐	Subscriber is a plan established and maintained by a state, its political subdivisions, or any agency or instrumentality of a state or its political subdivisions, for the benefit of its employees, and such plan has total assets in excess of $5,000,000.	
☐	Subscriber is a Rural Business Investment Company as defined in Section 384A of the Consolidated Farm and Rural Development Act.	
☐	Subscriber is an employee benefit plan within the meaning of the Employee Retirement Income Security Act of 1974 if the investment decision is made by a plan fiduciary, as defined in Section 3(21) of such act, which is one of the following.	
	☐	A bank;
	☐	A savings and loan association;
	☐	An insurance company; or
	☐	A registered investment adviser.
☐	Subscriber is an employee benefit plan within the meaning of the Employee Retirement Income Security Act of 1974 with total assets in excess of $5,000,000.	
☐	Subscriber is an employee benefit plan within the meaning of the Employee Retirement Income Security Act of 1974 that is a self-directed plan with investment decisions made solely by persons that are accredited investors.	
☐	Subscriber is a trust with total assets in excess of $5,000,000, not formed for the specific purpose of acquiring the securities offered by the Company in this offering, whose purchase is directed by a sophisticated person as described in Rule 506(b)(2)(ii) under the Securities Act.	
☐	Subscriber is an entity in which each of its equity owners (whether entities themselves or natural persons) is an "accredited investor" (within the meaning of Rule 501(a) under the Securities Act).	
☐	Subscriber is an entity that is not formed for the specific purpose of acquiring the securities offered by the Company in this offering and owns "investments" (as defined in Rule 2a51-1(b) under the Investment Company Act of 1940) in excess of $5,000,000.	

Schedule C should be completed by Subscriber
and constitutes a part of the Subscription Agreement.

☐	Subscriber is a "family office" as defined under the Investment Advisers Act of 1940, (i) with assets under management in excess of $5,000,000, (ii) that was not formed for the specific purpose of investing in the securities offered by the Company in this offering, and (iii) whose prospective investment in the securities offered by the Company in this offering is directed by a person who has such knowledge and experience in financial and business matters that such family office is capable of evaluating the merits and risks of such prospective investment.
☐	Subscriber is a "family client," as defined under the Investment Advisers Act, of a family office, whose prospective investment in the securities offered by the Company in this offering is directed by such family office, and such family office is one (i) with assets under management in excess of $5,000,000, (ii) that was not formed for the specific purpose of investing in the securities offered by the Company in this offering, and (iii) whose prospective investment in the securities offered by the Company in this offering is directed by a person who has such knowledge and experience in financial and business matters that such family office is capable of evaluating the merits and risks of such prospective investment.

*** AND ***

C. AFFILIATE STATUS

(Please check the applicable box)

Subscriber:

☐	is
☐	is not

an "affiliate" (as defined in Rule 144 under the Securities Act) of the Company or Parent or acting on behalf of an affiliate of the Company or Parent.

Schedule C should be completed by Subscriber
and constitutes a part of the Subscription Agreement.

SCHEDULE D
(*see attached*)

Schedule D constitutes a part of the Subscription Agreement.

SCHEDULE E
(*see attached*)

Schedule E constitutes a part of the Subscription Agreement.

SCHEDULE F
(*see attached*)

Schedule F constitutes a part of the Subscription Agreement.

SCHEDULE G

[Reserved]

SCHEDULE H
(*see attached*)

Schedule H constitutes a part of the Subscription Agreement.

SCHEDULE I
(*see attached*)

Schedule I constitutes a part of the Subscription Agreement.

Exhibit A

[Form of Certificate of Designations for Preferred Shares]

Exhibit A constitutes a part of the Subscription Agreement.

Exhibit B

[Form of Series I and Series II Warrants]

Exhibit B constitutes a part of the Subscription Agreement.

Exhibit C

[Form of Management Agreement]

ExhibitCA constitutes a part of the Subscription Agreement.

Exhibit D

[Form of Investors' Rights Agreement]

Exhibit D constitutes a part of the Subscription Agreement.

Exhibit E

[Form of Certificate of Incorporation of the Company]

Exhibit E constitutes a part of the Subscription Agreement.

Exhibit F

[Form of Bylaws of the Company]

Exhibit F constitutes a part of the Subscription Agreement.

Exhibit 10.18

INVESTORS' RIGHTS AGREEMENT

This INVESTORS' RIGHTS AGREEMENT (this "Agreement"), dated as of [●], 2022, is made by and among FTAI Infrastructure Inc., a Delaware corporation (the "Company"), each of the Parties listed on Exhibit A hereto from time to time as an "Investor" and any Transferees who become party hereto in accordance with this Agreement (each, an "Investor" and, collectively, the "Investors" and, together with the Company, the "Parties"). Capitalized terms used in this Agreement and not otherwise defined shall have the meanings specified in Section 6.1.

PRELIMINARY STATEMENTS

A. Concurrently with the execution and delivery hereof, the Company shall issue and sell to the Investors, and the Investors shall purchase from the Company, an aggregate of 300,000 shares of Series A Senior Preferred Stock of the Company (the "Series A Preferred Stock") on the terms and subject to the conditions set forth in each of the Subscription Agreements (as defined below).

B. The Company has filed with the Secretary of State of the State of Delaware on [●], 2022 (i) the Amended and Restated Certificate of Incorporation of the Company (as may be amended, amended and restated or otherwise modified from time to time, the "Certificate of Incorporation"), which, among other things, sets forth certain restrictions and limitations on transfer of the Company's common stock, preferred stock, warrants, rights, options and other interests that would be treated as "stock" of the Company, as more fully set forth therein, and (ii) the Certificate of Designations, which sets forth certain designations, rights, preferences, powers, restrictions and limitations of the Series A Preferred Stock.

C. The Parties each desire to enter into this Agreement to, among other things, establish certain additional rights, preferences, powers, qualifications, restrictions and limitations of the Company's common stock, preferred stock, warrants, rights, options and other interests that would be treated as "stock" of the Company and address herein certain relationships among themselves.

NOW, THEREFORE, in consideration of the foregoing premises and the respective representations, warranties, covenants and agreements contained herein and other good and valuable consideration the receipt and sufficiency of which are hereby acknowledged, and intending to be legally bound, the Parties hereby agree as follows:

ARTICLE I

RESTRICTIONS ON TRANSFER OF SERIES A PREFERRED STOCK

SECTION 1.1 **Transfers Generally**. Any Transfer of Preferred Stock not made in compliance with the requirements of this Agreement shall be null and void *ab initio*, shall not be recorded on the books of the Company or its transfer agent and shall not be recognized by the Company.

SECTION 1.2 Permitted Transfers.

(a) Notwithstanding anything in this Agreement to the contrary, each Holder may Transfer any Preferred Stock (a "Permitted Transfer") to any Person (each such Person, a "Prospective Transferee") other than a Disqualified Transferee; *provided*, that each such Prospective Transferee shall be a (i) "United States person" as defined in section 7701(a)(30) of the Code or (ii) "foreign government" within the meaning of section 892 of the Code that is eligible for, and claiming the benefits of, the exemption from taxation under section 892 of the Code, and shall provide to the Company a properly completed and executed Internal Revenue Service ("IRS") Form W-9 or appropriate IRS Form W-8 claiming complete exemption from dividend withholding tax before such Transfer shall be effective; *provided*, further, that no Transfer shall be made in violation of the Securities Act or any applicable state securities Laws or that results (or could reasonably be expected to result) in the Company being required to register the Preferred Stock pursuant to applicable securities Laws. In connection with any Permitted Transfer and as a condition thereto, such Prospective Transferee shall execute and deliver to the Company a Preferred Holder Joinder, in substantially the form attached hereto as Exhibit B, at the time of or prior to any Transfer (unless such Prospective Transferee is a Holder before giving effect to such Transfer) and shall thereafter be party to this Agreement in accordance with its term and conditions.

(b) Notwithstanding Section 1.2(a), if an Event of Noncompliance or a Mandatory Redemption Event occurs, then the Preferred Stock shall be freely transferable by any Holder without regard to whether the Prospective Transferee is a Disqualified Transferee (but any such Transfers shall remain subject to the other requirements of Section 1.2(a)).

(c) The Company shall keep at its principal office a register for the registration of the Preferred Stock. Upon the surrender of any certificate (if the shares are certificated) or book-entry record representing any Preferred Stock at the Company's principal office, the Company shall, upon the request of the Holder of such certificate or book-entry record, promptly (but in any event within three (3) Business Days after such request) prepare, execute and deliver (at the Company's expense) new certificates or book-entry record in exchange therefor representing Preferred Stock with an aggregate Stated Value represented by the surrendered certificate or book-entry record. Such certificate or book-entry record shall be registered in the name requested by the Holder of the surrendered certificate or book-entry record and shall represent the Stated Value of the Preferred Stock as is requested by the Holder of the surrendered certificate or book-entry record. Dividends shall accumulate on the aggregate Stated Value of the Preferred Stock represented by such new certificate or book-entry record from the date on which Dividends have been fully paid on the aggregate Stated Value of the Preferred Stock represented by the surrendered certificate or book-entry record. The issuance of such new certificate or book-entry record shall be made without charge to the Holders, and the Company shall pay for any cost incurred by the Company in connection with such issuance, including any documentary, stamp and similar issuance or transfer tax in respect of the preparation, execution and delivery of such new certificate or book-entry record pursuant to this Section 1.2(c). All transfers and exchanges of Preferred Stock shall be made promptly by direct registration on the books and records of the Company and the Company shall take all such other actions as may be required to reflect and facilitate all transfers and exchanges not prohibited by this Section 1.2(c).

(d) Upon receipt of evidence reasonably satisfactory to the Company (it being understood that an affidavit of the applicable Holder in form and substance reasonably satisfactory to the Company shall constitute such evidence) of the ownership and the loss, theft, destruction or mutilation of any certificate evidencing Preferred Stock, and in the case of any such loss, theft or destruction, upon receipt of indemnity reasonably satisfactory to the Company, or, in the case of any such mutilation upon surrender of such certificate, the Company shall (at its expense) execute and deliver in lieu of such certificate a new certificate of like kind representing the Preferred Stock represented by such lost, stolen, destroyed or mutilated certificate and dated the date of such lost, stolen, destroyed or mutilated certificate.

(e) Unless otherwise agreed to by the Company and the applicable Holder, each certificate or book-entry record representing Preferred Stock shall bear a restrictive legend in substantially the form attached hereto as Annex I and shall be subject to the restrictions set forth therein. In addition, such certificate or book-entry record may have notations, additional legends or endorsements required by Law, exchange rules or agreements to which the Company and any Holder (in its capacity as a Holder) is subject, if any.

SECTION 1.3 Exemption from Certain Transfer Restrictions.

(a) The Parties acknowledge the restrictions on Transfer set forth in the Fifteenth Article of the Certificate of Incorporation. The Parties further acknowledge and agree that such restrictions do not apply if the transferor or the transferee obtains the written approval of the Board of Directors. For purposes of this Section 1.3, the terms "Transfer", "Person", "Prohibited Transfer", "Corporation Securities" and "Substantial Shareholder" shall have the meanings ascribed to such terms in the Certificate of Incorporation.

(b) **Treatment of Preferred Stock and Warrants**.

(i) Subject to the requirements of this Agreement, the Company agrees and acknowledges that any Transfer restrictions and limitations of Corporation Securities set forth in the Certificate of Incorporation, including without limitation those set forth in the Fifteenth Article or any successor provisions thereof, shall not apply to the Contemplated Preferred-Related Securities. The Company represents and warrants to the Investors that the Board of Directors has provided written approval that any Transfer restrictions and limitations of Corporation Securities set forth in the Certificate of Incorporation, including without limitation those set forth in the Fifteenth Article or any successor provisions thereof, shall not apply to the Contemplated Preferred-Related Securities (whether Transferred by an Investor or another transferee of such Contemplated Preferred-Related Securities).

(ii) Accordingly, the Company acknowledges and agrees that any Transfer of Contemplated Preferred-Related Securities shall not constitute a Prohibited Transfer (whether Transferred by an Investor or another transferee of such Contemplated Preferred-Related Securities).

(iii) "Contemplated Preferred-Related Securities" means Corporation Securities issued to the Investors pursuant to the Subscription Agreements, including any shares of Preferred Stock, the Warrants and the Warrant Shares.

(c) **Permitted Acquisitions**.

(i) The Company acknowledges and agrees that any transfer restrictions and limitations of Corporation Securities set forth in the Certificate of Incorporation, including without limitation those set forth in the Fifteenth Article or any successor provisions thereof, shall not apply to the acquisition by the holder of any Contemplated Preferred-Related Securities of additional Corporation Securities to the extent such Person's Percentage Stock Ownership (excluding the portion of such amount attributable to the Contemplated Preferred-Related Securities) does not exceed 4.8% ("Permitted Acquisitions"); *provided,* that the foregoing agreement shall not apply to the extent that each such Permitted Acquisition would result in an "ownership change" of the Company within the meaning of Section 382 of the Code and the Treasury Regulations thereunder, which for this purpose, shall (i) be calculated by replacing the fifty (50) percent threshold set forth in Section 382(g)(1)(A) with forty-five (45) percent and (ii) assume that the Contemplated Preferred-Related Securities are not stock described in Section 1504(a)(4) of the Code. The Company represents and warrants to the Investors that the Board of Directors has provided written approval that any Transfer restrictions and limitations of Corporation Securities set forth in the Certificate of Incorporation, including without limitation those set forth in the Fifteenth Article or any successor provisions thereof, shall not apply to Permitted Acquisitions as provided in the preceding sentence.

(ii) Accordingly, the Company acknowledges and agrees that any Permitted Acquisition shall not constitute a Prohibited Transfer and the owners of Contemplated Preferred-Related Securities shall not constitute Substantial Shareholders unless and until their respective ownership of Corporation Securities (excluding Contemplated Preferred-Related Securities) results in a Percentage Stock Ownership of 4.8% or more; *provided*, that the foregoing agreement shall not apply to the extent that each such Permitted Acquisition would result in an ownership change within the meaning of Section 382 of the Code and the Treasury Regulations thereunder, which for this purpose, shall (i) be calculated by replacing the fifty (50) percent threshold set forth in Section 382(g)(1)(A) with forty-five (45) percent and (ii) assume that the Contemplated Preferred-Related Securities are not stock described in Section 1504(a)(4) of the Code.

(d) **Third-Party Beneficiaries**. Notwithstanding anything in this Agreement to the contrary, each transferee of Contemplated Preferred-Related Securities shall be an express third party beneficiary of the Company's agreements and obligations under this Section 1.3 and shall be entitled to enforce such agreements and obligations as if it were a named party to this Agreement solely with respect to Section 1.3 hereof.

(e) **Notice and Cooperation**. Subject to applicable law and other contractual agreements applicable to the Investor, each Investor agrees to use good faith efforts to provide the Company with written notice of any additional Corporation Securities acquired by such Investor prior to entering into a binding agreement to acquire such Securities (the "Signing Date"); provided, however, that the sole and exclusive consequence of the breach by an Investor of the foregoing covenant shall be the potential for such acquisition to be deemed *void ab initio* in whole or in part by reason of the operation of the Certificate of Incorporation as modified by any applicable waivers thereto provided by the Company to such Investor. If, notwithstanding such obligation, such Investor did not provide the Company with such prior written notice, such Investor agrees to provide written notice to the Company of such potential acquisition within five (5) days of the Signing Date; *provided* that, for the avoidance of doubt, the failure to provide such timely notice shall not result in any monetary damages. In addition, each Investor agrees to provide written notice to the Company within five (5) days of any Transfer of the Contemplated Preferred-Related Securities; *provided* that, for the avoidance of doubt, the failure to provide such timely notice shall not result in any monetary damages. The Company agrees to promptly (within two (2) days) provide to any requesting Investor the Company's then current percentage ownership shift for purposes of Section 382(g)(1) of the Code assuming that the Contemplated Preferred-Related Securities are not stock described in Section 1504(a)(4) of the Code.

ARTICLE II

RIGHTS TO FUTURE ISSUANCES

SECTION 2.1 **Grant**. Subject to the terms and conditions of this Article II and applicable securities Laws, if the Company or an Intermediate Holding Company proposes to offer or sell any New Securities, the Company shall (or, if applicable, shall cause such Intermediate Holding Company) first offer such New Securities to the Investors. An Investor shall be entitled to apportion the right of first offer hereby granted to it, in such proportions as it deems appropriate, among itself and its Affiliates. In furtherance of the foregoing, the Board of Directors shall provide written approval that any restrictions and limitations set forth in the Certificate of Incorporation, including without limitation those set forth in the Fifteenth Article or any successor provisions thereof, shall not apply to the Investors' purchase of the New Securities.

SECTION 2.2 **Notice**. The Company shall (or, if applicable, shall cause such Intermediate Holding Company to) give notice (the "Offer Notice") to each Investor, stating (i) its bona fide intention to offer such New Securities, (ii) the number or principal amount, as applicable, of such New Securities to be offered, and (iii) the price and terms, if any, upon which it proposes to offer such New Securities.

SECTION 2.3 **Exercise**. By notification to the Company within ten (10) days after the Offer Notice is given, each Investor may elect to purchase or otherwise acquire, at the price and on the terms specified in the Offer Notice, up to that portion of such New Securities which equals (x) the aggregate amount or principal amount, as applicable, of New Securities proposed to be offered and sold by the Company, multiplied by (y) the Investor's Pro Rata Share. At the expiration of such ten (10) day period, the Company shall (or, if applicable, shall cause such Intermediate Holding Company to) promptly and in any event within two (2) Business Days, in writing, notify each Investor electing to purchase all the New Securities available to it (each such Investor, a "Fully-Exercising Investor") of any other Investor's failure to do likewise and the number or principal amount, as applicable, of New Securities that remain unsubscribed for (such notice, an "Oversubscription Offer Notice"). By notification to the Company within ten (10) days after an Oversubscription Offer Notice is given, each Fully-Exercising Investor may elect to purchase or otherwise acquire, at the same price and on the same term specified in the Offer Notice, up to a portion of New Securities which equals (x) the aggregate amount or principal amount, as applicable, of New Securities that remain unsubscribed for, multiplied by (y) such Fully-Exercising Investor's Pro Rata Share; *provided*, that each Fully-Exercising Investor shall also be entitled to notify the Company of its election to purchase or otherwise acquire, at the same price and on the same term specified in the Offer Notice, any additional New Securities, and if the Fully-Exercising Investors elect to purchase or otherwise acquire more than the total number or principal amount, as applicable, of New Securities available for purchase, then such New Securities not subscribed for by other Fully-Exercising Investors shall be allocated among the Fully-Exercising Investors electing to acquire in excess of their Pro Rata Share in accordance with the amounts so elected. The closing of any sale or issuance, as applicable, pursuant to this Section 2.3 shall occur at such time and on such date as shall be determined by the Company (in its sole discretion) within the earlier of ninety (90) days of the date that the Offer Notice is given and the date of initial sale or issuance, as applicable, of New Securities pursuant to Section 2.4; *provided*, that if a notice is given either by the Company or by an Investor pursuant to Section 2.5, the closing of a sale or issuance, as applicable, pursuant to this Section 2.3 shall occur within five (5) Business Days after the satisfaction of all Regulatory Approval Conditions. Each electing Investor shall duly execute and deliver any document reasonably requested by the Company in connection with this Article II.

SECTION 2.4 **Sale or Issuance of New Securities**. If all New Securities referred to in the Offer Notice are not elected to be purchased or acquired as provided in Section 2.3, the Company (or such Intermediate Holding Company) may, during the ninety (90) day period following the expiration of the periods provided in Section 2.3, offer and sell the remaining unsubscribed portion of such New Securities to any Person or Persons at a price equal to or greater than the price specified in the Offer Notice, and upon terms no more favorable to such Persons than those specified in the Offer Notice. If the Company (or such Intermediate Holding Company) does not enter into an agreement for the sale or issuance, as applicable, of the New Securities within such period, or if the transactions contemplated by such agreement are not consummated within forty five (45) days of the execution thereof, the right provided hereunder shall be deemed to be revived and such New Securities shall not be offered or sold unless first reoffered to the Investors in accordance with this Article II.

SECTION 2.5 **Regulatory Approval Conditions**. If, as a result of the exercise of a right pursuant to this Article II, (i) the Investors notify the Company within ten (10) days of their exercise of such right that the Investors reasonably believe a Regulatory Approval Condition may apply, or (ii) the Company notifies the Investors within (10) days of the Investors' exercise of such right that the Company reasonably believes a Regulatory Approval Condition may apply, then the Investors and the Company shall cooperate in good faith to determine the applicability of any such Regulatory Approval Condition and use (and cause their respective Affiliates to use) their respective reasonable best efforts to take or cause to be taken all actions reasonably necessary or advisable on their part to cause the satisfaction of any such Regulatory Approval Condition, including by (x) furnishing the other with all information concerning itself and its Affiliates, directors, officers and stockholders and such other matters as may be reasonably necessary or advisable in connection with any statement, filing, notice or application made by or on behalf of the Investors, or the Company or any of their respective Affiliates to any Governmental Authority in connection with such exercise; and (y) preparing and filing as promptly as reasonably practicable all documentation to effect all necessary notices, reports and other filings and to obtain as promptly as reasonably practicable all consents, clearances, registrations, approvals, permits and authorizations necessary or advisable to be obtained from any Governmental Authority in order to consummate such purchase of New Securities. Notwithstanding anything to the contrary herein, in no event shall any transaction whereby the Company (or such Intermediate Holding Company) sells any New Securities to the Investors pursuant to this Article II occur without the written consent of the Majority Holders and the Company unless and until the satisfaction of all Regulatory Approval Conditions that either such Person reasonably determines are applicable to such purchase of New Securities. The costs and expenses of all activities required pursuant to this Section 2.5 shall be borne by the Person or Persons incurring such costs and expenses. The deadlines set forth in Section 2.3 shall be tolled until five (5) Business Days following the satisfaction of any Regulatory Approval Conditions.

SECTION 2.6 **Exceptions**. The right of first offer in this Article II shall not be applicable to securities or indebtedness, as applicable, issued (a) as a result of any stock or equity split (or reverse split) of the Company effected on a pro rata basis among all securities of the same class or series, (b) as a dividend or distribution on Preferred Stock, (c) pursuant to the Subscription Agreement, (d) to Persons as direct consideration for the acquisition of another corporation or other entity, or the acquisition of a line of business or of assets of another corporation or other entity, by the Company or any of its subsidiaries, by stock purchase, merger, purchase of all or substantially all assets or other reorganization, (e) in connection with the Spin-Off (as defined in the Subscription Agreement) pursuant to the Senior Debt Agreement or (f) upon the conversion or exchange of any other securities that were (i) offered to the Investors pursuant to this Article II or (ii) exempt from this Article II; in each case for clauses (a) – (f), such issuances shall be subject to the terms of the Certificate of Designations.

ARTICLE III

KEY TEAM CONSULTATION RIGHT

SECTION 3.1 **Key Person Event**. If, at any time during the term of this Agreement, any Key Person or Replacement Investment Professional ceases to spend such amount of such individual's business time as such individual spent on average for the year prior to the date of this Agreement (except in the case of a Replacement Investment Professional, which shall instead be measured by the business time such individual spent on average for the immediate 12 months prior to the commencement of the Key Person Event) or ceases to principally spend such individual's business time on the affairs of the Company, then a "Key Person Event" shall be deemed to have occurred.

SECTION 3.2 **Key Person Consultation Right**. Promptly following the occurrence of a Key Person Event, but in any event not later than ten (10) days thereafter, the Company shall notify the Key Holders in writing of such Key Person Event and shall consult with the Key Holders in good faith with respect to the replacement of such Key Person. Any replacement of a Key Person shall be thereafter deemed a "Replacement Investment Professional".

SECTION 3.3 **Manager Event**. If, at any time during the term of this Agreement, Fortress enters into any assignment, subcontract, transfer or similar arrangement relating to rights or obligations under the Management Agreement (other than immaterial rights or obligations) with, or otherwise involving, a third party, then a "Manager Event" shall be deemed to have occurred and such arrangement shall be deemed to be a "Manager Event Arrangement".

SECTION 3.4 **Manager Event Consultation Right**. Prior to the occurrence of a Manager Event, the Company and/or Fortress shall notify the Key Holders in writing of such Manager Event, consult the Key Holders in good faith on the decision to enter into a Manager Event Arrangement and on the potential counterparty to such Manager Event Arrangement, and provide the Key Holders with such background information relating to such counterparty as may be reasonably requested by the Key Holders.

ARTICLE IV
CERTAIN COVENANTS

SECTION 4.1 **Information Rights**. Subject to Section 4.1(d), without the prior affirmative vote or written consent of the Majority Holders approving such action or omission, the Company shall, so long as any Preferred Stock remains outstanding, furnish to the Investors:

(a) Within one hundred and twenty (120) days after the end of each fiscal year of the Company, (i) a balance sheet as of the end of such year, (ii) statements of income and of cash flows for such year and (iii) a statement of stockholders' equity as of the end of such year, all such financial statements audited and certified by an independent certified public accountant of recognized national standing; *provided*, that the obligations under this Section 4.1(a) may be satisfied with respect to any financial statements of the Company by (x) furnishing such financial statements of the Company under the Senior Debt Agreement or (y) the filing of the Company's Form 10-K or 10-Q, as applicable, with the SEC or any securities exchange, in each case, within the time periods specified in this Section 4.1(a);

(b) Within fifty (50) days (or, in the case of the fiscal quarter ending [●], 2022, within seventy five (75) days) after the end of each quarter of each fiscal year of the Company, unaudited statements of income and cash flows for such fiscal quarter, and an unaudited balance sheet as of the end of such fiscal quarter, all prepared in accordance with GAAP (except that such financial statements may (x) be subject to normal year-end audit adjustments; and (y) not contain all notes thereto that may be required in accordance with GAAP); *provided*, that the obligations under this Section 4.1(b) may be satisfied with respect to any financial statements of the Company by furnishing such financial statements of the Company under the Senior Debt Agreement or the filing of the Company's Form 10-K or 10-Q, as applicable, with the SEC or any securities exchange, in each case, within the time periods specified in this Section 4.1(b). Notwithstanding the forgoing, the obligation to provide unaudited statements of income and cash flows for the Company's fourth fiscal quarter, and an unaudited balance sheet as of the end of such fiscal quarter may be satisfied by such statements of income and cash flows for the Company's fiscal year in which the fourth fiscal quarter falls and such balance sheet as of the end of such fiscal year, whether audited or unaudited, in each case furnished within ninety (90) days after the end of such fiscal year; and

(c) Notices (other than notices delivered for immaterial administrative purposes) and information provided to any lender under the Senior Debt Agreement (including, for the avoidance of doubt, any reports or information delivered to the administrative agent, trustee or other similar agent acting on behalf of such holders or lenders) at substantially the same times and in the same manner (the Company may fulfill its obligations under this Section 4.1(c) by causing each Investor to have access to any website by which the Company provides information to any lender under the Senior Debt Agreement); *provided*, that, the Company shall have no obligation to deliver any such information or materials if such information or materials are publicly available at the time of delivery to the Investors; *provided further,* that the Company shall have no obligation to and shall not deliver any such information or materials unless with respect to any applicable Investor, such Investor, by advance written notice to the Company, has elected to receive such information or materials (and such notice has not been rescinded or revoked in a subsequent written notice provided by such Investor to the Company).

(d) Notwithstanding the foregoing, (i) an Investor may direct the Company in writing not to furnish some or all of such information to it and the Company agrees not to furnish such information to such Investor until directed otherwise in writing by such Investor and (ii) unless otherwise directed in writing by an Investor, the Company shall not, pursuant to this Agreement, provide any Investor with any information that the Company reasonably believes (following consultation with counsel, which may be internal or external counsel), to be material non-public information; *provided*, that the Company shall not be required to make any such determination with respect to information required to be provided to any Investor pursuant to Section 4.1(c).[1]

[1] NTD: Effective at Closing, Ares directs the Company not to furnish it with any material nonpublic information until it directs otherwise.

SECTION 4.2 **Confidentiality**. Each Holder shall treat confidentially, and shall cause its Affiliates and subsidiaries and direct its Representatives to treat confidentially all confidential information received pursuant to, and in accordance with, this Agreement and the Certificate of Designations (including but not limited to, any confidential information provided pursuant to Section 4.1 hereof, any Offer Notice received pursuant to Section 2.2 hereof, and any confidential information provided pursuant to Section 7, Section 8 and Section 13 of the Certificate of Designations, and, for the avoidance of doubt, such confidential information shall not include any information (i) that was already known to such Holder, its Affiliates, or their respective Representatives prior to disclosure under this Agreement or the Certificate of Designations, as applicable, (ii) that is or becomes known or available to such Holder, its Affiliates, or their respective Representatives on a non-confidential basis from a source other than the Company or its Representatives (*provided* that, such Holder, its Affiliates, or their respective Representatives do not have actual knowledge that the source is bound by a confidentiality agreement with, or other obligation of secrecy to, the Company or its Representatives with respect to such information or is otherwise prohibited from transmitting the information to such Holder, its Affiliates or their respective Representatives by law), or (iii) that is developed independently without relying on any confidential information received pursuant to, and in accordance with, this Agreement) that is not publicly available at the time of receipt until the earlier of (a) 18 months from the date of receipt of such confidential information, (b) such time that such confidential information becomes publicly available other than by reason of a breach of this Section 4.2 by such Holder or any of its respective Affiliates or subsidiaries and its respective Representatives; *provided*, that such information may be disclosed by any Holder to (A) another Holder, (B) any Affiliate of such Holder and its and their respective Representatives, including internal and external advisors, in any such case on a "need to know" basis, and (C) any Person to which the Holder is then-entitled to Transfer Preferred Stock, in each case, if the applicable recipient has been informed by Holder of the confidential nature of such information and has been advised of their obligation to keep such information confidential; *provided*, further, that if any Holder discloses any information pursuant to this Section 4.2 to any Person, then such Holder shall be liable for any disclosure made by such Person that would constitute a breach of this Section 4.2 if such disclosure was made by such Holder; *provided*, *further*, that if any Holder or any of its Representatives is required or requested by law, rule, regulation, legal or judicial process (including by oral questions, interrogatories, requests for information, subpoena, civil investigative demand, or similar process) (collectively, "Disclosure Law") to disclose any such information, such Holder or its Representative shall to the extent permitted by applicable law (1) promptly notify the Company of the existence, terms and circumstances surrounding such requirement or request in order to enable the Company (at the Company's expense) to seek an appropriate protective order or other remedy or waive compliance, in whole or part, with the non-disclosure terms of this Agreement as to such required disclosure; (2) exercise commercially reasonable efforts to cooperate with the Company to the extent permitted by Disclosure Law with respect to the Company taking legally available steps to resist or narrow such request (including obtaining assurance that confidential treatment will be accorded to such information) (at the Company's sole expense); and (3) in the absence of a protective order, disclose only such portion of such information which upon the advice of counsel is required by Disclosure Law to be disclosed.

SECTION 4.3 **Withholding Taxes**.

(a) Within five (5) Business Days after the Initial Issue Date, each Holder acknowledges and agrees that it is, and it and any permitted transferee shall be, for so long as it is a Holder, a (i) "United States person" as defined in section 7701(a)(30) of the Code or (ii) "foreign government" within the meaning of section 892 of the Code that is eligible and claiming the benefits of the exemption from taxation under section 892 of the Code and, in each case, shall provide a properly completed and executed IRS Form W-9 or appropriate Form W-8 claiming complete exemption from dividend withholding.

(b) Each applicable Holder shall indemnify the Company for any withholding taxes (and any interest or penalties imposed thereon) imposed on the Company with respect to amounts payable with respect to such Holder's Preferred Stock. To the extent that any Holder may be required to indemnify the Company hereunder, such Holder and the Company may jointly control the related withholding tax audit or other proceeding and neither Party shall settle such claim without the consent of the other Party, which consent shall not be unreasonably withheld, conditioned or delayed.

SECTION 4.4 Standstill.

(a) Each Investor agrees that from the date of this Agreement until [●], 2023[2] (such period, the "Standstill Period"), without the prior written approval of the Company, such Investor shall not, directly or indirectly, and shall cause its Affiliates not to, directly or indirectly:

(i) acquire, agree to acquire, propose, or offer to acquire, by purchase or otherwise, more than 4.8% of any class of common stock of the Company without taking into account any:

(A) Warrant Shares acquired in accordance with the Warrant Agreement;

(B) Equity Interests issued pursuant to, and in accordance with, the Subscription Agreements; and

(C) any Equity Interests issued pursuant to, and in accordance with Article I or Article II of this Agreement;

(ii) make, engage in, or in any way, participate in any "solicitation" of "proxies" (as such terms are used in Regulation 14 of the Exchange Act) to vote, or seek to advise or influence any Person with respect to the voting of, any Equity Interests of the Company in favor of the election of any person as a director who is not nominated pursuant to the Transaction Documents or by the Board of Directors (or its nominating committee) or in opposition of any individual nominated or designated for appointment or election to the Board of Directors by the Company (including any "withhold," "vote no" or similar campaign even if conducted as an exempt solicitation);

(iii) nominate any person as a director who is not nominated pursuant to the Transaction Documents or by the Board of Directors (or its nominating committee), other than by making a non-public proposal or request to the Board of Directors (or its nominating committee) in a manner which would not require the Board of Directors or the Company to make any public disclosure;

(iv) form, join or in any way participate in a "group" (as defined in Section 13(d)(3) of the Exchange Act), or knowingly advise, assist or encourage, or enter into any agreement with, any other Person, in connection with any action prohibited by this Section 4.4(a);

(v) advise or knowingly assist or knowingly encourage or enter into any discussions, negotiations, agreements, or arrangements with any other Persons in connection with the matters prohibited by this Section 4.4(a)(ii)-(iv);

(vi) make public disclosure inconsistent with the requirements of this Section 4.4(a), or take any action that would reasonably be expected to require the Company to make any public disclosure with respect to the matters set forth in this Section 4.4(a); or

(vii) publicly disclose any intention, plan, or proposal with respect to any of the foregoing.

[2] NTD: Standstill term to be 12 months from the date of closing.

(b) Notwithstanding the foregoing provisions of this Section 4.4, the foregoing provisions of Section 4.4(a) (i) shall not, and are not intended to restrict in any manner how any Investor or its Affiliates votes its Equity Interests in the Company or exercises any rights under this Agreement, and (ii) shall not, and are not intended to restrict in any manner any Investor or its Affiliates (A) from purchasing, holding or trading any debt, debt securities or loans of the Company or any of its Affiliates, (B) in their respective capacity as a lender of the Company or any of its Affiliates or the holder of any interests received in exchange for or in respect of indebtedness of the Company or any of its Affiliates (including exercising, protecting, preserving or enforcing any rights, interests or remedies and/or taking any other actions, in each case in such capacity) or in any other capacity other than as a stockholder of the Company, or (C) from making any public announcement or statement (each, a "Response") in response to any public announcement, proposal, offer or solicitation made by any other Person, *provided,* that at least two (2) days prior to making any such Response, the Investor shall provide the Company with prior written notice of the Investor's or its Affiliate's intention to make the Response and a draft of such Response, and the Company shall have a reasonable opportunity to provide comments to the draft Response, which comments shall be considered by such Investor or its Affiliate (as applicable) in good faith if timely provided.

(c) Notwithstanding the foregoing provisions of this Section 4.4, the restrictions set forth in this Section 4.4 shall terminate and be of no further force and effect if: (i) the Company enters into a definitive agreement with respect to, or publicly announces that it plans to enter into, a transaction involving more than 50% of any class of the Company's Equity Interests, or all or substantially all of the Company's assets (whether by merger, consolidation, business combination, tender or exchange offer, recapitalization, restructuring, sale, equity issuance, or otherwise), (ii) any Person or group publicly announces or commences a tender or exchange offer to acquire more than 50% of any class of the Company's Equity Interests, (iii) a change of a majority of the membership of the Board of Directors (excluding any change approved by a majority of the directors serving on Board of Directors prior to such change), (iv) any action or purported action of the Company or Fortress in violation of its obligations, covenants or agreements contained in Article III, (v) any Fortress Change Event, or (vi) an Event of Noncompliance or a Mandatory Redemption Event occurs.

SECTION 4.5 Registration Rights and Related Matters. If at any time the Investor (when taken together with all other Persons whose holdings of the Company's common stock are aggregated with the holdings of the Company's common stock by the Investor for purposes of Rule 144 under the Securities Act) (together, the "Investor Stockholders") beneficially owns more than 5.0% of the outstanding shares of the Company's common stock:

(a) upon the written request of the Investor, the Company shall, within 30 days thereafter, enter into a registration rights agreement with the Investor Stockholders, which shall contain customary terms and provide that:

(i) the Investor Stockholders shall have customary shelf registration rights and obligations until such time as the Investor Stockholders beneficially own less than 2.0% of the outstanding shares of the Company's common stock;

(ii) such shelf registration rights shall include the right to receive customary cooperation from the Company and its directors and officers in connection with any dispositions (which may take the form of block trades, derivative transactions and other lawful means of disposition) pursuant to the shelf registration statement (including entering into customary agreements with underwriters and other counterparties and providing such underwriters and other counterparties with customary indemnities, opinions, certificates and due diligence cooperation);

(b) until the Investor Stockholders beneficially own less than 2.0% of the outstanding shares of the Company's common stock, at the written request of any Investor Stockholder, the Company shall provide reasonable and customary cooperation with the counterparty of such Investor Stockholders to any block trade, derivative transaction or other disposition transaction.

SECTION 4.6 Senior Debt Agreement Restriction

The Company shall not issue Additional Notes to a Person (including an issuance from the Company of beneficial interests in a Global Note or otherwise) if (i) at the time of such issuance, any Notes issued under the Senior Debt Agreement are held by a Debt Rightholder Investor and (ii) there exists at the time of such issuance (or as a condition or result of such issuance) a direct or indirect agreement by such Person with the Company or its Subsidiaries, or, to the Company's knowledge, any of its Affiliates or agents, for such Person to vote the Additional Notes with respect to any consent, amendment or waiver relating to the Senior Debt Agreement or the Notes issued thereunder, the Escrow Agreement, any Equal Priority Intercreditor Agreement, any Junior Priority Intercreditor Agreement or any Security Document. All capitalized terms used in this Section 4.6 but not otherwise defined in this Agreement shall have the meanings set forth in the Senior Debt Agreement as in effect on the date of first issuance of the Notes. For the avoidance of doubt, Section 5.5 shall apply to this Section 4.6.

ARTICLE V
MISCELLANEOUS

SECTION 5.1 Entire Agreement; Parties in Interest. This Agreement (including the annexes and exhibits hereto) and the other Transaction Documents constitute the entire agreement, and supersede all other prior agreements and understandings, both written and oral, between the Parties with respect to the subject matter hereof. This Agreement shall be binding upon and inure solely to the benefit of each Party and their respective successors, Representatives and permitted assigns, and nothing in this Agreement, express or implied, is intended to or shall confer upon any other Person any rights, benefits or remedies of any nature whatsoever under or by reason of this Agreement, except for the provisions of this Section 5.1 of this Agreement, which shall be enforceable by the beneficiaries contemplated thereby.

SECTION 5.2 Governing Law. This Agreement shall be governed by and construed in accordance with the Laws of the State of Delaware, without giving effect to any choice or conflict of law provision or rule (whether of the State of Delaware or any other jurisdiction) that would cause the application of the Laws of any jurisdiction other than the State of Delaware.

SECTION 5.3 Jurisdiction. Except as otherwise expressly provided in this Agreement, each Party, by its execution hereof: (a) hereby irrevocably submits to the exclusive jurisdiction of the United States District Court located in the State of Delaware and the Court of Chancery of the State of Delaware located in Wilmington, Delaware for the purpose of any action, claim, cause of action or suit (in contract, tort or otherwise), in any way arising out of or relating to this Agreement, its negotiation or terms, or the Transactions; (b) hereby waives to the extent not prohibited by applicable Law, and agrees not to assert by way of motion, as a defense or otherwise, in any such action, any claim that it is not subject personally to the jurisdiction of the above-named courts, that its property is exempt or immune from attachment or execution, that any such proceeding brought in one of the above-named courts is improper, that the venue is improper, or that this Agreement or the subject matter hereof may not be enforced in or by such court; and (c) hereby agrees not to commence or prosecute any such action, claim, cause of action or suit other than before one of the above-named courts, nor to make any motion or take any other action seeking or intending to cause the transfer or removal of any such action, claim, cause of action or suit to any court other than one of the above-named courts, whether on the grounds of inconvenient forum or otherwise. Each Party hereby consents to service of process in any such proceeding in any manner permitted by the Laws of Delaware, and further consents to service of process by nationally recognized overnight courier service guaranteeing overnight delivery, or by registered or certified mail, return receipt requested, at its address specified pursuant to Section 5.6. Notwithstanding the foregoing in this Section 5.3, a Party hereto may commence any action, claim, cause of action or suit in a court other than the above-named courts solely for the purpose of enforcing an order or judgment issued by one of the above-named courts.

SECTION 5.4 **Waiver of Jury Trial**. TO THE EXTENT NOT PROHIBITED BY APPLICABLE LAW WHICH CANNOT BE WAIVED, EACH OF THE PARTIES HERETO HEREBY WAIVES AND COVENANTS THAT IT WILL NOT ASSERT (WHETHER AS PLAINTIFF, DEFENDANT OR OTHERWISE) ANY RIGHT TO TRIAL BY JURY IN RESPECT OF ANY ISSUE, ACTION, CLAIM, CAUSE OF ACTION OR SUIT (IN CONTRACT, TORT OR OTHERWISE), IN ANY WAY ARISING OUT OF OR RELATED TO THIS AGREEMENT, ITS NEGOTIATION OR TERMS, OR THE TRANSACTIONS, IN EACH CASE WHETHER NOW EXISTING OR HEREAFTER ARISING. EACH OF THE PARTIES HERETO ACKNOWLEDGES THAT THIS Section 5.4 CONSTITUTES A MATERIAL INDUCEMENT UPON WHICH SUCH OTHER PARTIES ARE RELYING AND WILL RELY IN ENTERING INTO THIS AGREEMENT AND ANY OTHER AGREEMENTS RELATING HERETO OR CONTEMPLATED HEREBY. ANY PARTY HERETO MAY FILE AN ORIGINAL COUNTERPART OR A COPY OF THIS Section 5.4 WITH ANY COURT AS WRITTEN EVIDENCE OF THE CONSENT OF EACH SUCH PARTY TO THE WAIVER OF ITS RIGHT TO TRIAL BY JURY.

SECTION 5.5 **Specific Performance; Remedies**. The Parties hereby expressly recognize and acknowledge that immediate, extensive and irreparable damage would result, no adequate remedy at law would exist, and damages would be difficult to determine in the event that any provision of this Agreement is not performed in accordance with its specific terms or otherwise breached. Therefore, in addition to, and not in limitation of, any other remedy available to any Party hereto (whether at law, in equity, under this Agreement or otherwise), a Party under this Agreement will be entitled to specific performance of the terms hereof and immediate injunctive relief, without the necessity of proving the inadequacy of money damages as a remedy and without bond or other security being required. Such remedies, and any and all other remedies provided for in this Agreement, will, however, be cumulative in nature and not exclusive and will be in addition to any other remedies whatsoever which any Party may otherwise have. Each of the Parties hereto hereby acknowledges and agrees that it may be difficult to prove damages with reasonable certainty, that it may be difficult to procure suitable substitute performance, and that injunctive relief and/or specific performance will not cause an undue hardship to the Parties. Each of the Parties hereto hereby further acknowledges that the existence of any other remedy contemplated by this Agreement does not diminish the availability of specific performance of the obligations hereunder or any other injunctive relief. Each Party hereto hereby further agrees that in the event of any action by any other Party for specific performance or injunctive relief, it will not assert that a remedy at law or other remedy would be adequate or that specific performance or injunctive relief in respect of such breach or violation should not be available on the grounds that money damages are adequate or any other grounds.

SECTION 5.6 **Notice**.

(a) Any notices or other communications required or permitted hereunder will be deemed to have been properly given and delivered if in writing by such Party or its legal representative and delivered personally or sent by email or nationally recognized overnight courier service guaranteeing overnight delivery, addressed as follows:

If to the Company:

FTAI Infrastructure Inc.
1345 Avenue of the Americas
New York, New York 10105
Attention: Joseph P. Adams, Jr. and Ken Nicholson

Telephone: (212) 515-4644
Email: jadams@fortress.com and knicholson@fortress.com

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

Akin Gump Strauss Hauer & Feld LLP
One Bryant Park
New York, New York 10036-6745
Attention: Brittain Rogers
Email: brogers@akingump.com

If to any Investor, to the address set forth below such Investor's name on the applicable signature page hereto.

(b) Notice or other communication pursuant to Section 5.6(a) will be deemed given or received when delivered, except that any notice or communication received by email transmission on a non-Business Day or on any Business Day after 5:00 p.m. addressee's local time or overnight delivery on a non-Business Day will be deemed to have been given and received at 9:00 a.m. addressee's local time on the next Business Day. Any Party may specify a different address, by written notice to the other Parties. The change of address will be effective upon the other Parties' receipt of the notice of the change of address.

SECTION 5.7 **Amendments; Waivers**. Any provision of this Agreement may be amended or waived if, and only if, such amendment or waiver is in writing and signed, in the case of an amendment, by the Majority Holders, or in the case of a waiver, by the Party against whom the waiver is to be effective. No knowledge, investigation or inquiry, or failure or delay by the Company or any Investor in exercising any right hereunder will operate as a waiver thereof nor will any single or partial exercise thereof preclude any other or further exercise of any other right hereunder. No waiver of any right or remedy hereunder will be deemed to be a continuing waiver in the future or a waiver of any rights or remedies arising thereafter.

SECTION 5.8 **Counterparts**. This Agreement may be executed in two or more counterparts, each of which constitutes an original, and all of which taken together constitute one instrument. A signature delivered by facsimile or other electronic transmission (including e-mail) will be considered an original signature. Any Person may rely on a copy of this Agreement.

SECTION 5.9 **Assignment**. This Agreement will be binding upon and will inure to the benefit of the Parties and their respective permitted assigns and successors. Neither this Agreement nor any of the rights, interests or obligations hereunder may be assigned by any of the Parties without the prior written consent of the other Parties. Any assignment or transfer in violation of this Section 5.9 shall be null and void. For the avoidance of doubt, the foregoing is without limiting the rights of a Prospective Transferee to join to this Agreement.

SECTION 5.10 **Severability**. In the event that any provision of this Agreement, or the application thereof becomes or is declared by a court of competent jurisdiction to be illegal, void, invalid or unenforceable, the remainder of this Agreement will continue in full force and effect and the application of such provision to other Persons or circumstances will be interpreted so as reasonably to effect the intent of the Parties. The Parties further agree to replace such illegal, void, invalid or unenforceable provision of this Agreement with a legal, valid and enforceable provision that achieves, to the extent possible, the economic, business and other purposes of such illegal, void, invalid or unenforceable provision.

SECTION 5.11 **Termination**. This Agreement shall terminate and be of no further force and effect (a) upon redemption of all the Preferred Stock in full in accordance with the Certificate of Designations, as applicable, and (b) prior to such date, with respect to any Investor, upon a Transfer made in accordance with Article I, of all (but not less than all) of the Preferred Stock held by such Investor; *provided*, in each case, that Section 4.2 and this Article V shall survive such termination.

ARTICLE VI

DEFINITIONS

SECTION 6.1 **Certain Definitions**.

(a) Capitalized terms used but not otherwise defined herein have the meanings specified or incorporated by reference in the Certificate of Designations.

(b) The following words and phrases have the meanings specified in this Section 6.1(b):

"Affiliate" means, as to any Person, any other Person which, directly or indirectly, controls, or is controlled by, or is under common control with, such Person. As used in this definition, "control" (including, with its correlative meanings, "controlled by" and "under common control with") means the possession, directly or indirectly, of the power to direct or cause the direction of management or policies of a Person, whether through the ownership of securities or partnership or other ownership interests, by contract or otherwise. Notwithstanding the foregoing, (a) an "Affiliate" of Ares shall be limited to its controlled Affiliates and (b) Fortress and its controlled Affiliates shall be deemed an Affiliate of the Company.

"Ares" means Ares Management LLC and its affiliated or managed funds and their respective Affiliates.

"Board of Directors" means the board of directors of the Company.

"Business Day" means any day that is not a Saturday or Sunday or other day on which the commercial banks in New York City are authorized or required by Law to remain closed.

"Certificate of Designations" means that certain Certificate of Designations of Series A Senior Preferred Stock of the Company, dated as of [●], 2022.

"*Code*" shall mean the Internal Revenue Code of 1986, as amended.

"*Disqualified Transferee*" means any Person on the list of disqualified transferees attached hereto as Schedule A or an Affiliate of such Person.

"Equity Interests" means, with respect to any Person, all of the shares of capital stock or equity of (or other ownership or profit interests in) such Person, all of the warrants, options or other rights for the purchase or acquisition from such Person of shares of capital stock or equity of (or other ownership or profit interests in) such Person, all of the securities convertible into or exchangeable for shares of capital stock or equity of (or other ownership or profit interests in) such Person or warrants, rights or options for the purchase or acquisition from such Person of such shares or equity (or such other interests), restricted stock awards, restricted stock units, equity appreciation rights, phantom equity rights, profit participation and all of the other ownership or profit interests of such Person (including partnership or member interests therein), whether voting or nonvoting.

"Event of Noncompliance" shall have the meaning set forth in the Certificate of Designations.

"Exchange Act" means the Securities Exchange Act of 1934, as amended.

"Fortress" means Fortress Investment Group LLC.

"Fortress Change Event" means the occurrence of any of the following: (a) any (1) direct or indirect acquisition (whether by a purchase, sale, transfer, exchange, issuance, merger, consolidation or other business combination) of securities, (2) merger, consolidation or other business combination directly or indirectly involving Fortress, (3) reorganization, equity recapitalization, liquidation or dissolution directly or indirectly and (4) other transactions, in each case for clauses (1) – (4) which results in a Person or group (as used in this definition, within the meaning of Section 13(d)(3) or Section 14(d)(2) of the Exchange Act) (including any group acting for the purpose of acquiring, holding or disposing of Securities within the meaning of Rule 13d-5(b)(1) under the Exchange Act), acquiring, holding or otherwise beneficially owning voting stock representing (A) more than 50% of the direct or indirect total voting power of all of the outstanding voting stock of Fortress, or (B) the power to elect a majority of the governing body of Fortress; or (b) any amendment, modification, repeal, restatement, supplement, termination or waiver, or assignment of, the Management Agreement, the effect of which would alter (x) the scope of services in any material respect, (y) the compensation, fee payment or other economic terms relating to the Management Agreement, or (z) the scope of matters expressly required to be approved (whether pursuant to consent, agreement or otherwise) by the Independent Directors (as such term is defined in the Management Agreement) pursuant to the Management Agreement.

"Governmental Authority" means the government of any nation, state, city, locality or other political subdivision thereof, any entity or self-regulatory organization exercising executive, legislative, judicial, regulatory or administrative functions of or pertaining to government (including FINRA and any national or regional stock exchange on which the Company's common stock is then listed or is proposed to be listed), and any corporation or other entity owned or controlled, through stock or capital ownership or otherwise, by any of the foregoing.

"Holder" means each holder of Preferred Stock of the Company. For the avoidance of doubt, to the extent any Person holds both (i) Preferred Stock and (ii) any other Equity Interests of the Company, such Person shall be deemed to be a Holder with respect to such Person's Preferred Stock only.

"Debt Rightholder Investors" means any Affiliate of Ares that is party to this Agreement.

"Intermediate Holding Company" shall have the meaning set forth in the Certificate of Designations.

"Key Holder" means any Holder who, together with its Affiliates, hold more than 10% of the Preferred Stock.

"Key Person" means Joseph P. Adams, Ken Nicholson and any Replacement Investment Professional.

"Law" means any applicable U.S. or foreign, federal, state, provincial, municipal or local law (including common law), statute, ordinance, rule, regulation, code, policy, directive, standard, license, treaty, judgment, order, injunction, decree or agency requirement of or undertaking to or agreement with any governmental entity.

"Majority Holders" shall have the meaning set forth in the Certificate of Designations.

"Management Agreement" means that certain Management Agreement, dated as of [●], 2022, by and between the Company and FIG LLC, as may be amended, modified or replaced from time to time (without violating the relevant provisions set forth in the Certificate of Designations and this Agreement).

"Mandatory Redemption Event" shall have the meaning set forth in the Certificate of Designations.

"New Securities" means, except as otherwise provided in Section 2.6, (a) any shares of the Company's preferred stock (including Series A Preferred Stock), as well as rights, options, or warrants to purchase such shares of preferred stock (including Series A Preferred Stock) of the Company, or securities of any type whatsoever that are, or may become, convertible or exchangeable into or exercisable for such shares of preferred stock (including Series A Preferred Stock) of the Company, or that otherwise derive their value from shares of preferred stock (including Series A Preferred Stock but excluding, for the avoidance of doubt, common stock) of the Company and (b) solely with respect to the Debt Rightholder Investors, any indebtedness for borrowed money in respect of which the Company or any Intermediate Holding Company is an obligor, whether as borrower, issuer, a guarantor or otherwise.

"Person" means any individual, corporation, limited liability company, partnership (including limited partnership), joint venture, association, joint stock company, trust, unincorporated organization, government or any agency or political subdivision thereof or any other entity.

"Preferred Stock" means, to the extent issued and outstanding, the Series A Preferred Stock.

"Pro Rata Share" means, as of the applicable date of determination, (i) with respect to New Securities of the type described in clause (a) of such term, the quotient obtained by dividing (A) the number of shares of Preferred Stock then held by an Investor, by (B) the total number of shares of outstanding Preferred Stock held by all Investors party to this Agreement and (ii) with respect to New Securities of the type described in clause (b) of such term, the quotient obtained by dividing (A) the number of shares of Preferred Stock then held by a Debt Rightholder Investor, by (B) the total number of shares of outstanding Preferred Stock held by all Debt Rightholder Investors party to this Agreement.

"Regulatory Approval Condition" means the Investors or any of their Affiliates are required to wait for the expiration of any waiting period under, file any notice, report or other submission with, or obtain any consent, registration, approval, permit or authorization from any Governmental Authority under any applicable Law in connection with such transaction, including under (a) any U.S. or non-U.S. competition, merger control, antitrust or similar law, (b) any law that may be applicable to the direct or indirect ownership of equity in the Company and its subsidiaries or (c) any law related to the foregoing.

"Representatives" means, with respect to any specified Person, such Person's directors, partners, officers, managers, employees, members, and agents and the attorneys, accountants, experts and advisors of such Person and such Person's Affiliates.

"SEC" means the U.S. Securities and Exchange Commission.

"Senior Debt Agreement" means the [●], dated as of [●], by and among [●] and [●], as in effect on the date hereof.

"Securities Act" means the Securities Act of 1933, as amended.

"Stated Value" has the meaning set forth in the Certificate of Designations.

"Subscription Agreements" means, collectively, those certain Subscription Agreements dated June 30, 2022, by and among the Company, Transtar, LLC and each of the subscriber parties thereto.

"Transaction Documents" means, collectively, this Agreement, the Subscription Agreements, the Certificate of Designations and the Warrant Agreement.

"Transfer" means any direct or indirect assignment, sale, offer to sell, pledge, mortgage, hypothecation, encumbrance, disposition of or any other like transfer or encumbering of any Transfer Stock (or any interest therein).

"Transfer Stock" means shares of Preferred Stock owned by a Holder or issued to a Holder after the date hereof (including without limitation, in connection with any stock split, stock dividend, recapitalization, reorganization or the like).

"Treasury Regulation" shall mean the income tax regulations (whether temporary, proposed or final) promulgated under the Code and any successor regulations. References to any subsection of such regulations include references to any successor subsection thereof.

"Warrants" has the meaning set forth in the Warrant Agreement.

"Warrant Agreement" means that certain Warrant Agreement, dated as of [●], 2022, by and between the Company and [●], as warrant agent.

"Warrant Shares" has the meaning set forth in the Warrant Agreement.

SECTION 6.2 **Construction**. The Parties intend that each representation, warranty, covenant and agreement contained in this Agreement shall have independent significance. The headings are for convenience only and shall not be given effect in interpreting this Agreement. References to sections, articles, schedules or exhibits are to the sections, articles, schedules and exhibits contained in, referred to by or attached to this Agreement, unless otherwise specified. All references to "$", currency, monetary values and dollars set forth herein shall mean U.S. dollars. The use of the masculine, feminine or neuter gender or the singular or plural form of words shall not limit any provisions of this Agreement. References to a Person also include its permitted assigns and successors. Whenever any action must be taken hereunder on or by a day that is not a Business Day, then such action may be validly taken on or by the next day that is a Business Day. The Parties acknowledge and agree that (a) each Party and its counsel has reviewed, or has had the opportunity to review, the terms and provisions of this Agreement, (b) any rule of construction to the effect that any ambiguities are resolved against the drafting Party shall not be used to interpret this Agreement and (c) the provisions of this Agreement shall be construed fairly as to all Parties and not in favor of or against any Party, regardless of which Party was generally responsible for the preparation of this Agreement and no presumption or burden of proof shall arise favoring or disfavoring any Party by virtue of such previous drafts of this Agreement or any other Transaction Document or the fact that any clauses have been added, deleted or otherwise modified from any prior drafts of this Agreement or any other Transaction Document.

[*Remainder of page intentionally left blank*]

IN WITNESS WHEREOF, the Parties have caused this Agreement to be duly executed and delivered as of the date first above written.

COMPANY:

FTAI INFRASTRUCTURE INC.

By: _____
Name:
Title:

[SIGNATURE PAGE TO INVESTORS' RIGHTS AGREEMENT]

INVESTOR:

[●]

By:

By: _____
Name:
Title:

[●]

By:

By: _____
Name:
Title:

[●]

By:

By: _____
Name:
Title:

[SIGNATURE PAGE TO INVESTORS' RIGHTS AGREEMENT]

EXHIBIT A

SCHEDULE OF INVESTORS

Name
[●]

EXHIBIT B

PREFERRED HOLDER JOINDER

JOINDER TO
INVESTORS' RIGHTS AGREEMENT

This JOINDER (this "Joinder") to the Investors' Rights Agreement, dated as of [●], 2022 (as amended, restated, supplemented or otherwise modified from time to time, the "Agreement"), by and among FTAI Infrastructure Inc., a Delaware corporation, and each of the Parties listed on Exhibit A thereto as an "Investor", is made as of [•] by [•], a [•] (the "Joining Holder"). Capitalized terms used herein but not otherwise defined have the meanings set forth in the Agreement.

Pursuant to Section 1.2(a) of the Agreement, the shares of Preferred Stock are transferable to the Joining Holder if, and only if, the Joining Holder executes and delivers this Joinder in accordance with the terms of the Agreement.

The Joining Holder agrees as follows.

1. The Joining Holder acknowledges that the Joining Holder is acquiring the shares of Preferred Stock subject to the terms and conditions of the Agreement and that all the shares of Preferred Stock acquired by the Joining Holder shall be bound by and subject to the terms of the Agreement.

2. Upon execution of this Joinder, the Joining Holder will become a Party to the Agreement and will be fully bound by, and subject to, all of the terms and conditions of the Agreement as if the undersigned were an original signatory to the Agreement as a Holder.

3. This Joinder shall be governed by and construed in accordance with the laws of the State of Delaware, without giving effect to any choice or conflict of law provision or rule (whether of the State of Delaware or any other jurisdiction) that would cause the application of the Laws of any jurisdiction other than the State of Delaware.

4. Any notice required to be provided by the Agreement shall be given to the Joining Holder at the address listed on the Joining Holders' signature page hereto.

5. A signature delivered by facsimile or other electronic transmission (including e-mail) will be considered an original signature. Any Person may rely on a copy of this Joinder.

[Remainder of page intentionally left blank]

IN WITNESS WHEREOF, the Joining Holder has caused this Joinder to be duly executed and delivered as of the date first written above.

[•]

By: _____
Name:
Title:

Address:

ANNEX I

RESTRICTIVE LEGEND TO THE SERIES A PREFERRED STOCK CERTIFICATE

THE SECURITIES REPRESENTED BY THIS CERTIFICATE HAVE BEEN ACQUIRED FOR INVESTMENT AND WITHOUT A VIEW TO DISTRIBUTION AND HAVE NOT BEEN REGISTERED UNDER THE SECURITIES ACT OF 1933, AS AMENDED (THE "ACT"), OR UNDER STATE SECURITIES LAWS. NO TRANSFER, SALE, ASSIGNMENT, PLEDGE, HYPOTHECATION OR OTHER DISPOSITION OF THIS SECURITY OR ANY INTEREST OR PARTICIPATION THEREIN MAY BE MADE EXCEPT (A) PURSUANT TO AN EFFECTIVE REGISTRATION STATEMENT UNDER THE ACT OR (B) PURSUANT TO AN EXEMPTION FROM REGISTRATION UNDER THE ACT AND APPLICABLE STATE SECURITIES LAWS AND, IN THE CASE OF CLAUSE (B), UNLESS FTAI INFRASTRUCTURE INC. (THE "COMPANY") RECEIVES (OR WAIVES THE REQUIREMENT TO RECEIVE) AN OPINION OF COUNSEL IN FORM AND SUBSTANCE SATISFACTORY TO THE COMPANY TO THE EFFECT THAT REGISTRATION IS NOT REQUIRED UNDER THE ACT AND APPLICABLE STATE SECURITIES LAWS.

THE SECURITIES REPRESENTED BY THIS CERTIFICATE ARE SUBJECT TO THE DESIGNATIONS, RIGHTS, PREFERENCES, POWERS, RESTRICTIONS AND LIMITATIONS SET FORTH IN THE CERTIFICATE OF DESIGNATIONS OF SERIES A SENIOR PREFERRED STOCK FOR THE COMPANY FILED WITH THE SECRETARY OF STATE FOR THE STATE OF DELAWARE PURSUANT TO SECTION 151 OF THE DELAWARE GENERAL CORPORATION LAW (THE "SERIES A COD") AND THE DESIGNATIONS, RIGHTS, PREFERENCES, POWERS, RESTRICTIONS AND LIMITATIONS SET FORTH IN THE INVESTORS' RIGHTS AGREEMENT BY AND AMONG THE COMPANY AND CERTAIN HOLDERS OF THE COMPANY'S SECURITIES PARTY THERETO (THE "INVESTORS' RIGHTS AGREEMENT"). NO TRANSFER, SALE, ASSIGNMENT, PLEDGE, HYPOTHECATION OR OTHER DISPOSITION OF THE SECURITIES REPRESENTED BY THIS CERTIFICATE MAY BE MADE EXCEPT IN ACCORDANCE WITH THE PROVISIONS OF THE SERIES A COD AND THE INVESTORS' RIGHTS AGREEMENT. A COPY OF THE SERIES A COD AND THE INVESTORS' RIGHTS AGREEMENT SHALL BE FURNISHED WITHOUT CHARGE BY THE COMPANY TO ANY HOLDER UPON REQUEST.

SCHEDULE A

LIST OF DISQUALIFIED TRANSFEREES

Not applicable.

Exhibit 99.1

, 2022

Letter to FTAI Shareholders:

We are pleased to inform you that on , 2022, the board of directors of Fortress Transportation & Infrastructure Investors LLC ("FTAI") declared the distribution of all the shares owned by FTAI of common stock of FTAI Infrastructure Inc. ("FTAI Infrastructure"), a majority-owned subsidiary of FTAI, to FTAI shareholders. FTAI Infrastructure holds or will hold prior to the distribution, directly or indirectly, all of FTAI's investments in infrastructure related assets.

Upon the distribution, FTAI shareholders will own substantially all of the common stock of FTAI Infrastructure. The board of directors of FTAI delegated to a special committee comprised solely of independent and disinterested board members the full power and responsibility to, among other things, (x) review, evaluate and negotiate certain transactions relating to the management agreements, the treatment of certain income incentive allocations and capital gains incentive allocations and the treatment of certain outstanding options held by FTAI's manager and the non-employee directors of FTAI (collectively, the "Specified Matters") and (y) act with respect to the Specified Matters. The special committee, after consultation with its independent legal and financial advisors, has unanimously approved the terms of, and the entry into the agreements providing for, the Specified Matters. Following the determination of the special committee, the board of directors of FTAI unanimously approved the transactions described herein, subject to the board of directors declaring the distribution prior to the closing of the transaction.

Following the completion of the spin-off, FTAI plans to undertake a merger transaction, subject to shareholder approval, pursuant to which FTAI will merge with a subsidiary of FTAI and FTAI shareholders will receive stock in a non-U.S. company that holds FTAI's aviation subsidiaries.

The distribution of FTAI Infrastructure common stock will occur on , 2022 by way of a pro rata special distribution to FTAI shareholders of record on the record date of the distribution. Each FTAI shareholder will be entitled to receive one share of FTAI Infrastructure common stock for each FTAI common share held by such shareholder at the close of business on , 2022, the record date of the distribution. The FTAI Infrastructure common stock will be issued in book-entry form only, which means that no physical stock certificates will be issued.

Shareholder approval of the distribution is not required, and you are not required to take any action to receive your FTAI Infrastructure common stock.

Following the distribution, you will own shares in both FTAI and FTAI Infrastructure. The number of FTAI shares you own will not change as a result of this distribution. FTAI's common shares will continue to trade on The Nasdaq Global Select Market under the symbol "FTAI." FTAI Infrastructure has applied to list its common stock on The Nasdaq Global Select Market under the symbol "FIP."

The enclosed Information Statement describes the distribution in detail and contains important information about FTAI Infrastructure, its business, financial condition and operations. We urge you to read the Information Statement carefully.

We want to thank you for your continued support of FTAI and we look forward to your future support of FTAI Infrastructure.

Sincerely,

Joseph P. Adams
Chairman and Chief Executive Officer of FTAI and
Chairman of the Board of FTAI Infrastructure Inc.

FTAI Infrastructure Inc.

, 2022

Dear Future FTAI Infrastructure Inc. Stockholders:

It is our pleasure to welcome you as a stockholder of our company, FTAI Infrastructure Inc. ("FTAI Infrastructure"). Following the spin-off of our company from Fortress Transportation & Infrastructure Investors LLC ("FTAI"), we will be a newly listed public company with a portfolio of infrastructure related assets. We will be externally managed by FIG LLC ("FIG"), an affiliate of Fortress Investment Group LLC ("Fortress") and FTAI's current manager. As a result of our management agreement with FIG, we are able to draw upon the long-standing expertise and resources of Fortress, a global investment management firm with $53.3 billion of alternative and traditional assets under management as of December 31, 2021.

Our goal is to drive strong risk-adjusted returns primarily through acquiring, managing and disposing of a diverse mix of infrastructure facilities, operations and equipment that combine to deliver significant cash flows and asset appreciation. We intend to invest in assets that generate significant cash flows and have the potential for meaningful capital appreciation. We expect to generate attractive and reliable returns for our stockholders by investing in a diversified portfolio of assets, including investments in sustainable technologies and processes, while maintaining financial strength and flexibility.

We were formed on December 13, 2021 as FTAI Infrastructure LLC, a Delaware limited liability company and subsidiary of FTAI. Prior to the completion of the spin-off, we will convert into FTAI Infrastructure Inc., a Delaware corporation. We have applied to list our common stock on The Nasdaq Global Select Market under the symbol "FIP."

We invite you to learn more about FTAI Infrastructure by reviewing the enclosed Information Statement. We urge you to read the Information Statement carefully. We look forward to our future and to your support as a holder of FTAI Infrastructure common stock.

Sincerely,

Joseph P. Adams
Chairman and Chief Executive Officer of FTAI and
Chairman of the Board of FTAI Infrastructure Inc.

The information in this Information Statement is subject to completion or amendment. A registration statement on Form 10 relating to these securities has been filed with the Securities and Exchange Commission under the Securities Exchange Act of 1934, as amended.

PRELIMINARY INFORMATION STATEMENT
(SUBJECT TO COMPLETION, DATED JULY 1, 2022)

INFORMATION STATEMENT

FTAI Infrastructure Inc.

Common Stock
(Par Value, $0.01 Per Share)

This information statement (the "Information Statement") is being furnished in connection with the distribution by Fortress Transportation & Infrastructure Investors LLC ("FTAI") of all of the outstanding shares of common stock of FTAI Infrastructure Inc. ("FTAI Infrastructure" or the "Company," and "we," "us" and "our"), a subsidiary of FTAI. FTAI Infrastructure will hold, directly or indirectly, all of FTAI's infrastructure business comprised of (i) a multi-modal crude oil and refined products terminal in Beaumont, Texas ("Jefferson Terminal"), (ii) a deep-water port located along the Delaware River with an underground storage cavern and multiple industrial development opportunities ("Repauno"), (iii) an equity method investment in a multi-modal terminal located along the Ohio River with multiple industrial development opportunities, including a power plant in operation ("Long Ridge"), (iv) five freight railroads and one switching company ("Transtar") that provide rail service to certain manufacturing and production facilities, (v) an equity method investment in two ventures developing battery and metal recycling technology ("Aleon" and "Gladieux"), (vi) a tank car cleaning and repair business ("KRS"), (vii) a green-tech company that is developing recycling facilities to process traditionally non-recyclable waste plastics in key North American markets ("Clean Planet USA"), (viii) an operating company that provides roadside assistance services for the intermodal and over-the-road trucking industries ("FYX"), (ix) a business that develops technologies to capture carbon dioxide from industrial emissions sources ("CarbonFree") and (x) shipping containers that are owned and leased ("Containers"). To implement the distribution, FTAI will distribute the shares of FTAI Infrastructure common stock owned by FTAI on a pro rata basis.

For every common share of FTAI held of record by you as of the close of business on , 2022, the record date for the distribution, you will receive one share of FTAI Infrastructure common stock. As discussed under "The Separation and Distribution—Trading Between the Record Date and Distribution Date," if you sell your common shares of FTAI in the "regular-way" market after the record date and before the distribution, you also will be selling your right to receive shares of FTAI Infrastructure common stock in connection with the separation. Shares of FTAI Infrastructure common stock are expected to be distributed by FTAI to you on , 2022. The date of the distribution of the FTAI Infrastructure common stock is referred to in this Information Statement as the "distribution date."

No vote of FTAI's shareholders is required in connection with this distribution. Therefore, you are not being asked for a proxy, and you are requested not to send us a proxy, in connection with the spin-off. You do not need to pay any consideration, exchange or surrender your existing common shares of FTAI or take any other action to receive your shares of FTAI Infrastructure common stock.

FTAI Infrastructure is an "emerging growth company" as defined under the federal securities laws. See "Summary—Emerging Growth Company Status."

There is no current trading market for FTAI Infrastructure common stock, although FTAI Infrastructure expects that a limited market, commonly known as a "when-issued" trading market, will develop on or shortly before the record date for the distribution, and that "regular-way" trading of FTAI Infrastructure common stock will begin on the first trading day following the completion of the distribution. FTAI Infrastructure intends to apply to have its common stock authorized for listing on The Nasdaq Global Select Market ("Nasdaq") under the symbol "FIP."

In reviewing this Information Statement, you should carefully consider the matters described under the caption "Risk Factors" beginning on page 23.

Neither the Securities and Exchange Commission (the "SEC") nor any state securities commission has approved or disapproved these securities or determined if this Information Statement is truthful or complete. Any representation to the contrary is a criminal offense.

This Information Statement does not constitute an offer to sell or the solicitation of an offer to buy any securities.

This Information Statement will be first mailed to FTAI shareholders on or about , 2022.

The date of this Information Statement is , 2022.

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MARKET AND INDUSTRY DATA

We obtained the market, industry and competitive position data used throughout this Information Statement from internal surveys as well as third-party sources, including market research, publicly available information and industry publications as indicated herein. Industry publications, surveys and forecasts, including those referenced herein, generally state that the information presented therein has been obtained from sources believed to be reliable, but that the accuracy and completeness of such information is not guaranteed. We have not independently verified any of the information or data from third-party sources, nor have we ascertained the underlying economic assumptions relied upon therein. Similarly, internal surveys and market research, while believed to be reliable, have not been independently verified, and we do not make any representation as to the accuracy of such information.

While we are not aware of any misstatements regarding the market, industry and competitive position data presented herein, such data and management estimates are subject to change and are uncertain due to limits on reliability of primary sources of information and the voluntary nature of the data gathering process. Projections, assumptions, expectations and our estimates regarding any of the topics or matters referred to above involve risks and uncertainties and are subject to change based on various factors, including those discussed under the headings "Risk Factors" and "Special Note Regarding Forward-Looking Statements" in this Information Statement. We cannot guarantee the accuracy or completeness of such information and data contained in this Information Statement. In addition, certain of these publications, studies, surveys, forecasts and reports were published before the global COVID-19 pandemic and therefore do not reflect any impact of the COVID-19 pandemic on any specific market or globally.

TRADEMARKS, SERVICE MARKS AND COPYRIGHTS

We own or have rights to trademarks, logos, service marks and trade names that we use in connection with the operation of our business. In addition, our names, logos and website names and addresses are our service marks or trademarks. We also own or have rights to copyrights that protect the content of our products. Solely for convenience, the trademarks, service marks, trade names and copyrights included or referred to in this Information Statement are listed without the TM, SM, © and ® symbols, but such references do not constitute a waiver of any rights that might be associated with the respective trademarks, service marks, trade names and copyrights included or referred to in this Information Statement and the documents incorporated by reference herein and therein.

SUMMARY

This summary highlights selected information from this Information Statement relating to FTAI Infrastructure, our spin-off from FTAI and the distribution of our common stock by FTAI to FTAI's shareholders. Per share and share ownership information contained in this Information Statement does not give effect to the issuance of the Warrants (as defined below) to be issued in connection with the New Financing (as defined below). For a more complete understanding of our business and the spin-off, you should carefully read the entire Information Statement.

Our Company

We are in the business of acquiring, developing and operating assets and businesses that represent critical infrastructure for customers in the transportation and energy industries. We were formed on December 13, 2021 as FTAI Infrastructure LLC, a Delaware limited liability company and subsidiary of FTAI. Prior to the completion of the spin-off, we will convert into FTAI Infrastructure Inc., a Delaware corporation, and will hold all of the material assets and investments that comprise FTAI's infrastructure business. Prior to the spin-off, we are a subsidiary of FTAI, which is a Nasdaq-listed company that is externally managed and advised by our Manager (as defined below).

Our operations consist of three primary business lines: (i) Ports and Terminals, (ii) Railroads and (iii) companies and assets participating in global Energy Transition. Our Ports and Terminals business develops or acquires industrial properties in strategic locations that store and handle for third parties a variety of energy products, including crude oil, refined products and clean fuels. In certain cases, we also develop and operate facilities, such as a 485 megawatt power plant at our Long Ridge terminal in Ohio, that leverage our property's location and key attributes to generate incremental value. Our Railroads business primarily invests in and operates short line and regional railroads in North America. Our Energy Transition business focuses on investments in companies and assets that utilize green technology, produce sustainable fuels and products, or enable customers to reduce their carbon footprint. For the year ended December 31, 2021, (i) our Ports and Terminals business accounted for 48% of our total revenue, (ii) our Railroads business accounted for 48% of our total revenue and (iii) our Energy Transition business accounted for 0% of our total revenue. Corporate and other sources accounted for the remaining 4% of our total revenue.

We expect to continue to invest in such market sectors, and pursue additional investment opportunities in other infrastructure businesses and assets that we believe to be attractive and meet our investment objectives. Our team focuses on acquiring a diverse group of long-lived assets or operating businesses that provide mission-critical services or functions to infrastructure networks and typically have high barriers to entry, strong margins, stable cash flows and upside from earnings growth and asset appreciation driven by increased use and inflation. We believe that there are a large number of acquisition opportunities in our markets and that our Manager's expertise and business and financing relationships, together with our access to capital and generally available capital for infrastructure projects in today's marketplace, will allow us to take advantage of these opportunities. As of March 31, 2022, on a pro forma basis, we had total consolidated assets of $2,437.6 million and total preferred and shareholder's equity of $932.5 million. For the three months ended March 31, 2022 and the year ended December 31, 2021, on a pro forma basis, we had net loss attributable to shareholders of $69.5 million and $161.1 million, respectively.

We target sectors that we believe enjoy strong long-term growth potential and proactively seek investment opportunities within those sectors that we believe will generate strong risk-adjusted returns. We take an opportunistic approach—targeting assets that are distressed or undervalued, or where we believe we can add value through active management, without heavy reliance on the use of financial leverage to generate returns. We also seek to develop incremental opportunities to deploy capital through follow-on investments in our existing assets in order to grow our earnings and create value. Following the spin-off and after giving effect to the New Financing (as defined below), our leverage on a weighted basis across our existing portfolio will be approximately 55% of our total capital. While leverage on any individual asset may vary, we target overall leverage for our assets on a consolidated basis of no greater than 50% of our total capital.

We will be externally managed by FIG LLC (our "Manager"), an affiliate of Fortress Investment Group LLC ("Fortress"), which has a dedicated team of experienced professionals focused on the acquisition of infrastructure assets since 2002.

Our Strategy

We invest across a number of major sectors including energy, intermodal transport, ports and terminals and rail, and we may pursue acquisitions in other areas as and when they arise in the future. In general, we seek to own a diverse mix of high-quality infrastructure facilities, operations and equipment within our target sectors that generate

predictable cash flows in markets that we believe provide the potential for strong long-term growth and attractive returns on deployed capital. We believe that by investing in a diverse mix of assets across sectors, we can select from among the best risk-adjusted investment opportunities, while avoiding overconcentration in any one segment, further adding to the stability of our business.

We take a proactive investment approach by identifying key secular trends as they emerge within our target sectors and then pursuing what we believe are the most compelling opportunities within those sectors. We look for unique investments, including assets that are distressed or undervalued, or where we believe that we can add value through active management. We consider investments across the size spectrum, including smaller opportunities often overlooked by other investors, particularly where we believe we may be able to grow the investment over time. We believe one of our strengths is our ability to create attractive follow-on investment opportunities and deploy incremental capital within our existing portfolio. We have several such opportunities currently identified, including significant potential for future investment at our Jefferson Terminal, Repauno and Long Ridge sites, in addition to our other assets, as discussed below.

Our Manager has significant prior experience in all of our target sectors, as well as a network of industry relationships, that we believe positions us well to make successful acquisitions and to actively manage and improve operations and cash flows of our existing and newly-acquired assets. These relationships include senior executives at lessors and operators, end users of transportation and infrastructure assets, as well as banks, lenders and other asset owners.

We have a robust current pipeline of potential investment opportunities. This current pipeline consists of opportunities for renewable and non-renewable energy, intermodal, rail and port-related investments.

Asset Acquisition Process

Our strategy is to acquire assets that we believe are essential to global infrastructure. We acquire assets that are used by major operators of infrastructure networks. We seek to acquire assets and businesses that we believe operate in sectors with long-term macroeconomic growth opportunities and that have significant cash flow and upside potential from earnings growth and asset appreciation.

We approach markets and opportunities by first developing an asset acquisition strategy with our Manager and then pursuing optimal opportunities within that strategy. In addition to relying on our own experience, we source new opportunities through our Manager's network of industry relationships in order to find, structure and execute attractive acquisitions. We believe that sourcing assets both globally and through multiple channels will enable us to find the most attractive opportunities. We are selective in the assets we pursue and efficient in the manner in which we pursue them.

Once attractive opportunities are identified, our Manager performs detailed due diligence on each of our potential acquisitions. Due diligence on each of our assets always includes a comprehensive review of the asset itself as well as the industry and market dynamics, competitive positioning, and financial and operational performance. Where appropriate, our Manager conducts physical inspections, a review of the credit quality of each of our counterparties, the regulatory environment, and a review of all material documentation. In some cases, third-party specialists are hired to physically inspect and/or value the target assets.

We and our Manager also spend a significant amount of time on structuring our acquisitions to minimize risks while also optimizing expected returns. We employ what we believe to be reasonable amounts of leverage in connection with our acquisitions. In determining the amount of leverage for each acquisition, we consider a number of characteristics, including, but not limited to, the existing cash flow, the length of the lease or contract term, and the specific counterparty.

Our Strengths

Strong Contracted Cash Flows Plus Growth Potential—We target a diverse mix of infrastructure facilities, operations and equipment that deliver, on a combined basis, significant and predictable current cash flows plus the potential for earnings growth and asset appreciation. Our current portfolio includes assets in the energy, intermodal transport and rail sectors, among others. Our holdings include value-add projects where we expect to be able to generate strong earnings and cash flow growth through development and asset repositioning. We expect our future investments to continue to deliver a mix of current cash flow and growth potential.

Opportunistic Investment Approach—We take an opportunistic approach to buying and managing assets by targeting assets that are distressed or undervalued, or where we believe we can add value through active management. We also try to develop incremental opportunities to deploy significant amounts of capital through follow-on investments in our existing assets in order to drive cash flow and growth. In these ways, we seek to deliver attractive returns on our portfolio without heavy reliance on financial leverage. Following the spin-off and after giving effect to the New Financing (as defined below), our leverage on a weighted basis across our existing portfolio will be approximately 55% of our total capital. While leverage on any individual asset may vary, we target overall leverage for our assets on a consolidated basis of no greater than 50% of our total capital.

Experienced Investment Team—Our Manager is an affiliate of Fortress, a leading, diversified global investment firm with approximately $53.3 billion under management as of December 31, 2021. Founded in 1998, Fortress manages assets on behalf of over 1,900 institutional clients and private investors worldwide across a range of credit and real estate, private equity and permanent capital investment strategies. Over the last ten years, Fortress has been one of the industry's most active investors in infrastructure-, energy- and transportation-related assets and equipment globally. The Fortress team of investment professionals has over fifty years of combined experience in acquiring, managing and marketing infrastructure assets. The team has been working directly together for over fifteen years and has invested in infrastructure-related assets since 2002. Some of our Manager's prior transactions include the growth and sale of Florida East Coast Railway, a major regional freight railroad operating mainline track along the east coast of Florida, the creation of New Fortress Energy, a fully integrated, global provider of natural gas-fueled energy solutions operating a growing network of liquefied natural gas terminals, power generation facilities and natural gas logistics infrastructure, Aircastle Ltd., one of the world's leading aircraft lessors, SeaCube Container Leasing Ltd., one of the world's largest container lessors, RailAmerica Inc., a leading short-line rail operator, Global Signal Inc., an owner operator and lessor of towers and other communication structures for wireless communications, and Brightline Holdings, an owner and operator of an express passenger rail system connecting major population centers in Florida, with plans to expand operations in Los Angeles, Las Vegas and elsewhere in North America.

Extensive Relationships with Experienced Operators—Through our Manager, we have numerous relationships with operators across the infrastructure industry. We typically seek to partner and often co-invest with experienced operators and owners when making acquisitions, and our existing relationships enable us not only to source opportunities, but also to maximize the value of each asset post-closing. Our strategy is to actively manage our investments to improve operations, grow cash flows and develop incremental investment opportunities.

Overview of the Separation

Before the spin-off, FTAI Infrastructure will enter into a separation and distribution agreement with FTAI to effect the separation (the "Separation and Distribution Agreement") and provide a framework for our relationship with FTAI after the separation. This will provide for the allocation between FTAI and FTAI Infrastructure of FTAI's assets, liabilities and obligations.

Following the completion of the spin-off, FTAI plans to undertake a merger transaction, subject to shareholder approval, pursuant to which FTAI will merge with a subsidiary of FTAI and FTAI shareholders will receive stock in a non-U.S. company that holds the Aviation Subsidiaries (as defined herein, and such merger, the "Aviation Merger").

In connection with the spin-off, FTAI has undertaken and will undertake certain internal reorganization steps to separate the entities that hold its infrastructure business, comprised of Jefferson Terminal, Repauno, Long Ridge, Transtar, Aleon and Gladieux, KRS, Clean Planet USA, FYX, CarbonFree and Containers (the "Infrastructure Subsidiaries") from the entities that primarily hold its aviation business (the "Aviation Subsidiaries").

The following transactions and actions have also occurred or are expected to occur with, prior to or immediately following the completion of the separation (together with the internal reorganization steps described above, the "Restructuring Transactions"):

- In connection with the spin-off, FTAI Infrastructure expects to raise approximately $450.0 million of debt financing from the issuance of 10.5% Senior Secured Notes due 2027 (the "Notes") and $300.0 million of preferred equity financing (consisting of Series A Senior Preferred Stock (the "Series A Preferred Stock") and Warrants (as defined below)), the net proceeds of which will be paid to FTAI in connection with the spin-off (the "New Financing");

- Fortress Worldwide Transportation and Infrastructure General Partnership (the "Partnership") will establish the desired parent holding entity for the Infrastructure Subsidiaries. To accomplish this, among other transactions:
  - FTAI Infrastructure will convert into a Delaware corporation, FTAI Infrastructure Inc.; and
  - The Partnership will contribute the Infrastructure Subsidiaries to FTAI Infrastructure;
- The Partnership will distribute 100% of the shares of FTAI Infrastructure to FTAI and Fortress Transportation and Infrastructure Master GP LLC (the "Master GP") pro rata in accordance with FTAI's and the Master GP's interests in the Partnership, and FTAI will distribute to FTAI shareholders one share of FTAI Infrastructure per share of FTAI, representing FTAI's entire interest in FTAI Infrastructure. Following the separation, FTAI shareholders will own approximately 99.99% of FTAI Infrastructure and the Master GP will hold approximately 0.01% of FTAI Infrastructure, and the Master GP will not have any further rights to any additional economics of FTAI Infrastructure, other than the shares it will own following the spin-off; and
- Following the separation, FTAI will continue to remain obligated under its existing debt agreements, which includes 6.50% senior notes due 2025, 9.75% senior notes due 2027, 5.50% senior notes due 2028, and a revolving credit agreement, and will retain the Aviation Subsidiaries; and FTAI Infrastructure will hold the Infrastructure Subsidiaries.

The New Financing

Preferred Stock

On June 30, 2022, we entered into subscription agreements (collectively, the "subscription agreement") with entities affiliated with Ares Management LLC ("Ares") for the purchase of $300.0 million of Series A Preferred Stock and Warrants. The consummation of the transactions contemplated by the subscription agreement are subject to certain closing conditions, including the closing of the spin-off.

Upon consummation of the spin-off, the Company will have approximately 300,000 issued and outstanding shares of Series A Preferred Stock. The Series A Preferred Stock will not be registered under Section 12 of the Exchange Act. Each share of Series A Preferred Stock will have an initial stated value of $1,000. We will pay dividends on the Series A Preferred Stock at a rate equal to 14% per annum, subject to increase in accordance with the terms of the Series A Preferred Stock. Specifically, the rate would be increased by 2.0% per annum for any periods during the first two years following closing where the dividend is not paid in cash. Prior to the second anniversary of the issuance date, such dividends will automatically accrue and accumulate on each share of Series A Preferred Stock, whether or not declared and paid, or they may be paid in cash at our discretion. After the second anniversary of the issuance date, we are required to pay such dividends in cash. Failure to pay such dividends would result in a dividend rate equal to 18.0% per annum, subject to increase as described below, and a failure to pay cash dividends for 12 monthly dividend periods (whether or not consecutive) following the second anniversary of the issuance date would constitute an Event of Noncompliance (as defined herein). The dividend rate on the Series A Preferred Stock will increase by 1.0% per annum beginning on the fifth anniversary of the issuance date of the Series A Preferred Stock. In addition, the dividend rate on the Series A Preferred Stock will be subject to additional increases upon the occurrence of certain events. The terms of the Series A Preferred Stock will also require us to redeem the Series A Preferred Stock upon the occurrence of certain events. For more information, see "Description of Our Capital Stock—Series A Preferred Stock." Prior to an Event of Noncompliance, the Series A Preferred Stock will not vote with our common stock.

The Company will issue to the holders of the Series A Preferred Stock (i) warrants (the "Series I Warrants") entitling the holders thereof to purchase 3,342,566 shares of common stock, at an exercise price equal to $10.00 per share (as adjusted in accordance with the agreement governing the Warrants (the "Warrant Agreement"), exercisable until the Expiration Time (as defined below); and (ii) warrants (the "Series II Warrants", and together with the Series I Warrants, the "Warrants") entitling holders thereof to purchase 3,342,566 shares of common stock, at an exercise price equal to $0.01 per share, exercisable until the Expiration Time.

The Warrants will expire (the "Expiration Time") upon the earlier of (i) the eight-year anniversary of their issuance or (ii) a sale of the Company.

2027 Notes

On June 29, 2022, FTAI Infrastructure priced the offering of $450.0 million aggregate principal amount of its 10.5% senior secured notes due 2027 (the "2027 Notes"). The 2027 Notes will initially be issued through our subsidiary, FTAI Infra Escrow Holdings, LLC (the "Escrow Issuer"). Upon consummation of the spin-off, the Escrow Issuer will be merged with and into FTAI Infrastructure, and FTAI Infrastructure will become the issuer of the 2027 Notes. The 2027 Notes will be issued on July 7, 2022 pursuant to an indenture between the Escrow Issuer and U.S. Bank Trust Company, National Association, as trustee and collateral agent.

The 2027 Notes will bear interest at a rate of 10.5% per annum, payable semi-annually in arrears on June 1 and December 1 of each year, commencing on December 1, 2022, to persons who are registered holders of the 2027 Notes on the immediately preceding May 15 and November 15, respectively. The 2027 Notes will mature on June 1, 2027.

Following the completion of the spin-off, the 2027 Notes (i) will be fully and unconditionally guaranteed on a joint and several basis by certain of FTAI Infrastructure's subsidiaries, which will initially be Transtar and its subsidiaries, and (ii) will be secured by a first-priority security interest in substantially all assets of FTAI Infrastructure and the subsidiaries of FTAI Infrastructure guaranteeing the 2027 Notes, subject to permitted liens and certain exceptions. The collateral securing the 2027 Notes will consist primarily of the assets held by Transtar and the stock of the direct subsidiaries of FTAI Infrastructure.

FTAI Infrastructure intends to distribute the net proceeds from the issuance of the 2027 Notes to FTAI in connection with the spin-off.

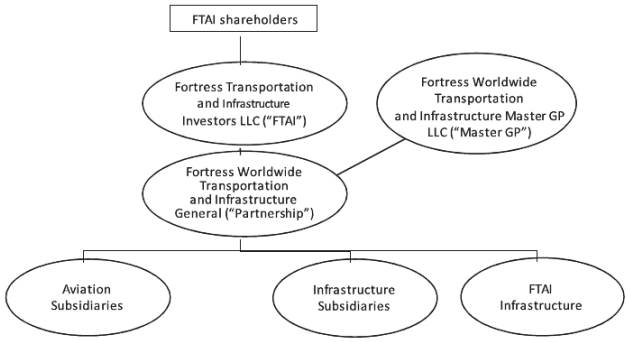
Future Financing

We have historically relied in part upon FTAI to provide credit support or fund our working capital requirements and other cash requirements. After the separation and distribution, we will not be able to rely on the earnings, assets or cash flow of FTAI, and FTAI will not provide credit support or funds to finance our working capital or other cash requirements. As a result, after the separation and distribution, we will be responsible for servicing our own debt and obtaining and maintaining sufficient working capital and other funds to satisfy our cash requirements. After the spin-off, our access to and cost of debt financing will be different from the historical access to and cost of debt financing under FTAI. Differences in access to and cost of debt financing may result in differences in the interest rates charged to us on financings, as well as the amount of indebtedness, types of financing structures and debt markets that may be available to us. Our ability to make payments on and to refinance our indebtedness, including the New Financing, as well as any future debt that we may incur, will depend on our ability to generate cash in the future from operations, financings and/or asset sales. Our ability to generate cash is subject to general economic, financial, competitive, legislative, regulatory and other factors that are beyond our control.

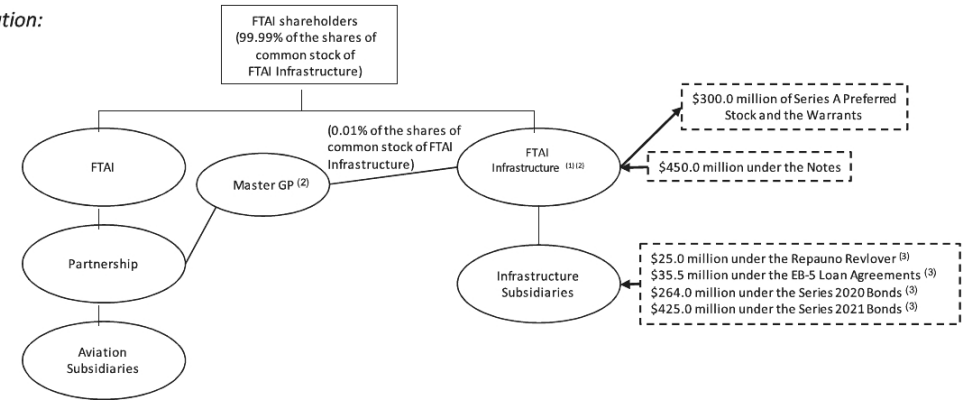
Organizational Structure

The following chart depicts a simplified graphical representation of the relevant portion of FTAI's corporate structure before and after the separation.

Before the separation:



After the separation:



(1) We will be externally managed by FIG LLC, an affiliate of Fortress, a leading global investment management firm. Master GP is an affiliate of Fortress, a partner of the Partnership. Following the transaction, Master GP will only have an ownership interest in the Company as described below.

(2) Following the spin-off: (i) Master GP will own 8,696 shares of common stock of FTAI Infrastructure, or approximately 0.01% of the total shares outstanding following the spin-off, and the Master GP will not have any further rights to any additional economics of FTAI Infrastructure pursuant to an ownership interest, (ii) Principal Holdings I LP will hold 748,644 shares of FTAI Infrastructure, or 0.75% of the total shares outstanding following the spin-off and (iii) our Manager will own 3,737,742 options to purchase shares of common stock of FTAI Infrastructure, not including any options related to the closing of the Series A Preferred Stock offering. Principal Holdings I LP is a subsidiary of Fortress Investment Group LLC.

(3) For additional information, see "Description of Indebtedness."

Reasons for the Spin-Off

FTAI's board of directors periodically reviews strategic alternatives. The FTAI board of directors, and a special committee thereof, determined upon careful review and consideration that the spin-off of FTAI Infrastructure is in the best interests of FTAI. The FTAI board of directors' determination to move forward was based on a number of factors, including those set forth below.

- ***Creates two independent companies, each with the opportunity to pursue growth through the execution of distinctly different business plans.*** We and FTAI's board of directors believe that having two independent companies with distinct investment profiles will maximize the strategic focus and financial flexibility of each company to grow and return capital to stockholders. We and FTAI's board of directors believe that the two businesses, each with a clear focus, strong, independent boards of directors, and strengthened balance sheets, will create greater shareholder value as two companies than as one.
- ***Enhances investor transparency, better highlights the attributes of both companies, and provides investors with the option to invest in one or both companies.*** The separation will provide each shareholder

the opportunity to make an individual allocation of capital to one or both of the two differentiated businesses, each with a distinct investment risk/return profile. In addition, we and FTAI's board of directors believe the separation will make FTAI Infrastructure and FTAI more competitive and appealing to a broader investor audience moving forward, providing them with the opportunity to invest in two companies with compelling value propositions and distinct investment strategies. Investors can increase their allocation to FTAI Infrastructure or to FTAI, depending on their preference.

- ***Tailored capital structure and financing options.*** Each company will have the flexibility to create a capital structure tailored to its needs, and each may be able to attain more favorable financing terms separately. In addition, tailored capital structures will facilitate each company's ability to pursue acquisitions, possibly using common stock, and other strategic alliances.
- ***Stock ownership.*** We believe the conversion of FTAI Infrastructure to a Delaware corporation and the subsequent spin-off of FTAI Infrastructure will make it easier for both domestic and international investors to own its stock and help simplify shareholders' tax reporting, which we expect should provide for significant growth potential for our shareholders. In addition, FTAI's subsequent restructuring from a publicly traded partnership to a corporation for U.S. federal income tax purposes is also expected to provide for significant growth potential for FTAI's shareholders.

The board of directors of FTAI also considered a number of potentially negative factors in evaluating the separation, including the following:

- ***Anticipated benefits of the separation may not be realized.*** Following the separation, FTAI Infrastructure and FTAI will be independent companies. FTAI Infrastructure and/or FTAI may not be able to achieve some or all of the benefits that it expects to achieve as a company independent from the other in the time it expects, if at all.
- ***There may be disruptions to the business as a result of the separation.*** The actions required to separate FTAI Infrastructure and FTAI could disrupt FTAI Infrastructure's and FTAI's operations after the separation. The separation and distribution may divert management's time and attention, which could have a material adverse effect on the business, results of operations, financial condition and cash flows.
- ***Costs of the separation.*** FTAI Infrastructure and FTAI will incur costs in connection with the transition to being separate public companies that include accounting, tax, legal and other professional service costs. In addition, FTAI Infrastructure and FTAI will incur costs in connection with operating as separate, stand-alone public companies that the combined company otherwise shared, such as expenses associated with reporting and compliance as public companies and separate management and incentive fees, working capital requirements, overhead, insurance, financing and other operating costs, as well the potentially higher cost of capital as separate companies.
- ***There may be conflicts between FTAI Infrastructure and FTAI.*** There may be, or there may be the appearance of, conflicts of interest in FTAI Infrastructure's relationship with FTAI. We expect certain directors to overlap at least at the outset and we expect that, if and to the extent matters come before the board as to which there is a conflict between the two companies, that the companies would take appropriate steps so that decisions with respect to such matters are made by disinterested and independent directors. The agreements between FTAI and us, if any, generally will not limit or restrict FTAI or its affiliates from engaging in any business or managing other entities that engage in business of the type conducted by us. Actual, potential, or perceived conflicts could give rise to investor dissatisfaction, settlements with stockholders, litigation, or regulatory inquiries or enforcement actions.

As part of the FTAI board of director's process, the members of the special committee were involved in various discussions since February 2021 related to investor relations, share price and certain value creation solutions, including but not limited to, a discussion to potentially spin out FTAI's infrastructure business. During this time, the FTAI board of directors discussed FTAI's projections, financial and otherwise, continuing as a consolidated business versus spinning off the infrastructure business and decided there was sufficient growth potential to split FTAI into two independent publicly-traded companies. FTAI also made a large acquisition of Transtar from U.S. Steel which bolstered its infrastructure business and EBITDA projections. The members of the special committee, as part of the full FTAI board of director's process, had a number of discussions with management as they explored the potential of spinning out the infrastructure business and considered various topics, including potential additional expenses

related to running two public companies, potential market and analyst reactions to a spin-off for both FTAI and the new entity, the post-split projected economics, and potential capital structures for the two entities post-spin-off and how each could create greater shareholder value. The special committee concluded that the proposed spin-off is in the best interests of FTAI and its shareholders.

Following the separation, FTAI Infrastructure will be an infrastructure assets company and will not operate under the umbrella of FTAI. FTAI Infrastructure's business may be negatively impacted by this loss of operating diversity, including the purchasing power, financing options, and ability to share overhead costs associated with operating as part of a larger organization. The board of directors of FTAI concluded that the potential benefits of the separation outweighed these factors. For more information about the risks associated with the spin-off, see "Risk Factors."

Our Manager and Our Management Agreement

Our Manager is an affiliate of Fortress, a leading global investment management firm. Our management agreement between us and our Manager (the "Management Agreement") will require our Manager to manage our business affairs in conformity with the broad investment guidelines adopted and monitored by our board of directors. For more information about our investment guidelines, see "Our Manager and Management Agreement" included elsewhere in this Information Statement.

Our Management Agreement has an initial six-year term and will be automatically renewed for one-year terms thereafter unless terminated either by us or our Manager. Our Manager is entitled to receive from us a management fee and incentive compensation that is based on our performance. In addition, we are obligated to reimburse certain expenses incurred by our Manager. Our Manager is also entitled to receive a termination fee from us under certain circumstances. The terms of our Management Agreement are summarized below and described in more detail under "Our Manager and Management Agreement" included elsewhere in this Information Statement.

Type	Description
Management Fee	We will pay a management fee equal to 1.5% per annum of our total equity, which will be calculated and payable monthly in arrears in cash. Total equity is our equity value (including any preferred equity), determined on a consolidated basis in accordance with GAAP, but reduced proportionately in the case of a subsidiary to the extent we own, directly or indirectly, less than 100% of the equity interests in such subsidiary.
Incentive Compensation	Under the terms of the Management Agreement, our Manager will be entitled to an income incentive fee (the "Income Incentive Fee"). The Income Incentive Fee is calculated and paid quarterly in arrears based on our pre-incentive fee net income for the immediately preceding calendar quarter. For this purpose, pre-incentive fee net income means, with respect to a calendar quarter, net income attributable to shareholders during such quarter calculated in accordance with U.S. GAAP excluding our pro rata share of (1) realized or unrealized gains and losses, (2) certain non-cash or one-time items and (3) any other adjustments as may be approved by our independent directors. Pre-incentive fee net income does not include any Income Incentive Fees or Capital Gains Incentive Fees (described below) paid to our Manager during the relevant quarter. We pay our Manager the Income Incentive Fee with respect to our pre-incentive fee net income in each calendar quarter as follows: (1) no Income Incentive Fee in any calendar quarter in which pre-incentive fee net income, expressed as a rate of return on the average value of our net equity capital (excluding non-controlling interests) at the end of the two most recently completed calendar quarters, does not exceed 2% for such quarter (8% annualized); (2) 100% of pre-incentive fee net income with respect to that portion of such pre-incentive fee net income, if any, that is equal to or exceeds 2% but does not exceed 2.2223% for such quarter; and (3) 10% of the amount of pre-incentive fee net income, if any, that exceeds 2.2223% for such quarter. These calculations will be prorated for any period of less than three months.

Type	Description
	Under the terms of the Management Agreement, our Manager will also be entitled to a capital gains incentive fee (the "Capital Gains Incentive Fee"). The Capital Gains Incentive Fee is calculated and distributable in arrears as of the end of each calendar year and is equal to 10% of our pro rata share of cumulative realized gains from the date of the spin-off through the end of the applicable calendar year, net of our pro rata share of cumulative realized or unrealized losses, the cumulative non-cash portion of equity-based compensation expenses and all realized gains upon which prior performance-based Capital Gains Incentive Fee payments were made to our Manager.
Reimbursement of Expenses	We will pay all of our operating expenses, except those specifically required to be borne by the Manager under the Management Agreement. The expenses required to be paid by us include, but are not limited to, issuance and transaction costs incident to the acquisition, disposition and financing of our assets, legal and auditing fees and expenses, the compensation and expenses of our independent directors, the costs associated with the establishment and maintenance of any credit facilities and other indebtedness of ours (including commitment fees, legal fees, closing costs, etc.), expenses associated with other securities offerings of ours, costs and expenses incurred in contracting with third parties (including affiliates of the Manager), the costs of printing and mailing proxies and reports to our stockholders, costs incurred by the Manager or its affiliates for travel on our behalf, costs associated with any computer software or hardware that is used by us, costs to obtain liability insurance to indemnify our directors and officers and the compensation and expenses of our transfer agent, and all other expenses incurred by our Manager which are reasonably necessary for the performance of its duties under the Management Agreement.
	We will pay or reimburse the Manager and its affiliates for performing certain legal, accounting, due diligence tasks and other services that outside professionals or outside consultants otherwise would perform, *provided* that such costs and reimbursements are no greater than those which would be paid to outside professionals or consultants. The Manager is responsible for all of its other costs incident to the performance of its duties under the Management Agreement, including compensation of the Manager's employees, rent for facilities and other "overhead" expenses; we will not reimburse the Manager for these expenses.

Type	Description
Termination Fees	If we terminate the Management Agreement, we will generally be required to pay the Manager a termination fee. The termination fee is equal to (i) the amount of the management fee during the 12 months immediately preceding the date of the termination and (ii) the amount of the Income Incentive Fee and Capital Gains Incentive Fee as if our assets were sold for cash at their then current fair market value.

Summary Risk Factors

You should carefully read and consider the risk factors set forth under "Risk Factors," as well as all other information contained in this Information Statement. If any of the following risks occur, our business, financial condition and results of operations could be materially and adversely affected, and the trading price of our common stock could decline.

Risks Related to Our Business

- We have no operating history as an independent company and may not be able to successfully execute our business strategy, generate sufficient revenue to make or sustain distributions to our stockholders or meet our contractual commitments.
- The historical and pro forma financial information included in this Information Statement may not be indicative of the results we would have achieved as a separate stand-alone company and are not a reliable indicator of our future performance or results.
- A pandemic, including the coronavirus disease ("COVID-19"), could have an adverse impact on our business, financial condition, and results of operations.
- Uncertainty relating to macroeconomic conditions may reduce the demand for our assets, limit our ability to obtain additional capital to finance new investments, or refinance existing debt, or have other unforeseen negative effects.
- The industries in which we operate have experienced periods of oversupply during which lease rates and asset values have declined, particularly during the most recent economic downturn, and any future oversupply could materially adversely affect our results of operations and cash flows.
- There can be no assurance that any target returns will be achieved.
- Contractual defaults may adversely affect our business, prospects, financial condition, results of operations and cash flows by decreasing revenues and increasing storage, positioning, collection, recovery and lost equipment expenses.
- If we acquire a high concentration of a particular type of asset, or concentrate our investments in a particular sector, our business, prospects, financial condition, results of operations and cash flows could be adversely affected by changes in market demand or problems specific to that asset or sector.
- We may not generate a sufficient amount of cash or generate sufficient free cash flow to fund our operations or repay our indebtedness.

Risks Related to Our Capital Structure

- The terms of our Series A Preferred Stock have provisions that could result in the holders of the Series A Preferred Stock having the ability to elect a majority of our board of directors in the case of an Event of Noncompliance, including our failure to pay amounts due upon redemption of Series A Preferred Stock.
- The failure of the Company to pay required dividends on its Series A Preferred Stock following the second anniversary of the issuance date may have a material adverse effect on the Company's financial condition.

Risks Related to Our Manager

- We are dependent on our Manager and other key personnel at Fortress and may not find suitable replacements if our Manager terminates the Management Agreement or if other key personnel depart.
- There are conflicts of interest in our relationship with our Manager.

- Our directors have approved a broad asset acquisition strategy for our Manager and will not approve each acquisition we make at the direction of our Manager. In addition, we may change our strategy without a stockholder vote, which may result in our acquiring assets that are different, riskier or less profitable than our current assets.
- Our Manager will not be liable to us for any acts or omissions performed in accordance with the Management Agreement, including with respect to the performance of our assets.
- Our Manager's due diligence of potential asset acquisitions or other transactions may not identify all pertinent risks, which could materially affect our business, financial condition, liquidity and results of operations.

Risks Related to the Separation

- We may be unable to achieve some or all of the benefits that we expect to achieve from our separation from FTAI.
- Our agreements with FTAI may not reflect terms that would have resulted from arm's-length negotiations among unaffiliated third parties.
- The ownership by some of our executive officers and directors of common shares, options, or other equity awards of FTAI may create, or may create the appearance of, conflicts of interest.
- We may compete with affiliates of or entities managed by our Manager, including FTAI, which could adversely affect our and their results of operations.
- We will share certain key directors and officers with FTAI, which means those officers will not devote their full time and attention to our affairs and the overlap may give rise to conflicts.
- We expect to incur indebtedness in connection with the separation from FTAI, and the degree to which we will be leveraged could cause a material adverse effect on our business, financial condition, results of operations and cash flows.

Risks Related to Our Common Stock

- The market price and trading volume of our common stock may be volatile, which could result in rapid and substantial losses for our stockholders.
- An increase in market interest rates may have an adverse effect on the market price of our common stock.
- There can be no assurance that the market for our stock will provide you with adequate liquidity.
- Substantial sales of common stock may occur in connection with the distribution, which could cause our stock price to decline.
- We are an "emerging growth company" under the JOBS Act, and we cannot be certain if the reduced disclosure requirements applicable to emerging growth companies will make our securities less attractive to investors.
- Failure to maintain effective internal control over financial reporting in accordance with Section 404 of the Sarbanes-Oxley Act of 2002 could have a material adverse effect on our business and stock price.
- Your percentage ownership in our company may be diluted in the future.
- Our common stock will be subject to ownership and transfer restrictions intended to preserve our ability to use net operating loss carryforwards and other tax attributes.

Conflicts of Interest

Although we will establish certain policies and procedures designed to mitigate conflicts of interest, there can be no assurance that these policies and procedures will be effective in doing so. It is possible that actual, potential or perceived conflicts of interest could give rise to investor dissatisfaction, litigation or regulatory enforcement actions. Below is a summary of certain factors that could result in conflicts of interest.

One or more of our officers and directors will have responsibilities and commitments to entities other than us, including, but not limited to, FTAI. In addition, we will not have a policy that expressly prohibits our directors, officers, securityholders or affiliates from engaging for their own account in business activities of the types conducted by us. Moreover, our certificate of incorporation will provide that if any of FTAI, Fortress or SoftBank Group Corp.

("SoftBank") and their respective affiliates, including the Manager and Master GP (the "Fortress Parties"), or any of their officers, directors or employees acquire knowledge of a potential transaction that could be a corporate opportunity for us, they have no duty, to the fullest extent permitted by law, to offer such corporate opportunity to us. In the event that any of our directors and officers who is also a director, officer or employee of any of the Fortress Parties acquires knowledge of a corporate opportunity or is offered a corporate opportunity, *provided* that this knowledge was not acquired solely in such person's capacity as a director or officer of us and such person acts in good faith, then such person is deemed to have fully satisfied such person's fiduciary duties owed to us and is not liable to us, to the fullest extent permitted by law, if any of the Fortress Parties or their respective affiliates, pursues or acquires the corporate opportunity or if such person does not present the corporate opportunity to us. See "Risk Factors—Risks Related to Our Manager—There are conflicts of interest in our relationship with our Manager."

Our key agreements, including our Management Agreement, were negotiated among related parties, and their respective terms, including fees and other amounts payable, may not be as favorable to us as terms negotiated on an arm's-length basis with unaffiliated parties.

The structure of the Manager's compensation arrangement may have unintended consequences for us. We have agreed to pay our Manager a management fee that is not tied to our performance and incentive compensation that is based entirely on our performance. The management fee may not sufficiently incentivize our Manager to generate attractive risk-adjusted returns for us, while the performance-based incentive compensation component may cause our Manager to place undue emphasis on the maximization of earnings, including through the use of leverage, at the expense of other objectives, such as preservation of capital, to achieve higher incentive distributions. Since investments with higher yield potential are generally riskier or more speculative than investments with lower yield potential, this could result in increased risk to the value of our portfolio of assets and your investment in us.

We may compete with entities affiliated with or managed by our Manager or Fortress for certain assets that we may seek to acquire. From time to time, entities affiliated with or managed by our Manager or Fortress may focus on investments in assets with a similar profile as our target assets. These entities may have meaningful purchasing capacity, which may change over time depending upon a variety of factors, including, but not limited to, available equity capital and debt financing, market conditions and cash on hand. Fortress has funds invested in transportation-related infrastructure with approximately $3.5 billion in investments in aggregate as of both December 31, 2020 and December 31, 2021. Fortress funds generally have a fee structure similar to the structure of the fees in our Management Agreement, but the fees actually paid will vary depending on the size, terms and performance of each fund.

Our Manager may determine, in its discretion, to make a particular investment through an investment vehicle other than us. Investment allocation decisions will reflect a variety of factors, such as a particular vehicle's availability of capital (including financing), investment objectives and concentration limits, legal, regulatory, tax and other similar considerations, the source of the investment opportunity and other factors that the Manager, in its discretion, deems appropriate. Our Manager does not have an obligation to offer us the opportunity to participate in any particular investment, even if it meets our investment objectives.

Emerging Growth Company Status

We qualify as an "emerging growth company" as defined in Section 2(a) of the Securities Act of 1933, as amended (the "Securities Act"), as modified by the Jumpstart Our Business Startups Act of 2012 (the "JOBS Act"). As such, we are eligible to take advantage of certain exemptions from various reporting requirements that are applicable to other public companies that are not "emerging growth companies," including, but not limited to, an exemption from the auditor attestation requirements of Section 404(b) of the Sarbanes-Oxley Act of 2002 and exemptions from the requirements of holding a non-binding advisory vote on executive compensation and shareholder approval of any golden parachute payments not previously approved under Section 14A(a) and (b) of the Securities Exchange Act of 1934, as amended (the "Exchange Act"), respectively. We may take advantage of some or all of the reduced regulatory and reporting requirements that will be available to us as long as we qualify as an emerging growth company.

In addition, Section 107 of the JOBS Act also provides that an "emerging growth company" can take advantage of the extended transition period provided in Section 13(a) of the Exchange Act, for complying with new or revised accounting standards. In other words, an "emerging growth company" can delay the adoption of certain accounting standards until those standards would otherwise apply to private companies. We have elected not to take advantage of the benefits of this extended transition period. Therefore, we will be subject to the same new or revised accounting standards as other public companies that are not "emerging growth companies." This election is irrevocable.

We will remain an "emerging growth company" until the earliest of (a) the last day of the first fiscal year in which our annual gross revenues exceed $1.07 billion, (b) the last day of the fiscal year following the fifth anniversary of the date of the first sale of our common equity securities pursuant to an effective registration statement under the Securities Act, (c) the date that we become a "large accelerated filer" as defined in Rule 12b-2 under the Exchange Act, which would occur if the market value of our common stock that is held by non-affiliates exceeds $700 million, or (d) the date on which we have issued more than $1 billion in non-convertible debt during the preceding three-year period.

Corporate Information

We were formed on December 13, 2021 as FTAI Infrastructure LLC, a Delaware limited liability company and subsidiary of FTAI. Prior to the completion of the spin-off, we will convert into FTAI Infrastructure Inc., a Delaware corporation. On , 2022, we will be spun off from FTAI through the distribution of all of the shares of our common stock owned by FTAI to the holders of FTAI's common shares on the record date for the distribution and become a stand-alone publicly traded company. Our principal executive offices are located at 1345 Avenue of the Americas, 45th Floor, New York, NY 10105, care of FTAI Infrastructure LLC. Our telephone number is (212) 798-6100. Our web address is *www.ftipinc.com*. The information on or otherwise accessible through our website does not constitute a part of this Information Statement or any other report or document we file with or furnish to the SEC.

Questions and Answers about FTAI Infrastructure and the Spin-Off

The following questions and answers briefly address some commonly asked questions about the spin-off. They may not include all the information that is important to you. We encourage you to read carefully this entire Information Statement and the other documents to which we have referred you. We have included references in certain parts of this section to direct you to a more detailed discussion of each topic presented in this section.

What is FTAI Infrastructure Inc. and why is FTAI separating its business and distributing FTAI Infrastructure common stock?

We were formed on December 13, 2021 as FTAI Infrastructure LLC, a Delaware limited liability company and subsidiary of FTAI. Prior to the completion of the spin-off, we will convert into FTAI Infrastructure Inc., a Delaware corporation and will hold, directly or indirectly, all of the material assets and investments comprising FTAI's infrastructure business: (i) the Jefferson Terminal, a multi-modal crude oil and refined products terminal in Beaumont, Texas, (ii) Repauno, a deep-water port located along the Delaware River with an underground storage cavern and multiple industrial development opportunities, (iii) Long Ridge, an equity method investment in a multi-modal terminal located along the Ohio River with multiple industrial development opportunities, including a power plant in operation, (iv) Transtar, comprising five freight railroads and one switching company that provide rail service to certain manufacturing and production facilities, (v) Aleon and Gladieux, an equity method investment in two ventures developing battery and metal recycling technology, (vi) KRS, a tank car cleaning and repair business, (vii) Clean Planet USA, a green-tech company that is developing recycling facilities to process traditionally non-recyclable waste plastics in key North American markets, (viii) FYX, an operating company that provides roadside assistance services for the intermodal and over-the-road trucking industries, (ix) CarbonFree, a business that develops technologies to capture carbon dioxide from industrial emissions sources and (x) Containers, which consists of containers that are owned and leased. As part of the spin-off, these infrastructure businesses will be contributed to a new holding company which will result in the infrastructure business being considered the predecessor of the newly formed FTAI Infrastructure. Following the completion of the spin-off, FTAI plans to undertake the Aviation Merger, subject to shareholder approval. The separation of FTAI Infrastructure from FTAI and the distribution of FTAI Infrastructure common stock are intended to create two independent companies, enhance investor transparency, better highlight the attributes of both companies and allow for tailored capital structure and financing options. FTAI and FTAI Infrastructure expect that the separation will result in enhanced long-term performance of each business for the reasons discussed in the section entitled “Our Spin-Off from FTAI—Reasons for the Spin-Off.” In connection with the spin-off transaction, FTAI is being treated as the accounting spinnor, consistent with the legal form of the transaction.

Why am I receiving this document?

You are receiving this document because you are a holder of FTAI common shares on the record date for the distribution and, as such, will be entitled to receive shares of FTAI Infrastructure common stock upon completion of the transactions described in this Information Statement. We are sending you this document to inform you about the spin-off and to provide you with information about FTAI Infrastructure and its business and operations upon completion of the spin-off.

Who is entitled to receive the distribution and what will they receive?

Holders of FTAI common shares as of , 2022, the record date of the spin-off, will be entitled to receive shares of our common stock. For each FTAI common share held on the record date, FTAI common shareholders will receive one share of FTAI Infrastructure common stock.

Immediately after the distribution, holders of FTAI common shares as of the record date will hold all of the outstanding shares of our common stock. Based on the number of FTAI common shares outstanding on April 1, 2022, FTAI expects to distribute approximately 99,188,696 shares of our common stock in the spin-off.

Why is the spin-off of FTAI Infrastructure structured as a distribution?	FTAI believes that a distribution of our common stock is an efficient way to separate our assets from the rest of FTAI's portfolio and that the spin-off will create benefits and value for us and FTAI. For more information on the reasons for the spin-off, see "Our Spin-Off from FTAI—Reasons for the Spin-Off."
What business will FTAI Infrastructure engage in after the spin-off?	FTAI Infrastructure will continue to focus on investments in infrastructure assets. For more detail on FTAI Infrastructure's business, see "Business."
When will the distribution occur?	We expect that FTAI will distribute the shares of our common stock on , 2022 to holders of record of FTAI common shares on , 2022, subject to certain conditions described under "Our Spin-Off from FTAI—Conditions to the Distribution."
What do I need to do to receive my shares of FTAI Infrastructure common stock?	As long as you hold FTAI common shares as of the record date, you will not need to take any action to receive common stock of FTAI Infrastructure in the distribution. You will not be required to make any payment, surrender or exchange your FTAI common shares or take any other action to receive your shares of our common stock. No shareholder approval of the distribution is required or sought. We are not asking you for a proxy, and you are requested not to send us a proxy. However, if you sell FTAI common shares in the "regular-way" market through the distribution date, you will also be selling your right to receive shares of FTAI Infrastructure common stock in the distribution. For more information, see "Our Spin-Off from FTAI—Market for Common Stock—Trading Between the Record Date and Distribution Date" in this Information Statement. Following the distribution, shareholders whose shares are held in book-entry form may request that their shares of FTAI Infrastructure common stock held in book-entry form be transferred to a brokerage or other account at any time, without charge.
What will govern my rights as an FTAI Infrastructure stockholder?	Your rights as an FTAI Infrastructure stockholder will be governed by Delaware law, as well as our certificate of incorporation and our bylaws. Except with respect to ownership and transfer restrictions intended to preserve our ability to use net operating loss carryforwards and other tax attributes, and the exclusive forum provisions, there are no material changes in stockholder rights between the stockholder rights at FTAI and FTAI Infrastructure. A description of these rights is included in this Information Statement under the heading "Description of Our Capital Stock."
Will I be taxed on the shares of FTAI Infrastructure common stock that I receive in the distribution?	In general, for U.S. federal income tax purposes, your receipt of FTAI Infrastructure common stock is not expected to be taxable. However, the tax consequences to you of the spin-off will depend on your individual situation, and certain shareholders may be subject to different consequences than those described herein. You are urged to consult with your tax advisor as to the particular tax consequences of the distribution to you, including the applicability of any U.S. federal, state, local and non-U.S. tax laws. For more information, see "U.S. Federal Income Tax Consequences of the Spin-Off" included elsewhere in this Information Statement.
Can FTAI decide to cancel the distribution of the common stock even if all the conditions have been met?	Yes. Although the distribution is subject to the satisfaction or waiver of certain conditions, see "Our Spin-Off from FTAI—Conditions to the Distribution" included elsewhere in this Information Statement, FTAI has the right not to complete the distribution if at any time prior to the distribution date (even if all of the conditions are satisfied), its board of directors determines, in its sole discretion, that the distribution is not in the best interests of FTAI or that market conditions are such that it is not advisable to separate FTAI Infrastructure from FTAI. The conditions to the distribution are that: (i) our registration statement on Form 10, of which this Information Statement is a part, shall have become effective under the Exchange Act, and no stop order relating to the registration statement shall be in effect; (ii) all other

	actions and filings necessary or appropriate under applicable federal or state securities laws and state blue sky laws in connection with the transactions shall have been taken; (iii) an outside valuation advisory firm or firms acceptable to FTAI shall have delivered one or more opinions to the board of directors of FTAI regarding solvency and capital adequacy matters with respect to FTAI and FTAI Infrastructure after consummation of the distribution, and such opinions shall be acceptable to FTAI in form and substance in FTAI's sole discretion and such opinions shall not have been withdrawn or rescinded; (iv) the listing of our common stock on Nasdaq shall have been approved, subject to official notice of issuance; (v) the Restructuring Transactions shall have been completed; (vi) any ancillary agreements shall have been executed and delivered by each of FTAI and us, as applicable, and no party to any of the ancillary agreements will be in material breach of any such agreement; (vii) any material governmental and third-party approvals shall have been obtained and be in full force and effect; and (viii) no order, injunction or decree issued by any court of competent jurisdiction or other legal restraint or prohibition preventing consummation of the distribution or any of the transactions related thereto, including the transfers of assets and liabilities contemplated by the Separation and Distribution Agreement, shall be in effect. We cannot assure you that all of the conditions will be satisfied or waived. In addition, if the separation is completed and FTAI's board of directors waives any such condition, such waiver could have a material adverse effect on FTAI's and FTAI Infrastructure's respective business, financial condition or results of operations, including, without limitation, as a result of illiquid trading due to the failure of FTAI Infrastructure common stock to be accepted for listing, litigation relating to any preliminary or permanent injunctions that sought to prevent the consummation of the separation, or the failure of FTAI or FTAI Infrastructure to obtain any required regulatory approvals. As of the date hereof, the board of directors of FTAI does not intend to waive any of the conditions described herein and would only consider such a waiver if it determined that such action was in the best interests of FTAI and its shareholders. The fulfillment of the above conditions will not create any obligation on behalf of FTAI to effect the separation. Until the separation has occurred, FTAI has the right to terminate the separation, even if all the conditions have been satisfied, if the board of directors of FTAI determines, in its sole discretion, that the separation is not in the best interests of FTAI and its shareholders or that market conditions or other circumstances are such that the separation of FTAI Infrastructure and FTAI is no longer advisable at that time.
Does FTAI Infrastructure plan to pay dividends?	We intend to make regular quarterly dividends to holders of our common stock out of assets legally available for this purpose, subject to satisfactory financial performance and approval by our board of directors. However, our ability to pay dividends is subject to a number of risks and uncertainties, including actual results of operations, liquidity and financial condition restrictions under Delaware law, limitations under our contractual agreements, including the agreements governing the New Financing, our financial condition, our taxable income, our operating expenses and other factors our directors may deem relevant. As such, there can be no assurance regarding whether we will pay dividends in the future. For more information, see "Dividend Policy" included elsewhere in this Information Statement.
How will distributions from FTAI Infrastructure be treated for U.S. federal income tax purposes?	For U.S. federal income tax purposes, distributions from FTAI Infrastructure following the spin-off are generally expected to be treated as dividends to the extent paid out of FTAI Infrastructure's current or accumulated earnings and profits, as determined for U.S. federal income tax purposes, with any excess dividends treated as return of capital to the extent of the stockholder's basis (thereby reducing that basis) and as capital gain from the sale of FTAI Infrastructure stock thereafter. Such dividends are generally expected to be treated as "qualified dividend income" in the case of non-corporate holders and as eligible for the dividends received deduction in the case of corporate holders, in each case subject to holding period and other requirements.

	Non-U.S. stockholders may be subject to 30% withholding tax on distributions to the extent of FTAI Infrastructure's earnings and profits, subject to potential reduction by treaty. Because FTAI Infrastructure is expected to be a U.S. real property holding corporation, withholding may be required equal to 15% of any distribution to a non-U.S. stockholder that exceeds FTAI Infrastructure's earnings and profits if FTAI Infrastructure common stock is not then treated as regularly traded on an established securities market. Non-U.S. stockholders should consult their own tax advisors with respect to the tax consequences and reporting requirements related to distributions and gains under the tax laws of the United States and of their jurisdiction of residence. For more information, see "U.S. Federal Income Tax Considerations" included elsewhere in this Information Statement.
How will the spin-off affect my tax basis and holding period in FTAI common shares?	Your tax basis in FTAI common shares held at the time of the distribution generally will be reduced (but not below zero) by FTAI's tax basis immediately prior to the distribution in the FTAI Infrastructure common stock received by you. Your holding period for such FTAI common shares will not be affected by the distribution. FTAI may not be able to advise stockholders of the tax basis of the distributed shares until after the spin-off occurs. For more information, see "U.S. Federal Income Tax Consequences of the Spin-Off" included elsewhere in this Information Statement.
What will my tax basis and holding period be for common stock of FTAI Infrastructure that I receive in the distribution?	Your tax basis in FTAI Infrastructure common stock received in the spin-off will generally be equal to the lesser of (i) FTAI's basis in such stock on the distribution date, and (ii) your tax basis in FTAI common shares immediately prior to the distribution. FTAI may not be able to advise stockholders of its basis in FTAI Infrastructure common stock until after the spin-off occurs. Your holding period in FTAI Infrastructure common stock received in the spin-off will generally equal FTAI's holding period in FTAI Infrastructure common stock, which may be divided into blocks. For more information, see "U.S. Federal Income Tax Consequences of the Spin-Off" included elsewhere in this Information Statement.
Will FTAI Infrastructure have any debt?	Yes. We have entered into the New Financing, pursuant to which we expect to raise approximately $450.0 million of debt financing from the issuance of 10.5% Senior Secured Notes due 2027 and $300.0 million of preferred equity financing (consisting of Series A Senior Preferred Stock and Warrants, the net proceeds of which will be distributed or otherwise transferred to FTAI in connection with the spin-off. FTAI Infrastructure may also seek other forms of financing. In addition, certain of our subsidiaries will continue to be obligated under a revolving credit facility (the "DRP Revolver") that provides for revolving loans in the aggregate amount of $25.0 million, the Series 2020 Bonds and the Series 2021 Bonds. For additional information relating to our planned financing arrangements, see "Management's Discussion and Analysis of Financial Condition and Results of Operations—Liquidity and Capital Resources" included elsewhere in this Information Statement.
What will the spin-off cost?	FTAI expects to incur pre-tax costs of approximately $12.0 million to $14.0 million in connection with the spin-off.
What will be the relationships between FTAI and FTAI Infrastructure following the spin-off?	Before the spin-off, we will enter into a Separation and Distribution Agreement to effect the spin-off. This agreement will provide for the allocation between us and FTAI of FTAI's assets, liabilities and obligations attributable to periods prior to the spin-off. We cannot assure you that this agreement will be on terms as favorable to us as it may have been if negotiated at arms-length between unaffiliated parties. For more information, see "Certain Relationships and Related Party Transactions" included elsewhere in this Information Statement.
Will I receive physical certificates representing shares of FTAI	No. Following the spin-off, neither FTAI nor FTAI Infrastructure will be issuing physical certificates representing shares of FTAI Infrastructure common stock. Instead, FTAI, with the assistance of American Stock Transfer & Trust Company, LLC ("AST"), the

Infrastructure common stock following the spin-off?	distribution agent, will electronically issue shares of our common stock to you or to your bank or brokerage firm on your behalf by way of direct registration in book-entry form. The distribution agent will mail you a book-entry account statement that reflects your shares of FTAI Infrastructure common stock, or your bank or brokerage firm will credit your account for the shares. A benefit of issuing stock electronically in book-entry form is that there will be none of the physical handling and safekeeping responsibilities that are inherent in owning physical stock certificates. You should consult with your financial advisors, such as your stockbroker, bank or tax advisor. Neither FTAI nor FTAI Infrastructure makes any recommendations on the purchase, retention or sale of FTAI common shares or the FTAI Infrastructure common stock to be distributed.
What if I want to sell my FTAI common shares or my FTAI Infrastructure common stock, and where will I be able to trade shares of FTAI Infrastructure common stock?	If you decide to sell any shares before the distribution, you should make sure your stockbroker, bank or other nominee understands whether you want to sell your FTAI common shares, the FTAI Infrastructure common stock you will receive in the distribution, or both. There is not currently a public market for FTAI Infrastructure's common stock. FTAI Infrastructure has applied to list our common stock on Nasdaq under the symbol "FIP." We anticipate that trading in shares of our common stock will begin on a "when-issued" basis on or shortly before the record date and will continue through the distribution date and that "regular-way" trading in shares of our common stock will begin on the first trading day following the distribution date. If trading begins on a "when-issued" basis, you may purchase or sell our common stock up to and including through the distribution date, but your transaction will not settle until after the distribution date. If the distribution is cancelled, your transaction will not settle and will have to be disqualified. For more information, see "Our Spin-Off from FTAI—Market for Common Stock—Trading Between the Record Date and Distribution Date" included elsewhere in this Information Statement.
Will the number of FTAI common shares I own change as a result of the distribution?	No. The number of FTAI common shares you own will not change as a result of the distribution.
What will happen to the listing of FTAI common shares?	Nothing. It is expected that after the distribution of FTAI Infrastructure common stock, FTAI common shares will continue to be traded on Nasdaq under the symbol "FTAI."
Will the distribution affect the market price of my FTAI shares?	Yes. As a result of the distribution, we expect the trading price of FTAI common shares immediately following the distribution to be lower than immediately prior to the distribution, because the trading price will no longer reflect the value of FTAI Infrastructure's assets. Furthermore, until the market has fully analyzed the value of FTAI without FTAI Infrastructure's assets, the price of FTAI common shares may fluctuate significantly. In addition, although FTAI believes that over time following the spin-off, the common shares and stock of the separated companies should have a higher aggregate market value than the combined company, on a fully distributed basis and assuming similar market conditions pre- and post-spin-off, there can be no assurance in this regard. It is possible that the combined trading prices of FTAI common shares and FTAI Infrastructure common stock after the distribution may be equal to or less than the trading price of FTAI common shares before the distribution.
Are there risks to owning FTAI Infrastructure common stock?	Yes. Our business is subject to a variety of risks that are described in the "Risk Factors" section of this Information Statement beginning on page 23. We encourage you to read that section carefully.

Where can FTAI shareholders get more information?	Before the distribution, if you have any questions relating to the distribution, you should contact: Fortress Transportation & Infrastructure Investors LLC Investor Relations 1345 Avenue of the Americas, 45th Floor New York, NY 10105 Tel: (212) 798-6100 *www.ftandi.com* After the spin-off, if you have any questions relating to our common stock, you should contact: FTAI Infrastructure Inc. 1345 Avenue of the Americas, 45th Floor New York, NY 10105 Tel: (212) 798-6100 *www.fipinc.com*

The Spin-Off

The following is a summary of the material terms of the spin-off and other related transactions.

Distributing company	Fortress Transportation & Infrastructure Investors LLC. After the distribution, FTAI will not own any shares of our common stock.
Distributed company	FTAI Infrastructure. We are a Delaware limited liability company and, prior to the spin-off, a subsidiary of FTAI. Upon our conversion and the distribution, we will be an independent, publicly traded Delaware corporation.
Distribution ratio	Each holder of FTAI common shares will receive one share of our common stock for each FTAI common share held on , 2022.
Distributed securities	All of FTAI Infrastructure's shares of common stock that are owned by FTAI, which will be approximately 99.99% of FTAI Infrastructure common stock outstanding immediately prior to the distribution.
Record date	The record date for the distribution is the close of business on , 2022.
Distribution date	The distribution date is , 2022.
Distribution	On the distribution date, FTAI, with the assistance of AST, the distribution agent, will electronically issue shares of our common stock to you or to your bank or brokerage firm on your behalf by way of direct registration in book-entry form. You will not be required to make any payment, surrender or exchange your FTAI common shares or take any other action to receive your shares of our common stock. If you sell FTAI common shares in the "regular-way" market through the distribution date, you will be selling your right to receive shares of FTAI Infrastructure common stock in the distribution. Registered stockholders will receive additional information from the distribution agent shortly after the distribution date. Following the distribution, stockholders whose shares are held in book-entry form may request that their shares of FTAI Infrastructure common stock be transferred to a brokerage or other account at any time, without charge. Beneficial stockholders that hold shares through brokerage firms will receive additional information from their brokerage firms shortly after the distribution date.
Conditions to the distribution	The distribution of our common stock is subject to the satisfaction of the following conditions: • our registration statement on Form 10, of which this Information Statement is a part, shall have become effective under the Exchange Act, and no stop order relating to the registration statement shall be in effect; • all other actions and filings necessary or appropriate under applicable federal or state securities laws and state blue sky laws in connection with the transactions shall have been taken; • an outside valuation advisory firm or firms acceptable to FTAI shall have delivered one or more opinions to the board of directors of FTAI regarding solvency and capital adequacy matters with respect to FTAI and FTAI Infrastructure after consummation of the distribution, and such opinions shall be acceptable to FTAI in form and substance in FTAI's sole discretion and such opinions shall not have been withdrawn or rescinded;

- the FTAI Infrastructure common stock to be distributed in the separation shall have been accepted for listing on Nasdaq, subject to compliance with applicable listing requirements;
- the Restructuring Transactions shall have been completed;
- any ancillary agreements shall have been executed and delivered by each of FTAI and us, as applicable, and no party to any of the ancillary agreements will be in material breach of any such agreement;
- any material governmental and third-party approvals shall have been obtained and be in full force and effect; and
- no order, injunction or decree issued by any court of competent jurisdiction or other legal restraint or prohibition preventing consummation of the distribution or any of the transactions related thereto, including the transfers of assets and liabilities contemplated by the Separation and Distribution Agreement, shall be in effect.

We cannot assure you that all of the conditions will be satisfied or waived. In addition, if the separation is completed and FTAI's board of directors waives any such condition, such waiver could have a material adverse effect on FTAI's and FTAI Infrastructure's respective business, financial condition or results of operations, including, without limitation, as a result of illiquid trading due to the failure of FTAI Infrastructure common stock to be accepted for listing, litigation relating to any preliminary or permanent injunctions that sought to prevent the consummation of the separation, or the failure of FTAI or FTAI Infrastructure to obtain any required regulatory approvals. As of the date hereof, the board of directors of FTAI does not intend to waive any of the conditions described herein and would only consider such a waiver if it determined that such action was in the best interests of FTAI and its shareholders.

The fulfillment of the above conditions will not create any obligation on behalf of FTAI to effect the separation. Until the separation has occurred, FTAI has the right to terminate the separation, even if all the conditions have been satisfied, if the board of directors of FTAI determines, in its sole discretion, that the separation is not in the best interests of FTAI and its shareholders or that market conditions or other circumstances are such that the separation of FTAI Infrastructure and FTAI is no longer advisable at that time.

We have applied to list our common stock on Nasdaq under the ticker symbol "FIP." We anticipate that on or prior to the record date for the distribution, trading of our common stock will begin on a "when-issued" basis and will continue up to and including the distribution date. See "Our Spin-Off from FTAI—Market for Common Stock—Trading Between the Record Date and Distribution Date" included elsewhere in this Information Statement.

Stock exchange listing

It is expected that after the distribution of FTAI Infrastructure common stock, FTAI common shares will continue to be traded on Nasdaq under the symbol "FTAI." FTAI Infrastructure has applied to list its common stock on Nasdaq under the symbol "FIP."

Distribution agent	AST.
	Following the spin-off, you will hold shares in a U.S. corporation. All of the net income attributable to FTAI Infrastructure will be subject to U.S. federal (and state and local) corporate income taxes, which we do not anticipate will have a material impact on stockholder returns because such assets were held in corporate subsidiaries of FTAI prior to the spin-off.
Tax considerations	You should consult your tax advisor as to the particular tax consequences of the distribution to you, including the applicability of any U.S. federal, state, local and non-U.S. tax laws with respect to distributions from a U.S. corporation to you and with respect to sale or other transfers of stock in a U.S. corporation. For more information, see "U.S. Federal Income Tax Considerations" included elsewhere in this Information Statement.
Separation and Distribution Agreement	Before the distribution, we will enter into the Separation and Distribution Agreement to effect the spin-off. This agreement will provide for the allocation between us and FTAI of FTAI's assets, liabilities and obligations (including tax-related assets and liabilities) attributable to periods prior to our spin-off from FTAI. For a discussion of this and other arrangements, see "Certain Relationships and Related Party Transactions" included elsewhere in this Information Statement.
Equitable adjustment of options in connection with the distribution	In connection with the distribution, each FTAI option held as of the date of the distribution by our Manager or by the directors, officers, employees, service providers, consultants and advisors of our Manager will be converted into an adjusted FTAI option and a new FTAI Infrastructure option. The exercise price of each adjusted FTAI option and FTAI Infrastructure option will be set to collectively maintain the intrinsic value of the FTAI option immediately prior to the distribution and to maintain the ratio of the exercise price of the adjusted FTAI option and the FTAI Infrastructure option, respectively, to the fair market value of the underlying shares as of the distribution. The terms and conditions applicable to each FTAI Infrastructure option will be substantially similar to the terms and conditions otherwise applicable to the FTAI option as of the date of distribution. The grant of such FTAI Infrastructure options will not reduce the number of shares of our common stock otherwise available for issuance under the Plan (as defined below).

RISK FACTORS

You should carefully consider the following risks and other information in this Information Statement in evaluating us and our common stock. Any of the following risks, as well as additional risks and uncertainties not currently known to us or that we currently deem immaterial, could materially and adversely affect our results of operations or financial condition. The risk factors generally have been separated into the following groups: risks related to our business, risks related to our Manager, risks related to the separation and risks related to our common stock. However, these categories do overlap and should not be considered exclusive.

Risks Related to Our Business

We have no operating history as an independent company and may not be able to successfully operate our business strategy, generate sufficient revenue to make or sustain distributions to our stockholders or meet our contractual commitments.

We have no experience operating as an independent company and cannot assure you that we will be able to successfully operate our business or implement our operating policies and strategies as described in this Information Statement. The timing, terms, price and form of consideration that we pay in future transactions may vary meaningfully from prior transactions.

Once we commence operations as an independent company, there can be no assurance that we will be able to generate sufficient returns to pay our operating expenses and make satisfactory distributions to our stockholders, or any distributions at all. Our results of operations and our ability to make or sustain distributions to our stockholders depend on several factors, including the availability of opportunities to acquire attractive assets, the level and volatility of interest rates, the availability of adequate short- and long-term financing, the financial markets and economic conditions.

The historical and pro forma financial information included in this Information Statement may not be indicative of the results we would have achieved as a separate stand-alone company and are not a reliable indicator of our future performance or results.

We did not operate as a separate, stand-alone company for the entirety of the historical periods presented in the financial information included in this Information Statement, which has been derived from FTAI's historical financial statements. Therefore, the financial information in this Information Statement does not necessarily reflect what our financial condition, results of operations or cash flows would have been had we been a separate, stand-alone public company prior to our spin-off from FTAI. This is primarily a result of the following factors:

- the financial results in this Information Statement do not reflect all of the expenses we will incur as a public company;
- the working capital requirements and capital for general corporate purposes for our assets were satisfied prior to the spin-off as part of FTAI's corporate-wide cash management policies. FTAI is not required, and does not intend, to provide us with funds to finance our working capital or other cash requirements, so we may need to obtain additional financing from banks, through public offerings or private placements of debt or equity securities, strategic relationships or other arrangements; and
- our cost structure, management, financing and business operations will be significantly different as a result of operating as an independent public company. These changes result in increased costs, including, but not limited to, fees paid to our Manager, legal, accounting, compliance and other costs associated with being a public company with equity securities traded on Nasdaq.

In addition, the unaudited pro forma financial information of the Company is based in part on certain assumptions regarding the spin-off and the New Financing that we believe are reasonable under the circumstances. However, our assumptions and estimates are preliminary and may not prove to be accurate over time. As a result, investors should not place undue reliance on the unaudited pro forma financial information of the Company.

A pandemic, including COVID-19, could have an adverse impact on our business, financial condition, and results of operations.

In recent years, the outbreaks of certain highly contagious diseases have increased the risk of a pandemic resulting in economic disruptions. In particular, the ongoing COVID-19 pandemic has led to severe disruptions in the market and the global, U.S. and regional economies that may continue for a prolonged duration and trigger a

recession or a period of economic slowdown. In response, various governmental bodies and private enterprises have implemented numerous measures to mitigate the outbreak, such as travel bans and restrictions, quarantines, shelter-in-place orders and shutdowns. The COVID-19 outbreak continues to be dynamic and evolving, including a resurgence of COVID-19 cases in certain geographies, and its ultimate scope, duration, effects and the availability of vaccines remain uncertain.

The ongoing COVID-19 pandemic adversely affected our Jefferson Terminal business in several material ways during the years ended December 31, 2020 and 2021. Although difficult to quantify the impact, the pandemic adversely affected macro trends in refinery utilization rates in the United States and the global consumption of petroleum and liquid fuels in 2020 and part of 2021, which adversely affected our revenue potential at our Jefferson Terminal business. In addition, we were unable to complete anticipated new customer contracts and certain of our existing customers did not increase volumes as anticipated which also adversely affected our revenue potential for those periods.

We expect that this pandemic, and any future epidemic or pandemic crises, could result in direct and indirect adverse effects on our industry and customers, which in turn may impact our business, results of operations and financial condition. Effects of the current pandemic have included, or may in the future include, among others:

- deterioration of worldwide, regional or national economic conditions and activity, which could adversely affect demand for our services;
- disruptions to our operations as a result of the potential health impact, such as the availability and efficacy of vaccines, on our employees and crew, and on the workforces of our customers and business partners;
- disruptions to our business from, or additional costs related to, new regulations, directives or practices implemented in response to the pandemic, such as travel restrictions, increased inspection regimes, hygiene measures (such as quarantining and physical distancing) or increased implementation of remote working arrangements;
- potential reduced cash flows and financial condition, including potential liquidity constraints;
- reduced access to capital, including the ability to refinance any existing obligations, as a result of any credit tightening generally or due to continued declines in global financial markets, including to the prices of publicly traded securities of us, our peers and of listed companies generally; and
- potential deterioration in the financial condition and prospects of our customers, joint venture partners or business partners, or attempts by customers or third parties to invoke force majeure contractual clauses as a result of delays or other disruptions.

As COVID-19 continues to evolve, the extent to which COVID-19 impacts operations will depend on future developments, which are highly uncertain and cannot be predicted with confidence, including the duration and severity of the outbreak, and the actions that may be required to try and contain COVID-19 or treat its impact. We continue to monitor the pandemic and, the extent to which the continued spread of the virus adversely affects our customer base and therefore revenue. As the COVID-19 pandemic is complex and rapidly evolving, our plans as described above may change. At this point, we cannot reasonably estimate the duration and severity of this pandemic, which could have a material adverse impact on our business, results of operations, financial position and cash flows.

Uncertainty relating to macroeconomic conditions may reduce the demand for our assets, limit our ability to obtain additional capital to finance new investments or refinance existing debt, or have other unforeseen negative effects.

Uncertainty and negative trends in general economic conditions in the United States and abroad, including significant tightening of credit markets and commodity price volatility, historically have created difficult operating environments for owners and operators in the infrastructure industry. Many factors, including factors that are beyond our control, may impact our operating results or financial condition. For some years, the world has experienced weakened economic conditions and volatility following adverse changes in global capital markets. Excess supply in oil and gas markets can put significant downward pressure on prices for these commodities, and may affect demand for assets used in production, refining and transportation of oil and gas. In the past, a significant decline in oil prices has led to lower production and transportation budgets worldwide. These conditions have resulted in significant contraction, deleveraging and reduced liquidity in the credit markets. A number of governments have implemented, or are considering implementing, a broad variety of governmental actions or new regulations for the financial

markets. In addition, limitations on the availability of capital, higher costs of capital for financing expenditures or the desire to preserve liquidity, may cause our current or prospective customers to make reductions in future capital budgets and spending.

The industries in which we operate have experienced periods of oversupply during which asset values have declined, particularly during the most recent economic downturn, and any future oversupply could materially adversely affect our results of operations and cash flows.

The oversupply of a specific asset is likely to depress the value of our assets and result in decreased utilization of our assets, and the industries in which we operate have experienced periods of oversupply during which asset values have declined, particularly during the most recent economic downturn. Factors that could lead to such oversupply include, without limitation:

- general demand for the type of assets that we purchase;
- general macroeconomic conditions, including market prices for commodities that our assets may serve;
- geopolitical events, including war, prolonged armed conflict and acts of terrorism;
- outbreaks of communicable diseases and natural disasters;
- governmental regulation;
- interest rates;
- the availability of credit;
- restructurings and bankruptcies of companies in the industries in which we operate, including our customers;
- manufacturer production levels and technological innovation;
- manufacturers merging or exiting the industry or ceasing to produce certain asset types;
- retirement and obsolescence of the assets that we own;
- increases in supply levels of assets in the market due to the sale or merging of our customers; and
- reintroduction of previously unused or dormant assets into the industries in which we operate.

These and other related factors are generally outside of our control and could lead to persistence of, or increase in, the oversupply of the types of assets that we acquire or decreased utilization of our assets, either of which could materially adversely affect our results of operations and cash flows.

There can be no assurance that any target returns will be achieved.

Our target returns for assets are targets only and are not forecasts of future profits. We develop target returns based on our Manager's assessment of appropriate expectations for returns on assets and the ability of our Manager to enhance the return generated by those assets through active management. There can be no assurance that these assessments and expectations will be achieved and failure to achieve any or all of them may materially adversely impact our ability to achieve any target return with respect to any or all of our assets.

In addition, our target returns are based on estimates and assumptions regarding a number of other factors, including, without limitation, holding periods, the absence of material adverse events affecting specific investments (which could include, without limitation, natural disasters, terrorism, social unrest or civil disturbances), general and local economic and market conditions, changes in law, taxation, regulation or governmental policies and changes in the political approach to infrastructure investment, either generally or in specific countries in which we may invest or seek to invest. Many of these factors, as well as the other risks described elsewhere in this Information Statement, are beyond our control and all could adversely affect our ability to achieve a target return with respect to an asset. Further, target returns are targets for the return generated by specific assets and not by us. Numerous factors could prevent us from achieving similar returns, notwithstanding the performance of individual assets, including, without limitation, taxation and fees payable by us or our operating subsidiaries, including fees and incentive allocation payable to our Manager.

There can be no assurance that the returns generated by any of our assets will meet our target returns, or any other level of return, or that we will achieve or successfully implement our asset acquisition objectives, and failure

to achieve the target return in respect of any of our assets could, among other things, have a material adverse effect on our business, prospects, financial condition, results of operations and cash flows. Further, even if the returns generated by individual assets meet target returns, there can be no assurance that the returns generated by other existing or future assets would do so, and the historical performance of the assets in our existing portfolio should not be considered as indicative of future results with respect to any assets.

Contractual defaults may adversely affect our business, prospects, financial condition, results of operations and cash flows by decreasing revenues and increasing storage, positioning, collection, recovery and lost equipment expenses.

The success of our business depends in large part on the success of the operators in the sectors in which we participate. Cash flows from our assets are substantially impacted by our ability to collect compensation and other amounts to be paid in respect of such assets from the customers with whom we enter into contractual arrangements. Inherent in the nature of the arrangements for the use of such assets is the risk that we may not receive, or may experience delay in realizing, such amounts to be paid. While we target the entry into contracts with credit-worthy counterparties, no assurance can be given that such counterparties will perform their obligations during the term of the contractual arrangement. In addition, when counterparties default, we may fail to recover all of our assets, and the assets we do recover may be returned in damaged condition or to locations where we will not be able to efficiently use or sell them.

If we acquire a high concentration of a particular type of asset, or concentrate our investments in a particular sector, our business, prospects, financial condition, results of operations and cash flows could be adversely affected by changes in market demand or problems specific to that asset or sector.

If we acquire a high concentration of a particular asset, or concentrate our investments in a particular sector, our business and financial results could be adversely affected by sector-specific or asset-specific factors. Furthermore, as a result of the spin-off transaction, our assets will be focused on infrastructure and we will not have any interest in FTAI's aviation assets, which limits the diversity of our portfolio. Any decrease in the value and rates of our assets may have a material adverse effect on our business, prospects, financial condition, results of operations and cash flows.

We may not generate a sufficient amount of cash or generate sufficient free cash flow to fund our operations or repay our indebtedness.

Our ability to make payments on our indebtedness as required depends on our ability to generate cash flow in the future. This ability, to a certain extent, is subject to general economic, financial, competitive, legislative, regulatory and other factors that are beyond our control. If we do not generate sufficient free cash flow to satisfy our debt obligations, including interest payments and the payment of principal at maturity, we may have to undertake alternative financing plans, such as refinancing or restructuring our debt, selling assets, reducing or delaying capital investments or seeking to raise additional capital. We cannot provide assurance that any refinancing would be possible, that any assets could be sold, or, if sold, of the timeliness and amount of proceeds realized from those sales, that additional financing could be obtained on acceptable terms, if at all, or that additional financing would be permitted under the terms of our various debt instruments then in effect. Furthermore, our ability to refinance would depend upon the condition of the finance and credit markets. Our inability to generate sufficient free cash flow to satisfy our debt obligations, or to refinance our obligations on commercially reasonable terms or on a timely basis, would materially affect our business, financial condition and results of operations.

We operate in highly competitive markets.

The business of acquiring infrastructure assets is highly competitive. Market competition for opportunities includes traditional infrastructure companies, commercial and investment banks, as well as a growing number of non-traditional participants, such as hedge funds, private equity funds and other private investors, including Fortress-related entities. Some of these competitors may have access to greater amounts of capital and/or to capital that may be committed for longer periods of time or may have different return thresholds than us, and thus these competitors may have certain advantages not shared by us. In addition, competitors may have incurred, or may in the future incur, leverage to finance their debt investments at levels or on terms more favorable than those available to us. Strong competition for investment opportunities could result in fewer such opportunities for us, as certain of these competitors have established and are establishing investment vehicles that target the same types of assets that we intend to purchase.

In addition, some of our competitors may have longer operating histories, greater financial resources and lower costs of capital than us, and consequently, may be able to compete more effectively in one or more of our target markets. We likely will not always be able to compete successfully with our competitors and competitive pressures or other factors may also result in significant price competition, particularly during industry downturns, which could have a material adverse effect on our business, prospects, financial condition, results of operations and cash flows.

The values of our assets may fluctuate due to various factors.

The fair market values of our assets may decrease or increase depending on a number of factors, including general economic and market conditions affecting our target markets, type and age of assets, supply and demand for assets, competition, new governmental or other regulations and technological advances, all of which could impact our profitability and our ability to develop, operate, or sell such assets. In addition, our assets depreciate as they age and may generate lower revenues and cash flows. We must be able to replace such older, depreciated assets with newer assets, or our ability to maintain or increase our revenues and cash flows will decline. In addition, if we dispose of an asset for a price that is less than the depreciated book value of the asset on our balance sheet or if we determine that an asset's value has been impaired, we will recognize a related charge in our combined consolidated statement of operations and such charge could be material.

We may acquire operating businesses, including businesses whose operations are not fully matured and stabilized. These businesses may be subject to significant operating and development risks, including increased competition, cost overruns and delays, and difficulties in obtaining approvals or financing. These factors could materially affect our business, financial condition, liquidity and results of operations.

We will receive in the spin-off, and may in the future acquire, operating businesses, including businesses whose operations are not fully matured and stabilized (including, but not limited to, our businesses within the Jefferson Terminal, Ports and Terminals and Transtar segments). While our Manager has deep experience in the construction and operation of these companies, we are nevertheless subject to significant risks and contingencies of an operating business, and these risks are greater where the operations of such businesses are not fully matured and stabilized. Key factors that may affect our operating businesses include, but are not limited to:

- competition from market participants;
- general economic and/or industry trends, including pricing for the products or services offered by our operating businesses;
- the issuance and/or continued availability of necessary permits, licenses, approvals and agreements from governmental agencies and third parties as are required to construct and operate such businesses;
- changes or deficiencies in the design or construction of development projects;
- unforeseen engineering, environmental or geological problems;
- potential increases in construction and operating costs due to changes in the cost and availability of fuel, power, materials and supplies;
- the availability and cost of skilled labor and equipment;
- our ability to enter into additional satisfactory agreements with contractors and to maintain good relationships with these contractors in order to construct development projects within our expected cost parameters and time frame, and the ability of those contractors to perform their obligations under the contracts and to maintain their creditworthiness;
- potential liability for injury or casualty losses which are not covered by insurance;
- potential opposition from non-governmental organizations, environmental groups, local or other groups which may delay or prevent development activities;
- local and economic conditions;
- recent geopolitical events;
- changes in legal requirements; and
- force majeure events, including catastrophes and adverse weather conditions.

Any of these factors could materially affect our business, financial condition, liquidity and results of operations.

Our use of joint ventures or partnerships, and our Manager's outsourcing of certain functions, may present unforeseen obstacles or costs.

We will receive in the spin-off, and may in the future acquire, interests in certain assets in cooperation with third-party partners or co-investors through jointly owned acquisition vehicles, joint ventures or other structures. In these co-investment situations, our ability to control the management of such assets depends upon the nature and terms of the joint arrangements with such partners and our relative ownership stake in the asset, each of which will be determined by negotiation at the time of the investment and the determination of which is subject to the discretion of our Manager. Depending on our Manager's perception of the relative risks and rewards of a particular asset, our Manager may elect to acquire interests in structures that afford relatively little or no operational and/or management control to us. Such arrangements present risks not present with wholly owned assets, such as the possibility that a co-investor becomes bankrupt, develops business interests or goals that conflict with our interests and goals in respect of the assets, all of which could materially adversely affect our business, prospects, financial condition, results of operations and cash flows.

In addition, our Manager expects to utilize third-party contractors to perform services and functions related to the operation of our assets. These functions may include billing, collections, recovery and asset monitoring. Because we and our Manager do not directly control these third parties, there can be no assurance that the services they provide will be delivered at a level commensurate with our expectations, or at all. The failure of any such third-party contractors to perform in accordance with our expectations could materially adversely affect our business, prospects, financial condition, results of operations and cash flows.

We are subject to the risks and costs of obsolescence of our assets.

Technological and other improvements expose us to the risk that certain of our assets may become technologically or commercially obsolete. If we are not able to acquire new technology or are unable to implement new technology, we may suffer a competitive disadvantage. For example, as the freight transportation markets we serve continue to evolve and become more efficient, the use of certain locomotives or railcars may decline in favor of other more economic modes of transportation. If the technology we use in our lines of business is superseded, or the cost of replacing our locomotives or railcars is expensive and requires additional capital, we could experience significant cost increases and reduced availability of the assets and equipment that are necessary for our operations. Any of these risks may adversely affect our ability to sell our assets on favorable terms, if at all, which could materially adversely affect our operating results and growth prospects.

The North American rail sector is a highly regulated industry and increased costs of compliance with, or liability for violation of, existing or future laws, regulations and other requirements could significantly increase our operational costs of doing business, thereby adversely affecting our profitability.

The rail sector is subject to extensive laws, regulations and other requirements, including, but not limited to, those relating to the environment, safety, rates and charges, service obligations, employment, labor, immigration, minimum wages and overtime pay, health care and benefits, working conditions, public accessibility and other requirements. These laws and regulations are enforced by U.S. federal agencies including the U.S. Environmental Protection Agency (the "U.S. EPA"), the U.S. Department of Transportation (the "DOT"), the Occupational Safety and Health Act (the "OSHA"), the U.S. Federal Railroad Administration (the "FRA"), and the U.S. Surface Transportation Board (the "STB"), as well as numerous other state, provincial, local and federal agencies. Ongoing compliance with, or a violation of, these laws, regulations and other requirements could have a material adverse effect on our business, financial condition and results of operations.

We believe that our rail operations are in substantial compliance with applicable laws and regulations. However, these laws and regulations, and the interpretation or enforcement thereof, are subject to frequent change and varying interpretation by regulatory authorities, and we are unable to predict the ongoing cost to us of complying with these laws and regulations or the future impact of these laws and regulations on our operations. In addition, from time to time we are subject to inspections and investigations by various regulators. Violation of environmental or other laws, regulations and permits can result in the imposition of significant administrative, civil and criminal penalties, injunctions and construction bans or delays.

Legislation passed by the U.S. Congress or Canadian Parliament or new regulations issued by federal agencies can significantly affect the revenues, costs and profitability of our business. For instance, more recently proposed bills

such as the "Rail Shipper Fairness Act of 2017," or competitive access proposals under consideration by the STB, if adopted, could increase government involvement in railroad pricing, service and operations and significantly change the federal regulatory framework of the railroad industry. Several of the changes under consideration could have a significant negative impact on the Company's ability to determine prices for rail services, meet service standards and could force a reduction in capital spending. Statutes imposing price constraints or affecting rail-to-rail competition could adversely affect the Company's profitability.

Under various U.S. federal, state, provincial and local environmental requirements, as the owner or operator of terminals or other facilities, we may be liable for the costs of removal or remediation of contamination at or from our existing locations, whether we knew of, or were responsible for, the presence of such contamination. The failure to timely report and properly remediate contamination may subject us to liability to third parties and may adversely affect our ability to sell or rent our property or to borrow money using our property as collateral. Additionally, we may be liable for the costs of remediating third-party sites where hazardous substances from our operations have been transported for treatment or disposal, regardless of whether we own or operate that site. In the future, we may incur substantial expenditures for investigation or remediation of contamination that has not yet been discovered at our current or former locations or locations that we may acquire.

A discharge of hydrocarbons or hazardous substances into the environment associated with operating our rail assets could subject us to substantial expense, including the cost to recover the materials spilled, restore the affected natural resources, pay fines and penalties, and natural resource damages and claims made by employees, neighboring landowners, government authorities and other third parties, including for personal injury and property damage. We may experience future catastrophic sudden or gradual releases into the environment from our facilities or discover historical releases that were previously unidentified or not assessed. Although our inspection and testing programs are designed to prevent, detect and address any such releases promptly, the liabilities incurred due to any future releases into the environment from our assets, have the potential to substantially affect our business. Such events could also subject us to media and public scrutiny that could have a negative effect on our operations and also on the value of our common stock.

Our business could be adversely affected if service on the railroads is interrupted or if more stringent regulations are adopted regarding railcar design or the transportation of crude oil by rail.

As a result of hydraulic fracturing and other improvements in extraction technologies, there has been a substantial increase in the volume of crude oil and liquid hydrocarbons produced and transported in North America, and a geographic shift in that production versus historical production. The increase in volume and shift in geography has resulted in increased pipeline congestion and a corresponding growth in crude oil being transported by rail from Canada and across the U.S. High-profile accidents involving crude-oil-carrying trains in Quebec, North Dakota and Virginia, and more recently in Saskatchewan, West Virginia and Illinois, have raised concerns about derailments and the environmental and safety risks associated with crude oil transport by rail and the associated risks arising from railcar design. In Canada, the transport of hazardous products is receiving greater scrutiny which could impact our customers and our business.

In May 2015, the DOT issued new production standards and operational controls for rail tank cars used in "High-Hazard Flammable Trains" (i.e., trains carrying commodities such as ethanol, crude oil and other flammable liquids). Similar standards have been adopted in Canada. The new standard applies for all cars manufactured after October 1, 2015, and existing tank cars must be retrofitted within the next three to eight years. The applicable operational controls include reduced speed restrictions, and maximum lengths on trains carrying these materials. Retrofitting our tank cars will be required under these new standards to the extent we elect to move certain flammable liquids in the future. While we may be able to pass some of these costs on to our customers, there may be costs that we cannot pass on to them. We continue to monitor the railcar regulatory landscape and remain in close contact with railcar suppliers and other industry stakeholders to stay informed of railcar regulation rulemaking developments. It is unclear how these regulations will impact the crude-by-rail industry, and any such impact would depend on a number of factors that are outside of our control. If, for example, overall volume of crude-by-rail decreases, or if we do not have access to a sufficient number of compliant cars to transport required volumes under our existing contracts, our operations may be negatively affected. This may lead to a decrease in revenues and other consequences.

The adoption of additional federal, state, provincial or local laws or regulations, including any voluntary measures by the rail industry regarding railcar design or crude oil and liquid hydrocarbon rail transport activities, or efforts by local communities to restrict or limit rail traffic involving crude oil, could affect our business by increasing compliance costs and decreasing demand for our services, which could adversely affect our financial position and

cash flows. Moreover, any disruptions in the operations of railroads, including those due to shortages of railcars, weather-related problems, flooding, drought, accidents, mechanical difficulties, strikes, lockouts or bottlenecks, could adversely impact our customers' ability to move their product and, as a result, could affect our business.

We could be negatively impacted by environmental, social, and governance ("ESG") and sustainability-related matters.

Governments, investors, customers, employees and other stakeholders are increasingly focusing on corporate ESG practices and disclosures, and expectations in this area are rapidly evolving. We have announced, and may in the future announce, sustainability-focused investments, partnerships and other initiatives and goals. These initiatives, aspirations, targets or objectives reflect our current plans and aspirations and are not guarantees that we will be able to achieve them. Our efforts to accomplish and accurately report on these initiatives and goals present numerous operational, regulatory, reputational, financial, legal, and other risks, any of which could have a material negative impact, including on our reputation and stock price.

In addition, the standards for tracking and reporting on ESG matters are relatively new, have not been harmonized and continue to evolve. Our selection of disclosure frameworks that seek to align with various voluntary reporting standards may change from time to time and may result in a lack of comparative data from period to period. Moreover, our processes and controls may not always align with evolving voluntary standards for identifying, measuring, and reporting ESG metrics, our interpretation of reporting standards may differ from those of others, and such standards may change over time, any of which could result in significant revisions to our goals or reported progress in achieving such goals. In this regard, the criteria by which our ESG practices and disclosures are assessed may change due to the quickly evolving landscape, which could result in greater expectations of us and cause us to undertake costly initiatives to satisfy such new criteria. The increasing attention to corporate ESG initiatives could also result in increased investigations and litigation or threats thereof. If we are unable to satisfy such new criteria, investors may conclude that our ESG and sustainability practices are inadequate. If we fail or are perceived to have failed to achieve previously announced initiatives or goals or to accurately disclose our progress on such initiatives or goals, our reputation, business, financial condition and results of operations could be adversely impacted.

We transport hazardous materials.

We transport certain hazardous materials and other materials, including crude oil, ethanol, and toxic inhalation hazard ("TIH") materials, such as chlorine, that pose certain risks in the event of a release or combustion. Additionally, U.S. laws impose common carrier obligations on railroads that require us to transport certain hazardous materials regardless of risk or potential exposure to loss. In addition, insurance premiums charged for, or the self-insured retention associated with, some or all of the coverage currently maintained by us could increase dramatically or certain coverage may not be available to us in the future if there is a catastrophic event related to rail transportation of these materials. A rail accident or other incident or accident on our network, at our facilities, or at the facilities of our customers involving the release or combustion of hazardous materials could involve significant costs and claims for personal injury, property damage, and environmental penalties and remediation in excess of our insurance coverage for these risks, which could have a material adverse effect on our results of operations, financial condition, and liquidity.

We may be affected by fluctuating prices for fuel and energy.

Volatility in energy prices could have a significant effect on a variety of items including, but not limited to: the economy; demand for transportation services; business related to the energy sector, including the production and processing of crude oil, natural gas, and coal; fuel prices; and, fuel surcharges. Particularly in our rail business, fuel costs constitute a significant portion of our expenses. Diesel fuel prices and availability can be subject to dramatic fluctuations, and significant price increases could have a material adverse effect on our operating results. If a severe fuel supply shortage arose from production curtailments, disruption of oil imports or domestic oil production, disruption of domestic refinery production, damage to refinery or pipeline infrastructure, political unrest, war, terrorist attack or otherwise, diesel fuel may not be readily available and may be subject to rationing regulations. Currently, we receive fuel surcharges and other rate adjustments to offset fuel prices, although there may be a significant delay in our recovery of fuel costs based on the terms of the fuel surcharge program. If Class I railroads change their policies regarding fuel surcharges, the compensation we receive for increases in fuel costs may decrease, which could have a negative effect on our profitability; in fact, we cannot be certain that we will always be able to

mitigate rising or elevated fuel costs through fuel surcharges at all, as future market conditions or legislative or regulatory activities could adversely affect our ability to apply fuel surcharges or adequately recover increased fuel costs through fuel surcharges.

International, political, and economic factors, events and conditions, including recent geopolitical events, may affect the volatility of fuel prices and supplies. Weather can also affect fuel supplies and limit domestic refining capacity. A severe shortage of, or disruption to, domestic fuel supplies could have a material adverse effect on our results of operations, financial condition, and liquidity. In addition, lower fuel prices could have a negative impact on commodities we process and transport, such as crude oil and petroleum products, which could have a material adverse effect on our results of operations, financial condition, and liquidity.

Because we depend on Class I railroads for a significant portion of our operations in North America, our results of operations, financial condition and liquidity may be adversely affected if our relationships with these carriers deteriorate.

The railroad industry in the United States and Canada is dominated by seven Class I carriers that have substantial market control and negotiating leverage. In addition, Class I carriers also traditionally have been significant sources of business for us, and may be future sources of potential acquisition candidates as they divest branch lines. A decision by any of these Class I carriers to cease or re-route certain freight movements or to alter existing business relationships, including operational or relationship changes, could have a material adverse effect on our results of operations. The overall impact of any such decision would depend on which Class I carrier is involved, the routes and freight movements affected, as well as the nature of any changes.

Transtar faces competition from other railroads and other transportation providers.

Transtar faces competition from other railroads, motor carriers, ships, barges, and pipelines. We operate in some corridors served by other railroads and motor carriers. In addition to price competition, we face competition with respect to transit times, quality, and reliability of service from motor carriers and other railroads. Motor carriers in particular can have an advantage over railroads with respect to transit times and timeliness of service. However, railroads are much more fuel-efficient than trucks, which reduces the impact of transporting goods on the environment and public infrastructure. Additionally, we must build or acquire and maintain our rail system, while trucks, barges, and maritime operators are able to use public rights-of-way maintained by public entities. Any of the following could also affect the competitiveness of our rail services, which could have a material adverse effect on our results of operations, financial condition, and liquidity: (i) improvements or expenditures materially increasing the quality or reducing the costs of these alternative modes of transportation, such as autonomous or more fuel efficient trucks, (ii) legislation that eliminates or significantly increases the size or weight limitations applied to motor carriers, or (iii) legislation or regulatory changes that impose operating restrictions on railroads or that adversely affect the profitability of some or all railroad traffic. Additionally, any future consolidation of the rail industry could materially affect our competitive environment.

Our assets are exposed to unplanned interruptions caused by events outside of our control which may disrupt our business and cause damage or losses that may not be adequately covered by insurance.

The operations of infrastructure projects are exposed to unplanned interruptions caused by breakdown or failure of equipment or plants, aging infrastructure, employee error or contractor or subcontractor failure, problems that delay or increase the cost of returning facilities to service after outages, limitations that may be imposed by equipment conditions or environmental, safety or other regulatory requirements, fuel supply or fuel transportation reductions or interruptions, labor disputes, difficulties with the implementation or operation of information systems, derailments, power outages, pipeline or electricity line ruptures and catastrophic events, such as hurricanes, cyclones, earthquakes, landslides, floods, explosions, fires or other disasters. Any equipment or system outage or constraint can, among other things, reduce sales, increase costs and affect the ability to meet regulatory service metrics, customer expectations and regulatory reliability and security requirements. We have in the past experienced power outages at plants which disrupted their operations and negatively impacted our revenues. We cannot assure you that similar events may not occur in the future. Operational disruption, as well as supply disruption, and increased government oversight could adversely impact the cash flows available from these assets. In addition, the cost of repairing or replacing damaged assets could be considerable. Repeated or prolonged interruption may result in temporary or permanent loss of customers, substantial litigation or penalties for regulatory or contractual non-compliance, and any loss from such

events may not be recoverable under relevant insurance policies. Although we believe that we are adequately insured against these types of events no assurance can be given that the occurrence of any such event will not materially adversely affect us.

We are actively evaluating potential acquisitions of assets and operating companies in other infrastructure sectors which could result in additional risks and uncertainties for our business and unexpected regulatory compliance costs.

While our existing portfolio consists of assets in the energy, port and rail sectors, we are actively evaluating potential acquisitions of assets and operating companies in other infrastructure sectors and we plan to be flexible as other attractive opportunities arise over time. To the extent we make acquisitions in other sectors, we will face numerous risks and uncertainties, including risks associated with the required investment of capital and other resources and with combining or integrating operational and management systems and controls. Entry into certain lines of business may subject us to new laws and regulations and may lead to increased litigation and regulatory risk. Many types of infrastructure assets, including certain rail and seaport assets, are subject to registration requirements by U.S. governmental agencies, as well as foreign governments if such assets are to be used outside of the United States. Failing to register the assets, or losing such registration, could result in substantial penalties, forced liquidation of the assets and/or the inability to operate and, if applicable, lease the assets. We may need to incur significant costs to comply with the laws and regulations applicable to any such new acquisition. The failure to comply with these laws and regulations could cause us to incur significant costs, fines or penalties or require the assets to be removed from service for a period of time resulting in reduced income from these assets. In addition, if our acquisitions in other sectors produce insufficient revenues, or produce investment losses, or if we are unable to efficiently manage our expanded operations, our results of operations will be adversely affected, and our reputation and business may be harmed.

Restrictive covenants in our debt agreements and the certificate of designations for our Series A Preferred Stock may adversely affect us.

The instruments governing our outstanding debt contain, and the certificate of designations for our Series A Preferred Stock and the indenture governing the Notes will contain, certain restrictive covenants that limit our ability to engage in activities that may be in our long-term best interests. For example, these covenants significantly restrict our and certain of our subsidiaries' ability to:

- incur indebtedness;
- issue equity interests of the Company ranking *pari passu* with, or senior in priority to, the Series A Preferred Stock;
- issue equity interests of any subsidiary of the Company;
- amend or repeal the certificate of incorporation or bylaws in a manner that is adverse to the holders of the Series A Preferred Stock;
- pay dividends or make other distributions;
- repurchase or redeem capital stock or subordinated indebtedness and make investments;
- create liens;
- incur dividend or other payment restrictions affecting the Company and certain of its subsidiaries;
- transfer or sell assets, including capital stock of subsidiaries;
- merge or consolidate with other entities or transfer all or substantially all of the Company's assets;
- take actions to cause the Company to cease to be treated as a domestic C corporation for U.S. tax purposes;
- consummate a change of control without concurrently redeeming our shares of Series A Preferred Stock;
- amend, terminate or permit the assignment or subcontract of, or the transfer of any rights or obligations under, the Management Agreement, in order to alter the (i) scope of services in any material respect, (ii) the compensation, fee payment or other economic terms relating to the Management Agreement, or (iii) the scope of matters expressly required to be approved by the Independent Directors (as such term is defined in the Management Agreement) pursuant to the Management Agreement;

- engage in certain intercompany transactions;
- engage in certain prohibited business activities; and
- enter into transactions with affiliates.

While these covenants are subject to a number of important exceptions and qualifications, such restrictive covenants could affect our ability to operate our business and may limit our ability to take advantage of potential business opportunities. Events beyond our control, including the effects of COVID-19, can affect our ability to comply with these covenants. If an event of default occurs, we cannot assure you that we would have sufficient assets to repay all of our obligations.

In addition, certain other debt instruments (including the Series 2020 Bonds, Series 2021 Bonds, the EB-5 Loan Agreements and the Repauno Revolver) include restrictive covenants that may materially limit our ability to repay other debt or require us to achieve and maintain compliance with specified financial ratios. See "Description of Indebtedness."

Terrorist attacks could negatively impact our operations and our profitability and may expose us to liability and reputational damage.

Terrorist attacks may negatively affect our operations. Such attacks have contributed to economic instability in the United States and elsewhere, and further acts of terrorism, violence or war, including recent geopolitical events, could similarly affect world trade and the industries in which we and our customers operate. In addition, terrorist attacks or hostilities may directly impact locations where our trains and containers travel or our physical facilities or those of our customers. In addition, it is also possible that our assets could be involved in a terrorist attack. The consequences of any terrorist attacks or hostilities are unpredictable, and we may not be able to foresee events that could have a material adverse effect on our operations.

Our inability to obtain sufficient capital would constrain our ability to grow our portfolio and to increase our revenues.

Our business is capital intensive, and we have used and may continue to employ leverage to finance our operations. Accordingly, our ability to successfully execute our business strategy and maintain our operations depends on the availability and cost of debt and equity capital. Additionally, our ability to borrow against our assets is dependent, in part, on the appraised value of such assets. If the appraised value of such assets declines, we may be required to reduce the principal outstanding under our debt facilities or otherwise be unable to incur new borrowings.

We can give no assurance that the capital we need will be available to us on favorable terms, or at all. Our inability to obtain sufficient capital, or to renew or expand our credit facilities, could result in increased funding costs and would limit our ability to:

- meet the terms and maturities of our existing and future debt facilities;
- purchase new assets or refinance existing assets;
- fund our working capital needs and maintain adequate liquidity; and
- finance other growth initiatives.

In addition, we conduct our operations so that neither we nor any of our subsidiaries are required to register as an investment company under the Investment Company Act of 1940 (the "Investment Company Act"). As such, certain forms of financing such as finance leases may not be available to us. Please see "—If we are deemed an investment company under the Investment Company Act, it could have a material adverse effect on our business, prospects, financial condition, results of operations and cash flows."

The effects of various environmental regulations may negatively affect the industries in which we operate which could have a material adverse effect on our financial condition, results of operations and cash flows.

We are subject to federal, state and local laws and regulations relating to the protection of the environment, including those governing the discharge of pollutants to air and water, the management and disposal of hazardous substances and wastes, the cleanup of contaminated sites and noise and emission levels and greenhouse gas

emissions. Under some environmental laws in the United States, strict liability may be imposed on the owners or operators of assets, which could render us liable for environmental and natural resource damages without regard to negligence or fault on our part. In addition, changes to environmental standards or regulations in the industries in which we operate could limit the economic life of the assets we acquire or reduce their value, and also require us to make significant additional investments in order to maintain compliance, which would negatively impact our results of operations and financial condition. In addition, a variety of new legislation is being enacted, or considered for enactment, at the federal, state and local levels relating to greenhouse gas emissions and climate change. While there has historically been a lack of consistent climate change legislation, as climate change concerns continue to grow, further legislation and regulations are expected to continue in areas such as greenhouse gas emissions control, emission disclosure requirements and building codes or other infrastructure requirements that impose energy efficiency standards. Government mandates, standards or regulations intended to mitigate or reduce greenhouse gas emissions or projected climate change impacts could result in prohibitions or severe restrictions on infrastructure development in certain areas, increased energy and transportation costs, and increased compliance expenses and other financial obligations to meet permitting or development requirements that we may be unable to fully recover (due to market conditions or other factors), any of which could result in reduced profits and adversely affect our results of operations. While we typically maintain liability insurance coverage, the insurance coverage is subject to large deductibles, limits on maximum coverage and significant exclusions and may not be sufficient or available to protect against any or all liabilities and such indemnities may not cover or be sufficient to protect us against losses arising from environmental damage. In addition, changes to environmental standards or regulations in the industries in which we operate could limit the economic life of the assets we acquire or reduce their value, and also require us to make significant additional investments in order to maintain compliance, which would negatively impact our cash flows and results of operations.

Our Repauno site and Long Ridge property are subject to environmental laws and regulations that may expose us to significant costs and liabilities.

Our Repauno site is subject to ongoing environmental investigation and remediation by the former owner that sold Repauno to FTAI (the "Repauno Seller") related to historic industrial operations. The Repauno Seller is responsible for completion of this work, and we benefit from a related indemnity and insurance policy. If the Repauno Seller fails to fulfill its investigation and remediation, or indemnity obligations and the related insurance, which are subject to limits and conditions, fail to cover our costs, we could incur losses. Redevelopment of the property in those areas undergoing investigation and remediation must await state environmental agency confirmation that no further investigation or remediation is required before redevelopment activities can occur in such areas of the property. Therefore, any delay in the Repauno Seller's completion of the environmental work or receipt of related approvals in an area of the property could delay our redevelopment activities. In addition, once received, permits and approvals may be subject to litigation, and projects may be delayed or approvals reversed or modified in litigation. If there is a delay in obtaining any required regulatory approval, it could delay projects and cause us to incur costs.

In connection with FTAI's acquisition of Long Ridge, the former owner that sold FTAI the property (the "Long Ridge Seller") is obligated to perform certain post-closing demolition activities, remove specified containers, equipment and structures and conduct investigation, removal, cleanup and decontamination related thereto. The Long Ridge Seller is responsible for ongoing environmental remediation related to historic industrial operations on and off Long Ridge. In addition, Long Ridge is located adjacent to the former Ormet Corporation Superfund site (the "Ormet site"), which is owned and operated by the Long Ridge Seller. Pursuant to an order with the U.S. EPA, the Long Ridge Seller is obligated to pump groundwater that has been impacted by the adjacent Ormet site beneath our site and discharge it to the Ohio River and monitor the groundwater annually. Long Ridge is also subject to an environmental covenant related to the adjacent Ormet site that, inter alia, restricts the use of groundwater beneath our site and requires U.S. EPA consent for activities on Long Ridge that could disrupt the groundwater monitoring or pumping. The Long Ridge Seller is contractually obligated to complete its regulatory obligations on Long Ridge and we benefit from a related indemnity and insurance policy. If the Long Ridge Seller fails to fulfill its demolition, removal, investigation, remediation, monitoring, or indemnity obligations, and if the related insurance, which is subject to limits and conditions, fails to cover our costs, we could incur losses. Redevelopment of the property in those areas undergoing investigation and remediation pursuant to the Ohio EPA order must await state environmental agency confirmation that no further investigation or remediation is required before redevelopment activities can occur in such area of the property. Therefore, any delay in the Long Ridge Seller's completion of the environmental work or receipt of related approvals or consents from Ohio EPA or U.S. EPA could delay our redevelopment activities.

In addition, a portion of Long Ridge was recently redeveloped as a combined cycle gas-fired electric generating facility, and other portions will likely be redeveloped in the future. Although we have not identified material impacts to soils or groundwater that reasonably would be expected to prevent or delay further redevelopment projects, impacted materials could be encountered that require special handling and/or result in delays to those projects. Any additional projects may require environmental permits and approvals from federal, state and local environmental agencies. Once received, permits and approvals may be subject to litigation, and projects may be delayed or approvals reversed or modified in litigation. If there is a delay in obtaining any required regulatory approval, it could delay projects and cause us to incur costs.

Moreover, new, stricter environmental laws, regulations or enforcement policies, including those imposed in response to climate change, could be implemented that significantly increase our compliance costs, or require us to adopt more costly methods of operation. If we are not able to transform Repauno or Long Ridge into hubs for industrial and energy development in a timely manner, their future prospects could be materially and adversely affected, which may have a material adverse effect on our business, operating results and financial condition.

A cyberattack that bypasses our information technology ("IT") security systems or the IT security systems of our third-party providers, causing an IT security breach, may lead to a disruption of our IT systems and the loss of business information which may hinder our ability to conduct our business effectively and may result in lost revenues and additional costs.

Parts of our business depend on the secure operation of our IT systems and the IT systems of our third-party providers to manage, process, store, and transmit information. We have, from time to time, experienced threats to our data and systems, including malware and computer virus attacks. A cyberattack that bypasses our IT security systems or the IT security systems of our third-party providers, causing an IT security breach, could adversely impact our daily operations and lead to the loss of sensitive information, including our own proprietary information and that of our customers, suppliers and employees. Such losses could harm our reputation and result in competitive disadvantages, litigation, regulatory enforcement actions, lost revenues, additional costs and liabilities. While we devote substantial resources to maintaining adequate levels of cyber-security, our resources and technical sophistication may not be adequate to prevent all types of cyberattacks.

If we are deemed an "investment company" under the Investment Company Act, it could have a material adverse effect on our business, prospects, financial condition, results of operations and cash flows.

We conduct our operations so that neither we nor any of our subsidiaries are required to register as an investment company under the Investment Company Act. Section 3(a)(1)(A) of the Investment Company Act defines an investment company as any issuer that is or holds itself out as being engaged primarily, or proposes to engage primarily, in the business of investing, reinvesting or trading in securities. Section 3(a)(1)(C) of the Investment Company Act defines an investment company as any issuer that is engaged or proposes to engage in the business of investing, reinvesting, owning, holding or trading in securities and owns or proposes to acquire investment securities having a value exceeding 40% of the value of the issuer's total assets (exclusive of U.S. government securities and cash items) on an unconsolidated basis. Excluded from the term "investment securities," among other things, are U.S. government securities and securities issued by majority-owned subsidiaries that are not themselves investment companies and are not relying on the exception from the definition of investment company for certain privately offered investment vehicles set forth in Section 3(c)(1) or Section 3(c)(7) of the Investment Company Act.

The Investment Company Act may limit our and our subsidiaries' ability to enter into financing leases and engage in other types of financial activity because less than 40% of the value of our and our subsidiaries' total assets (exclusive of U.S. government securities and cash items) on an unconsolidated basis can consist of "investment securities."

If we or any of our subsidiaries were required to register as an investment company under the Investment Company Act, the registered entity would become subject to substantial regulation that would significantly change our operations, and we would not be able to conduct our business as described in this Information Statement. We have not obtained a formal determination from the SEC as to our status under the Investment Company Act and, consequently, any violation of the Investment Company Act would subject us to material adverse consequences.

We have material customer concentration with respect to the Jefferson Terminal and Transtar businesses, with a limited number of customers accounting for a material portion of our revenues.

We earned approximately 12%, 21%, 15%, 40% and 48% of our revenue from one customer in the Jefferson Terminal segment during the three months ended March 31, 2022 and 2021 (unaudited) and years ended

December 31, 2021, 2020 and 2019, respectively, and 70% and 45% from one customer in the Transtar segment during the three months ended March 31, 2022 (unaudited) and the year ended December 31, 2021, respectively (based on FTAI's period of ownership of Transtar). As of March 31, 2022 (unaudited), accounts receivable from two customers from the Jefferson Terminal and Transtar segments represented 47% of total accounts receivable, net. As of December 31, 2021, accounts receivable from two customers from the Jefferson Terminal and Transtar segments represented 48% of total accounts receivable,net. As of December 31, 2020, accounts receivable from two customers in the Jefferson Terminal segment represented 63% of total accounts receivable, net.

There are inherent risks whenever a large percentage of total revenues are concentrated with a limited number of customers. It is not possible for us to predict the future level of demand for our services that will be generated by these customers or the future demand for the products and services of these customers in the end-user marketplace. In addition, revenues from these customers may fluctuate from time to time based on the commencement and completion of projects, the timing of which may be affected by market conditions or other factors, some of which may be outside of our control. If any of these customers experience declining or delayed sales due to market, economic or competitive conditions, we could be pressured to reduce the prices we charge for our services or we could lose a major customer. Any such development could have an adverse effect on our margins and financial position, and would negatively affect our revenues and results of operations and/or trading price of our common stock.

FTAI's recent acquisition of Transtar may not achieve its intended results and we may be unable to successfully integrate the operations of Transtar.

On July 28, 2021, FTAI completed the previously announced acquisition of 100% of the equity interests of Transtar (the "Transtar Acquisition"), a wholly owned short-line railroad subsidiary of United States Steel Corporation (the "Seller"). Transtar is comprised of five short-line freight railroads and one switching company, including two that connect to Seller's largest production facilities in North America: the Gary Railway Company, Indiana; The Lake Terminal Railroad Company, Ohio; Union Railroad Company LLC, Pennsylvania; Fairfield Southern Company Inc., Alabama (switching company); Delray Connecting Railroad Company, Michigan; and the Texas & Northern Railroad Company, Texas. Transtar will be our asset following the completion of the spin-off transaction.

As a result, we are subject to certain risks relating to the Transtar Acquisition, which could have a material adverse effect on our business, results of operations and financial condition, some of which may be exacerbated by the spin-off transaction. Such risks may include, but are not limited to:

- failure to successfully integrate Transtar in a manner that permits us to realize the anticipated benefits of the acquisition;
- difficulties and delays integrating Transtar's personnel, operations and systems and retaining key employees, including as a result of the spin-off transaction;
- higher than anticipated costs incurred in connection with the integration of the business and operations of Transtar, including as a result of the spin-off transaction;
- challenges in operating and managing rail lines across geographically disparate regions;
- disruptions to our ongoing business and diversions of our management's attention caused by transition or integration activities involving Transtar, including as a result of the spin-off transaction;
- challenges with implementing adequate and appropriate controls, procedures and policies in Transtar's business, including as a result of the spin-off transaction;
- Transtar's dependence on the Seller as its primary customer;
- difficulties expanding our customer base;
- difficulties arising from Transtar's dependence on the Seller to provide a variety of necessary transition services to Transtar and any failure by the Seller to adequately provide such services;
- assumption of pre-existing contractual relationships of Transtar that we may not have otherwise entered into, the termination or modification of which may be costly or disruptive to our business; and
- any potential litigation arising from the transaction.

The successful integration of a new business also depends on our ability to manage the new business, realize forecasted synergies and full value from the combined business. Our business, results of operations, financial condition and cash flows could be materially adversely affected if we are unable to successfully integrate Transtar.

Adverse judgments or settlements in legal proceedings could materially harm our business, financial condition, operating results and cash flows.

We may be party to claims that arise from time to time in the ordinary course of our business, which may include those related to, for example, contracts, sub-contracts, employment of our workforce and immigration requirements or compliance with any of a wide array of state and federal statutes, rules and regulations that pertain to different aspects of our business. We may also be required to initiate expensive litigation or other proceedings to protect our business interests. There is a risk that we will not be successful or otherwise be able to satisfactorily resolve any pending or future litigation. In addition, litigation and other legal claims are subject to inherent uncertainties and management's view of currently pending legal matters may change in the future. Those uncertainties include, but are not limited to, litigation costs and attorneys' fees, unpredictable judicial or jury decisions and the differing laws regarding damage awards among the states in which we operate. Unexpected outcomes in such legal proceedings, or changes in management's evaluation or predictions of the likely outcomes of such proceedings (possibly resulting in changes in established reserves), could have a material adverse effect on our business, financial condition, results of operations and cash flows.

Risks Related to Our Capital Structure

The terms of our Series A Preferred Stock have provisions that could result in the holders of the Series A Preferred Stock having the ability to elect a majority of our board of directors in the case of an Event of Noncompliance, including our failure to pay amounts due upon redemption of Series A Preferred Stock.

The terms of our Series A Preferred Stock include certain events of noncompliance, including among other things, (i) failure to redeem such shares when we are required to do so, (ii) failure to pay cash dividends for 12 monthly dividend periods (whether or not consecutive) following the second anniversary of the issuance date, (iii) an event where any shares of Series A Preferred Stock remaining outstanding on the eighth anniversary of the issuance date, (iv) failure to have a board of directors comprised of a majority of independent directors at any time on or after December 31, 2022 (subject to the specified cure period), (v) any breach of a material term in the certificate of designations for our Series A Preferred Stock, (vi) certain debt acceleration events, (vii) certain bankruptcy events and (viii) a breach of a restrictive covenant set forth in the certificate of designations for our Series A Preferred Stock (each, an "Event of Noncompliance"). If the Company fails to cure an Event of Noncompliance (to the extent curable), (i) the size of our board of directors will automatically increase to a number sufficient to constitute a majority of the board of directors, (ii) the majority of the holders of the Series A Preferred Stock will have the right to designate and elect a majority of the members of our board of directors, and (iii) other than with respect to the election of directors, the shares of Series A Preferred Stock will vote with our common stock as a single class (with the number of votes per share determined in accordance with the certificate of designations for our Series A Preferred Stock). Such remedies could have a material adverse effect on the Company's financial condition.

The failure of the Company to pay required dividends on its Series A Preferred Stock following the second anniversary of the issuance date may have a material adverse effect on the Company's financial condition.

Following the second anniversary of the issuance date, the Company is required to pay cash dividends equal to the cash dividend rate. The cash dividend rate will be equal to 14.0% per annum subject to increase in accordance with the terms of the Series A Preferred Stock. Specifically, the rate will be increased by 2.0% per annum for any periods during the first two years following closing where the dividend is not paid in cash. Prior to the second anniversary of the issuance date of the Series A Preferred Stock, such dividends will automatically accrue and accumulate on each share of Series A Preferred Stock, whether or not declared and paid, or they may be paid in cash at FTAI Infrastructure's discretion. Further, after the second anniversary of the issuance date, if the Company fails to pay such cash dividends when required to do so, the dividend rate would be equal to 18.0% per annum, subject to increase as described below, until all such dividends are paid in cash. Our failure to pay such dividends for 12 monthly dividend periods (whether or not consecutive) following the second anniversary of the issuance date would result in an Event of Noncompliance. If we are unable to cure an Event of Noncompliance (to the extent curable), (i) the size of our board of directors will automatically increase to a number sufficient to constitute a majority of the board of directors, (ii) the majority of the holders of the Series A Preferred Stock will have the right

to designate and elect a majority of the members of our board of directors, and (iii) other than with respect to the election of directors, the shares of Series A Preferred Stock will vote with our common stock as a single class (with the number of votes per share determined in accordance with the certificate of designations for our Series A Preferred Stock). Such remedies could have a material adverse effect on the Company's financial condition.

Risks Related to Our Manager

We are dependent on our Manager and other key personnel at Fortress and may not find suitable replacements if our Manager terminates the Management Agreement or if other key personnel depart.

Our officers and other individuals who perform services for us (other than Jefferson Terminal, Repauno, Long Ridge, Transtar, Aleon and Gladieux, KRS, Clean Planet USA, FYX, CarbonFree and Containers employees) are employees of our Manager or other Fortress entities. We are completely reliant on our Manager, which has significant discretion as to the implementation of our operating policies and strategies, to conduct our business. We are subject to the risk that our Manager will terminate the Management Agreement and that we will not be able to find a suitable replacement for our Manager in a timely manner, at a reasonable cost, or at all. Furthermore, we are dependent on the services of certain key employees of our Manager and certain key employees of Fortress entities whose compensation is partially or entirely dependent upon the amount of management fees earned by our Manager and whose continued service is not guaranteed, and the loss of such personnel or services could materially adversely affect our operations. We do not have key man insurance for any of the personnel of the Manager or other Fortress entities that are key to us. An inability to find a suitable replacement for any departing employee of our Manager or Fortress entities on a timely basis could materially adversely affect our ability to operate and grow our business.

In addition, our Manager may assign our Management Agreement to an entity whose business and operations are managed or supervised by Mr. Wesley R. Edens, who is a principal, Co-Chief Executive Officer and a member of the board of directors of Fortress, an affiliate of our Manager, and a member of the management committee of Fortress since co-founding Fortress in May 1998. In the event of any such assignment to a non-affiliate of Fortress, the functions currently performed by our Manager's current personnel may be performed by others. We can give you no assurance that such personnel would manage our operations in the same manner as our Manager currently does, and the failure by the personnel of any such entity to acquire assets generating attractive risk-adjusted returns could have a material adverse effect on our business, financial condition, results of operations and cash flows.

On December 27, 2017, SoftBank completed its acquisition of Fortress (the "SoftBank Merger"). In connection with the SoftBank Merger, Fortress operates within SoftBank as an independent business headquartered in New York.

There are conflicts of interest in our relationship with our Manager.

Our Management Agreement was not negotiated at arm's-length, and its terms, including fees payable, may not be as favorable to us as if they had been negotiated with an unaffiliated third party.

There are conflicts of interest inherent in our relationship with our Manager insofar as our Manager and its affiliates—including investment funds, private investment funds, or businesses managed by our Manager, including Seacastle Inc. and Florida East Coast Industries, LLC ("FECI")—invest in transportation and transportation-related infrastructure assets and whose investment objectives overlap with our asset acquisition objectives. Certain opportunities appropriate for us may also be appropriate for one or more of these other investment vehicles. Certain members of our board of directors and employees of our Manager who are our officers also serve as officers and/or directors of these other entities. For example, we have some of the same directors and officers as Seacastle Inc. Although we have the same Manager, we may compete with entities affiliated with our Manager or Fortress, including Seacastle Inc. and FECI, for certain target assets. From time to time, entities affiliated with or managed by our Manager or Fortress may focus on investments in assets with a similar profile as our target assets that we may seek to acquire. These affiliates may have meaningful purchasing capacity, which may change over time depending upon a variety of factors, including, but not limited to, available equity capital and debt financing, market conditions and cash on hand. Fortress has multiple existing and planned funds focused on investing in one or more of our target sectors, each with significant current or expected capital commitments. We will receive in the spin-off assets previously purchased by FTAI, and we may in the future purchase assets, from these funds, and FTAI has previously co-invested and we may in the future co-invest with these funds in infrastructure assets. Fortress funds generally have a fee structure similar to ours, but the fees actually paid will vary depending on the size, terms and performance of each fund.

Our Management Agreement generally does not limit or restrict our Manager or its affiliates from engaging in any business or managing other pooled investment vehicles that invest in assets that meet our asset acquisition objectives. Our Manager intends to engage in additional infrastructure related management and other investment opportunities in the future, which may compete with us for investments or result in a change in our current investment strategy. In addition, our certificate of incorporation will provide that if any of the Fortress Parties or any of their officers, directors or employees acquire knowledge of a potential transaction that could be a corporate opportunity, they have no duty, to the fullest extent permitted by law, to offer such corporate opportunity to us, our stockholders or our affiliates. In the event that any of our directors and officers who is also a director, officer or employee of any of the Fortress Parties or their affiliates acquires knowledge of a corporate opportunity or is offered a corporate opportunity, *provided* that this knowledge was not acquired solely in such person's capacity as a director or officer of us and such person acts in good faith, then to the fullest extent permitted by law such person is deemed to have fully satisfied such person's fiduciary duties owed to us and is not liable to us if any of the Fortress Parties, or their respective affiliates, pursues or acquires the corporate opportunity or if such person did not present the corporate opportunity to us.

The ability of our Manager and its officers and employees to engage in other business activities, subject to the terms of our Management Agreement, may reduce the amount of time our Manager, its officers or other employees spend managing us. In addition, we may engage (subject to our strategy) in material transactions with our Manager or another entity managed by our Manager or one of its affiliates, including FTAI, Seacastle Inc. and FECI, which may include, but are not limited to, certain acquisitions, financing arrangements, purchases of debt, co-investments, consumer loans, servicing advances and other assets that present an actual, potential or perceived conflict of interest. Our board of directors will adopt a policy regarding the approval of any "related party transactions" pursuant to which certain of the material transactions described above may require disclosure to, and approval by, the independent members of our board of directors. Actual, potential or perceived conflicts have given, and may in the future give, rise to investor dissatisfaction, litigation or regulatory inquiries or enforcement actions. Appropriately dealing with conflicts of interest is complex and difficult, and our reputation could be damaged if we fail, or appear to fail, to deal appropriately with one or more potential, actual or perceived conflicts of interest. Regulatory scrutiny of, or litigation in connection with, conflicts of interest could have a material adverse effect on our reputation, which could materially adversely affect our business in a number of ways, including causing an inability to raise additional funds, a reluctance of counterparties to do business with us, a decrease in the prices of our equity securities and a resulting increased risk of litigation and regulatory enforcement actions.

The structure of our Manager's compensation arrangements may have unintended consequences for us. We have agreed to pay our Manager a management fee that is based on different measures of performance. Consequently, there may be conflicts in the incentives of our Manager to generate attractive risk-adjusted returns for us. Investments with higher yield potential are generally riskier or more speculative than investments with lower yield potential. This could result in increased risk to the value of our portfolio of assets and our common stock.

Our directors have approved a broad asset acquisition strategy for our Manager and will not approve each acquisition we make at the direction of our Manager. In addition, we may change our strategy without a shareholder vote, which may result in our acquiring assets that are different, riskier or less profitable than our current assets.

Our Manager is authorized to follow a broad asset acquisition strategy. We may pursue other types of acquisitions as market conditions evolve. Our Manager makes decisions about our investments in accordance with broad investment guidelines adopted by our board of directors. Accordingly, we may, without a shareholder vote, change our target sectors and acquire a variety of assets that differ from, and are possibly riskier than, our current asset portfolio. Consequently, our Manager has great latitude in determining the types and categories of assets it may decide are proper investments for us, including the latitude to invest in types and categories of assets that may differ from those in our existing portfolio. Our directors will periodically review our strategy and our portfolio of assets. However, our board will not review or pre-approve each proposed acquisition or our related financing arrangements. In addition, in conducting periodic reviews, the directors will rely primarily on information provided to them by our Manager. Furthermore, transactions entered into by our Manager may be difficult or impossible to reverse by the time they are reviewed by the directors even if the transactions contravene the terms of the Management Agreement. In addition, we may change our asset acquisition strategy, including our target asset classes, without a shareholder vote.

Our asset acquisition strategy may evolve in light of existing market conditions and investment opportunities, and this evolution may involve additional risks depending upon the nature of the assets we target and our ability to

finance such assets on a short or long-term basis. Opportunities that present unattractive risk-return profiles relative to other available opportunities under particular market conditions may become relatively attractive under changed market conditions and changes in market conditions may therefore result in changes in the assets we target. Decisions to make acquisitions in new asset categories present risks that may be difficult for us to adequately assess and could therefore reduce or eliminate our ability to pay dividends on our common stock or have adverse effects on our liquidity or financial condition. A change in our asset acquisition strategy may also increase our exposure to interest rate, foreign currency or credit market fluctuations. In addition, a change in our asset acquisition strategy may increase our use of non-match-funded financing, increase the guarantee obligations we agree to incur or increase the number of transactions we enter into with affiliates. Our failure to accurately assess the risks inherent in new asset categories or the financing risks associated with such assets could adversely affect our results of operations and our financial condition.

Our Manager will not be liable to us for any acts or omissions performed in accordance with the Management Agreement, including with respect to the performance of our assets.

Pursuant to our Management Agreement, our Manager will not assume any responsibility other than to render the services called for thereunder in good faith and will not be responsible for any action of our board of directors in following or declining to follow its advice or recommendations. Our Manager, its members, managers, officers, employees, sub-advisers and any other person controlling or Manager, will not be liable to us or any of our subsidiaries, to our board of directors, or our or any subsidiary's shareholders or partners for any acts or omissions by our Manager, its members, managers, officers, employees, sub-advisers and any other person controlling or Manager, except liability to us, our stockholders, directors, officers and employees and persons controlling us, by reason of acts constituting bad faith, willful misconduct, gross negligence or reckless disregard of our Manager's duties under our Management Agreement. We will, to the full extent lawful, reimburse, indemnify and hold our Manager, its members, managers, officers and employees, sub-advisers and each other person, if any, controlling our Manager harmless of and from any and all expenses, losses, damages, liabilities, demands, charges and claims of any nature whatsoever (including attorneys' fees) in respect of or arising from any acts or omissions of an indemnified party made in good faith in the performance of our Manager's duties under our Management Agreement and not constituting such indemnified party's bad faith, willful misconduct, gross negligence or reckless disregard of our Manager's duties under our Management Agreement.

Our Manager's due diligence of potential asset acquisitions or other transactions may not identify all pertinent risks, which could materially affect our business, financial condition, liquidity and results of operations.

Our Manager intends to conduct due diligence with respect to each asset acquisition opportunity or other transaction it pursues. It is possible, however, that our Manager's due diligence processes will not uncover all relevant facts, particularly with respect to any assets we acquire from third parties. In these cases, our Manager may be given limited access to information about the asset and will rely on information provided by the seller of the asset. In addition, if asset acquisition opportunities are scarce, the process for selecting bidders is competitive, or the timeframe in which we are required to complete diligence is short, our ability to conduct a due diligence investigation may be limited, and we would be required to make decisions based upon a less thorough diligence process than would otherwise be the case. Accordingly, transactions that initially appear to be viable may prove not to be over time, due to the limitations of the due diligence process or other factors.

Risks Related to the Separation

We may be unable to achieve some or all of the benefits that we expect to achieve from our separation from FTAI.

We may not be able to achieve the full strategic and financial benefits that we expect will result from our separation from FTAI or such benefits may be delayed or may not occur at all. For example, there can be no assurance that analysts and investors will regard our corporate structure as clearer and simpler than the current FTAI corporate structure or place a greater value on our company as a stand-alone corporation than on our businesses being a part of FTAI.

Our agreements with FTAI may not reflect terms that would have resulted from arm's-length negotiations among unaffiliated third parties.

The agreements related to our separation from FTAI, including the Separation and Distribution Agreement, were negotiated in the context of our separation from FTAI while we were still part of FTAI and, accordingly, may not reflect terms that would have resulted from arm's-length negotiations among unaffiliated third parties. The terms of

the agreements we negotiated in the context of our separation related to, among other things, allocation of assets, liabilities, rights, indemnifications and other obligations among FTAI and us. See "Certain Relationships and Related Party Transactions."

The ownership by some of our executive officers and directors of common shares, options, or other equity awards of FTAI may create, or may create the appearance of, conflicts of interest.

Because some of our directors, officers and other employees of our Manager also currently hold positions with FTAI, they own FTAI common shares, options to purchase FTAI common shares or other equity awards. For example, Ms. Hannaway and Mr. Robinson are directors of FTAI, and will be directors of FTAI Infrastructure after the spin-off. Ownership by some of our directors and officers, after our separation, of common shares or options to purchase common shares of FTAI, or any other equity awards, creates, or, may create the appearance of, conflicts of interest when these directors and officers are faced with decisions that could have different implications for FTAI than they do for us.

We may compete with affiliates of and entities managed by our Manager, including FTAI, which could adversely affect our and their results of operations.

Affiliates of and entities managed by our Manager, including FTAI, are primarily engaged in the infrastructure and energy business and invest in, and actively manage, portfolios of infrastructure and energy investments and other assets. Affiliates of and entities managed by our Manager, including FTAI, are not restricted in any manner from competing with us. After the distribution, affiliates of and entities managed by our Manager, including FTAI, may decide to invest in the same types of assets that we invest in. Furthermore, after the distribution, we will have the same Manager and certain directors and officers will be the same as FTAI and certain of our Manager's other affiliates. See "—Risks Related to Our Manager—There are conflicts of interest in our relationship with our Manager."

We will share certain key directors and officers with FTAI, which means those officers will not devote their full time and attention to our affairs and the overlap may give rise to conflicts.

Following the distribution, there will be an overlap between certain key directors and officers of the Company and of FTAI subsidiaries. Mr. Nicholson will serve as both the chief executive officer of the Company and as a director of FTAI. As a result, following the distribution, not all of our executive officers will be devoting their full time and attention to the Company's affairs. In addition, immediately following the distribution, Ms. Hannaway and Mr. Robinson will be directors of both the Company and FTAI, and Mr. Adams will be the chairman of the board of directors of both the Company and FTAI, and will continue to serve as the Chief Executive Officer of FTAI. Shared directors and officers may have actual or apparent conflicts of interest with respect to matters involving or affecting each company. For example, there will be the potential for a conflict of interest when we on the one hand, and FTAI and its respective subsidiaries and successors on the other hand, are party to commercial transactions concerning the same or adjacent investments. In addition, after the distribution, certain of our directors and officers will continue to own shares and/or options or other equity awards of FTAI. These ownership interests could create actual, apparent or potential conflicts of interest when these individuals are faced with decisions that could have different implications for our company and FTAI. See "Certain Relationships and Related Party Transactions—Our Manager and Management Agreement" for a discussion of certain procedures we will institute to help ameliorate such potential conflicts that may arise.

We are incurring indebtedness in the form of the Notes in connection with the separation from FTAI, and the degree to which we will be leveraged could cause a material adverse effect on our business, financial condition, results of operations and cash flows.

In connection with the spin-off, we are issuing the Notes. We have historically relied in part upon FTAI to provide credit support or fund our working capital requirements and other cash requirements. After the separation and distribution, we will not be able to rely on the earnings, assets or cash flow of FTAI, and FTAI will not provide credit support or funds to finance our working capital or other cash requirements. As a result, after the separation and distribution, we will be responsible for servicing our own debt and obtaining and maintaining sufficient working capital and other funds to satisfy our cash requirements. After the spin-off, our access to and cost of debt financing will be different from the historical access to and cost of debt financing under FTAI. Differences in access to and cost of debt financing may result in differences in the interest rates charged to us on financings, as well as the amount of indebtedness, types of financing structures and debt markets that may be available to us. Our ability to make

payments on and to refinance our indebtedness, including the Notes, as well as any future debt that we may incur, will depend on our ability to generate cash in the future from operations, financings and/or asset sales. Our ability to generate cash is subject to general economic, financial, competitive, legislative, regulatory and other factors that are beyond our control.

Our ability to use net operating losses to offset future taxable income may be subject to limitations.

As of December 31, 2021, the entities that will become included in our consolidated group for U.S. federal income tax purposes had approximately $520 million of net operating loss ("NOL") carryforwards, and we may continue to incur NOL carryforwards in the future. A portion of our NOLs will begin to expire, if not utilized, in 2034. Net operating losses that expire unused will be unavailable to offset future income tax liabilities. In addition, under the Tax Cuts and Jobs Act, federal net operating losses incurred in 2018 and in future years may be carried forward indefinitely, but the deductibility of such federal net operating losses is limited. It is uncertain to what extent various states will conform to the Tax Cuts and Jobs Act. In addition, under Sections 382 and 383 of the Code, if a corporation undergoes an "ownership change," which is generally defined as a greater than fifty-percent (50%) change, by value, in its equity ownership over a three (3)-year period, the corporation's ability to use its pre-change net operating loss carryforwards and other pre-change tax attributes to offset its post-change income or taxes may be limited. We may experience ownership change in the future as a result of subsequent shifts in our stock ownership, some of which may be outside of our control and may not be prevented by the restrictions on the transferability and ownership of our common stock, Series A Preferred Stock and other interests treated as our "stock" in our certificate of incorporation. If an ownership change occurs and our ability to utilize our net operating loss carryforwards is materially limited, it would harm our future operating results by effectively increasing our future federal tax obligations. In addition, at the state level, there may be periods during which the use of net operating loss carryforwards is suspended or otherwise limited, which could accelerate or permanently increase state taxes owed by us.

Risks Related to Our Common Stock

The market price and trading volume of our common stock may be volatile, which could result in rapid and substantial losses for our stockholders.

The market price of our common stock may be highly volatile and could be subject to wide fluctuations. In addition, the trading volume in our common stock may fluctuate and cause significant price variations to occur. If the market price of our common stock declines significantly, you may be unable to resell your stock at or above your purchase price, if at all. The market price of our common stock may fluctuate or decline significantly in the future. Some of the factors that could negatively affect our stock price or result in fluctuations in the price or trading volume of our stock include:

- a shift in our investor base;
- our quarterly or annual earnings, or those of other comparable companies;
- actual or anticipated fluctuations in our operating results;
- changes in accounting standards, policies, guidance, interpretations or principles;
- announcements by us or our competitors of significant investments, acquisitions or dispositions;
- the failure of securities analysts to cover our common stock;
- changes in earnings estimates by securities analysts or our ability to meet those estimates;
- the operating and share price performance of other comparable companies;
- overall market fluctuations;
- general economic conditions; and
- developments in the markets and market sectors in which we participate.

Stock markets in the United States have experienced extreme price and volume fluctuations. Market fluctuations, as well as general political and economic conditions, such as acts of terrorism, prolonged economic uncertainty, a recession or interest rate or currency rate fluctuations, could adversely affect the market price of our common stock.

An increase in market interest rates may have an adverse effect on the market price of our common stock.

One of the factors that investors may consider in deciding whether to buy or sell our shares is our distribution rate as a percentage of our share price relative to market interest rates. If the market price of our common stock is

based primarily on the earnings and return that we derive from our investments and income with respect to our investments and our related distributions to stockholders, and not from the market value of the investments themselves, then interest rate fluctuations and capital market conditions will likely affect the market price of our common stock. For instance, if market interest rates rise without an increase in our distribution rate, the market price of our common stock could decrease, as potential investors may require a higher distribution yield on our shares or seek other securities paying higher distributions or interest. In addition, rising interest rates would result in increased interest expense on our outstanding and future (variable and fixed) rate debt, thereby adversely affecting cash flows and our ability to service our indebtedness and pay distributions.

There can be no assurance that the market for our common stock will provide you with adequate liquidity.

There can be no assurance that an active trading market for our common stock will develop or be sustained in the future, and the market price of our stock may fluctuate widely, depending upon many factors, some of which may be beyond our control. These factors include, without limitation:

- a shift in our investor base;
- our quarterly or annual earnings and cash flows, or those of other comparable companies;
- actual or anticipated fluctuations in our operating results;
- changes in accounting standards, policies, guidance, interpretations or principles;
- announcements by us or our competitors of significant investments, acquisitions, dispositions or other transactions;
- the failure of securities analysts to cover our stock;
- changes in earnings estimates by securities analysts or our ability to meet those estimates;
- market performance of affiliates and other counterparties with whom we conduct business;
- the operating and stock price performance of other comparable companies;
- our failure to maintain our exemption under the Investment Company Act or satisfy Nasdaq listing requirements;
- negative public perception of us, our competitors or industry;
- overall market fluctuations; and
- general economic conditions.

Stock markets in general have experienced volatility that has often been unrelated to the operating performance of a particular company. These broad market fluctuations may adversely affect the market price of our common stock.

Substantial sales of common stock may occur in connection with the distribution, which could cause our stock price to decline.

The shares of our common stock that FTAI intends to distribute to its shareholders generally may be sold immediately in the public market. Although we have no actual knowledge of any plan or intention on the part of any 5% or greater shareholder to sell our common stock following the distribution, it is possible that some FTAI shareholders, including possibly some of our large stockholders, will sell our common stock received in the distribution. In addition, FTAI shareholders may sell our stock because our business profile or market capitalization as an independent company does not fit their investment objectives or because our common stock is not included in certain indices after the distribution. The sales of significant amounts of our common stock or the perception in the market that this will occur may result in the lowering of the market price of our common stock.

We are an "emerging growth company" under the JOBS Act, and we cannot be certain if the reduced disclosure requirements applicable to emerging growth companies will make our securities less attractive to investors.

We are and we will remain an "emerging growth company" as defined in the JOBS Act until the earlier of (a) the last day of the fiscal year (i) following the fifth anniversary of the completion of the initial offering, (ii) in which we have total annual gross revenue of at least $1 billion, or (iii) in which we are deemed to be a large accelerated filer, which means the market value of our common stock that is held by non-affiliates exceeds $700 million as of the prior

June 30th, and (b) the date on which we have issued more than $1.07 billion in non-convertible debt during the prior three-year period. For so long as we remain an "emerging growth company" we may take advantage of certain exemptions from various reporting requirements that are applicable to other public companies that are not "emerging growth companies," including, but not limited to, not being required to comply with the auditor attestation requirements of Section 404 of the Sarbanes-Oxley Act. We cannot predict if investors will find our common stock less attractive because we will rely on some or all of these exemptions.

In addition, Section 107 of the JOBS Act also provides that an "emerging growth company" can take advantage of the extended transition period provided in Section 7(a)(2)(B) of the Securities Act for complying with new or revised accounting standards. In other words, an "emerging growth company" can delay the adoption of certain accounting standards until those standards would otherwise apply to private companies. We have elected not to take advantage of the benefits of this extended transition period.

Failure to maintain effective internal control over financial reporting in accordance with Section 404 of the Sarbanes-Oxley Act of 2002 could have a material adverse effect on our business and stock price.

As a public company, we are required to maintain effective internal control over financial reporting in accordance with Section 404 of the Sarbanes-Oxley Act of 2002. Internal control over financial reporting is complex and may be revised over time to adapt to changes in our business, or changes in applicable accounting rules. We may make investments through joint ventures and accounting for such investments can increase the complexity of maintaining effective internal control over financial reporting. We cannot assure you that our internal control over financial reporting will be effective in the future or that a material weakness will not be discovered with respect to a prior period for which we had previously believed that our internal control over financial reporting was effective. If we are not able to maintain or document effective internal control over financial reporting, our independent registered public accounting firm may issue an adverse opinion as to the effectiveness of our internal control over financial reporting. Matters impacting our internal control over financial reporting may cause us to be unable to report our financial information on a timely basis, or may cause us to restate previously issued financial information, and thereby subject us to adverse regulatory consequences, including sanctions or investigations by the SEC, or violations of applicable stock exchange listing rules. There could also be a negative reaction in the financial markets due to a loss of investor confidence in us and the reliability of our financial statements. Confidence in the reliability of our financial statements is also likely to suffer if we or our independent registered public accounting firm reports a material weakness in the effectiveness of our internal control over financial reporting. This could materially adversely affect us by, for example, leading to a decline in our stock price and impairing our ability to raise capital.

Your percentage ownership in us may be diluted in the future.

Your percentage ownership in us may be diluted in the future because of equity awards that we expect will be granted to our Manager, to the directors, officers and employees of our Manager who perform services for us, and to our directors, officers and employees, as well as other equity instruments such as debt and equity financing including, but not limited to, the Series A Preferred Stock and the Warrants. In addition, following the distribution, we expect FTAI options held by our Manager, by the directors, officers and employees of our Manager, and by our directors, officers and employees will be equitably adjusted to become separate options relating to both FTAI common shares and our common stock, resulting in additional dilution to your ownership in FTAI Infrastructure. It is anticipated that options relating to our common stock will be distributed pursuant to such adjustment. For a description of the equitable adjustments expected to be made to FTAI options, see "Management—Equitable Adjustment of Options." We will adopt the FTAI Infrastructure Nonqualified Stock Option and Incentive Award Plan (the "Plan"), which will provide for the grant of equity-based awards, including restricted stock, options, stock appreciation rights, performance awards, tandem awards and other equity-based and non-equity based awards, in each case to our Manager, to the directors, officers, employees, service providers, consultants and advisor of our Manager who perform services for us, and to our directors, officers, employees, service providers, consultants and advisors. We will reserve 30,000,000 shares of our common stock for issuance under the Plan. The term of the Plan expires in 2032. On the first day of each fiscal year beginning during the ten-year term of the Plan, that number will be increased by a number of shares of our common stock equal to 10% of the number of shares of our common stock newly issued by us during the immediately preceding fiscal year. For a more detailed description of the Plan, see "Management—FTAI Infrastructure Nonqualified Stock Option and Inventive Award Plan." Upon the successful completion of an offering of our common by us, we will issue to our Manager options to purchase shares of our common stock, equal to 10% of the number of shares sold in the offering. Our board of directors may also determine

to issue options to the Manager that are not subject to the Plan; *provided* that the number of shares underlying any options granted to the Manager in connection with capital raising efforts would not exceed 10% of the shares sold in such offering and would be subject to Nasdaq rules.

Our common stock will be subject to ownership and transfer restrictions intended to preserve our ability to use our net operating loss carryforwards and other tax attributes.

We have incurred and may also continue to incur significant net operating loss carryforwards and other tax attributes, the amount and availability of which are subject to certain qualifications, limitations, and uncertainties. Our certificate of incorporation will impose certain restrictions on the transferability and ownership of our common stock, preferred stock, and other interests treated as our "stock" (such stock and other interests, the "Corporation Securities," such restrictions on transferability and ownership, the "Ownership Restrictions") in order to reduce the possibility of an equity ownership shift that could result in limitations on our ability to utilize net operating loss carryforwards for U.S. federal income tax purposes. Any acquisition of Corporation Securities that results in a shareholder being in violation of these restrictions may not be valid.

Subject to certain exceptions (including with respect to Initial Substantial Shareholders, as defined in our certificate of incorporation), the Ownership Restrictions will restrict (i) any person or entity (including certain groups of persons) from directly or indirectly acquiring 4.8% or more of the outstanding Corporation Securities and (ii) the ability of any person or entity (including certain groups of persons) already owning, directly or indirectly, 4.8% or more of the Corporation Securities to increase their proportionate interest in, or to sell, the Corporation Securities. Any transferee receiving Corporation Securities that would result in a violation of the Ownership Restrictions will not be recognized as an FTAI Infrastructure shareholder or entitled to any rights of shareholders, including, without limitation, the right to vote and receive dividends or distributions, whether liquidating or otherwise, in each case, with respect to the Corporation Securities causing the violation. FTAI Infrastructure common stockholders whose ownership violates the Ownership Restrictions at the time of the spin-off will not be required to sell their FTAI Infrastructure common stock, but may be prevented from acquiring more FTAI Infrastructure Corporation Securities.

The Ownership Restrictions will remain in effect until the earlier of (i) the date on which Section 382 of the Code is repealed, amended, or modified in such a way as to render the restrictions imposed by Section 382 of the Code no longer applicable to us or (ii) a determination by the Board of Directors that (1) an ownership change would not result in a substantial limitation on our ability to use our available net operating loss carryforwards and other tax attributes; (2) no significant value attributable to our available net operating loss carryforwards and other tax attributes would be preserved by continuing the transfer restrictions; or (3) it is not in our best interests to continue the Ownership Restrictions. The Ownership Restrictions may also be waived by the Board of Directors on a case by case basis. There is no assurance, however, that the Company will not experience a future ownership change under Section 382 that may significantly limit its ability to use its NOL carryforwards as a result of such a waiver or otherwise.

The Ownership Restrictions described above could make it more difficult for a third party to acquire, or could discourage a third party from acquiring, a large block of our common stock. This may adversely affect the marketability of our common stock by discouraging existing or potential investors from acquiring our stock or additional shares of our stock. It is also possible that the transfer restrictions could delay or frustrate the removal of incumbent directors and could make more difficult a merger, tender offer or proxy contest involving us, or impede an attempt to acquire a significant or controlling interest in us, even if such events might be beneficial to us and our stockholders.

You are advised to carefully monitor your ownership of our common stock and consult your legal advisors to determine whether your ownership of our common stock violates the ownership restrictions that will be in our certificate of incorporation.

We may incur or issue debt or issue equity, which may negatively affect the market price of our common stock.

We may in the future incur or issue debt or issue equity or equity-related securities. In the event of our liquidation, lenders and holders of our debt and holders of our preferred stock (if any) would receive a distribution of our available assets before common stockholders. Any future incurrence or issuance of debt would increase our interest cost and could adversely affect our results of operations and cash flows. We are not required to offer any additional equity securities to existing common stockholders on a preemptive basis. Therefore, additional issuances of common stock, directly or through convertible or exchangeable securities, warrants or options including, but not

limited to, the Warrants, will dilute the holdings of our existing common stockholders and such issuances, or the perception of such issuances, may reduce the market price of our common stock. Any preferred stock issued by us would likely have, a preference on distribution payments, periodically or upon liquidation, which could eliminate or otherwise limit our ability to make distributions to common stockholders. Because our decision to incur or issue debt or issue equity or equity-related securities in the future will depend on market conditions and other factors beyond our control, we cannot predict or estimate the amount, timing, nature or success of our future capital raising efforts. Thus, stockholders bear the risk that our future incurrence or issuance of debt or issuance of equity or equity-related securities will adversely affect the market price of our stock.

Changes to United States federal income tax laws could materially and adversely affect FTAI Infrastructure and FTAI Infrastructure's stockholders.

The present United States federal income tax laws may be modified, possibly with retroactive effect, by legislative, judicial, or administrative action at any time, which could affect the United States federal income tax treatment of FTAI Infrastructure or an investment in FTAI Infrastructure common stock. The United States federal income tax rules are constantly under review by persons involved in the legislative process, the Internal Revenue Service ("IRS"), and the United States Treasury Department, which results in statutory changes as well as frequent revisions to regulations and interpretations. We cannot predict how changes in the tax laws might affect FTAI Infrastructure and its stockholders.

Provisions of Delaware law, our certificate of incorporation and our bylaws, prevent or delay an acquisition of our company, which could decrease the market price of our common stock.

Delaware law contains, and our certificate of incorporation and bylaws will contain, provisions that are intended to deter coercive takeover practices and inadequate takeover bids by making such practices or bids unacceptably expensive to the raider and to encourage prospective acquirers to negotiate with our board of directors rather than to attempt a hostile takeover. These provisions include, among others:

- a classified board of directors with staggered three-year terms;
- provisions regarding the election of directors, classes of directors, the term of office of directors and the filling of director vacancies;
- provisions regarding corporate opportunity;
- removal of directors only for cause and only with the affirmative vote of at least 80% of the then issued and outstanding shares of our capital stock entitled to vote in the election of directors;
- our board of directors to determine the powers, preferences and rights of our preferred stock and to issue such preferred stock without stockholder approval;
- advance notice requirements applicable to stockholders for director nominations and actions to be taken at annual meetings;
- a prohibition will be in our certificate of incorporation that states that directors will be elected by plurality vote, a provision which means that the holders of a majority of the issued and outstanding shares of common stock can elect all the directors standing for election;
- a requirement in our bylaws specifically denying the ability of our stockholders to consent in writing to take any action in lieu of taking such action at a duly called annual or special meeting of our stockholders; and
- our Corporation Securities are subject to ownership and transfer restrictions in order to reduce the possibility of an equity ownership shift that could result in limitations on our ability to utilize net operating loss carryforwards for U.S. federal income tax purposes.

Public stockholders who might desire to participate in these types of transactions may not have an opportunity to do so, even if the transaction is considered favorable to stockholders. These anti-takeover provisions could substantially impede the ability of public stockholders to benefit from a change in control or a change in our management and board of directors and, as a result, may adversely affect the market price of our common stock and your ability to realize any potential change of control premium.

Our bylaws will contain exclusive forum provisions for certain claims, which could limit our stockholders' ability to obtain a favorable judicial forum for disputes with us or our directors, officers or employees.

Our bylaws, to the fullest extent permitted by law, will provide that, unless we consent in writing to the selection of an alternative forum, the Court of Chancery of the State of Delaware will be the sole and exclusive forum for (i) any derivative action or proceeding brought on behalf of us; (ii) any action asserting a claim of breach of a duty (including any fiduciary duty) owed by any of our current or former directors, officers or employees to us or our stockholders; (iii) any action asserting a claim against us or any of our current or former directors, officers, stockholders, employees or agents arising out of or relating to any provision of the DGCL or our certificate of incorporation or our bylaws; or (iv) any action asserting a claim against us or any of our current or former directors, officers, stockholders, employees or agents governed by the internal affairs doctrine of the State of Delaware. As described below, this provision will not apply to suits brought to enforce any duty or liability created by the Exchange Act, or rules and regulations thereunder.

Section 22 of the Securities Act creates concurrent jurisdiction for federal and state courts over all claims brought to enforce any duty or liability created by the Securities Act or the rules and regulations thereunder and our bylaws will provide that the federal district courts of the United States of America will, to the fullest extent permitted by law, be the sole and exclusive forum for resolving any complaint asserting a cause of action arising under the Securities Act. Our decision to adopt such a federal forum provision followed a decision by the Supreme Court of the State of Delaware holding that such provisions are facially valid under Delaware law. While there can be no assurance that federal or state courts will follow the holding of the Delaware Supreme Court or determine that our federal forum provision should be enforced in a particular case, application of our federal forum provision means that suits brought by our stockholders to enforce any duty or liability created by the Securities Act must be brought in federal court and cannot be brought in state court.

Section 27 of the Exchange Act creates exclusive federal jurisdiction over all claims brought to enforce any duty or liability created by the Exchange Act or the rules and regulations thereunder and our bylaws will provide that the exclusive forum provision does not apply to suits brought to enforce any duty or liability created by the Exchange Act. Accordingly, actions by our stockholders to enforce any duty or liability created by the Exchange Act or the rules and regulations thereunder must be brought in federal court. Our stockholders will not be deemed to have waived our compliance with the federal securities laws and the regulations promulgated thereunder.

Any person or entity purchasing or otherwise acquiring or holding any interest in any of our securities shall be deemed to have notice of and consented to our exclusive forum provisions, including the federal forum provision; provided, however, that stockholders will not be deemed to have waived our compliance with the federal securities laws and the rules and regulations thereunder. Additionally, our stockholders cannot waive compliance with the federal securities laws and the rules and regulations thereunder. These provisions may limit our stockholders' ability to bring a claim in a judicial forum they find favorable for disputes with us or our directors, officers or other employees, which may discourage lawsuits against us and our directors, officers and other employees and agents. Alternatively, if a court were to find the choice of forum provision contained in our bylaws to be inapplicable or unenforceable in an action, we may incur additional costs associated with resolving such action in other jurisdictions, which could harm our business, operating results and financial condition.

While we currently intend to pay regular quarterly dividends to our stockholders, we may change our dividend policy at any time.

Although we currently intend to pay regular quarterly dividends to holders of our common stock, we may change our dividend policy at any time. Our net cash provided by operating activities could be less than the amount of distributions to our shareholders. The declaration and payment of dividends to holders of our common stock will be at the discretion of our board of directors in accordance with applicable law after taking into account various factors, including actual results of operations, liquidity and financial condition, net cash provided by operating activities, restrictions imposed by applicable law, limitations under our contractual agreements, including the agreements governing the New Financing, our taxable income, our operating expenses and other factors our board of directors deem relevant. Our long-term goal is to maintain a payout ratio of between 50-60% of funds available for distribution, with remaining amounts used primarily to fund our future acquisitions and opportunities. There can be no assurance that we will continue to pay dividends in amounts or on a basis consistent with prior distributions to our investors, if at all. Because we are a holding company and have no direct operations, we will only be able to pay dividends from our available cash on hand and any funds we receive from our subsidiaries and our ability to receive distributions from our subsidiaries may be limited by the financing agreements to which they are subject.

As a public company, we will incur additional costs and face increased demands on our management.

As a newly independent public company with shares listed on Nasdaq, we will need to comply with an extensive body of regulations that did not apply to us previously, including certain provisions of the Sarbanes-Oxley Act, the Dodd-Frank Wall Street Reform and Consumer Protection Act, regulations of the SEC and requirements of Nasdaq. These rules and regulations will increase our legal and financial compliance costs and make some activities more time-consuming and costly. For example, as a result of becoming a public company, we must have independent directors and board committees.

If securities or industry analysts do not publish research or reports about our business, or if they downgrade their recommendations regarding our common stock, our stock price and trading volume could decline.

The trading market for our common stock will be influenced by the research and reports that industry or securities analysts publish about us or our business. If any of the analysts who may cover us downgrades our common stock or publishes inaccurate or unfavorable research about our business, our common stock price may decline. If analysts cease coverage of us or fail to regularly publish reports on us, we could lose visibility in the financial markets, which in turn could cause our common stock price or trading volume to decline and our common stock to be less liquid.

Our determination of how much leverage to use to finance our acquisitions may adversely affect our return on our assets and may reduce funds available for distribution.

We utilize leverage to finance many of our asset acquisitions, which entitles certain lenders to cash flows prior to retaining a return on our assets. While our Manager targets using only what we believe to be reasonable leverage, our strategy does not limit the amount of leverage we may incur with respect to any specific asset. The return we are able to earn on our assets and funds available for distribution to our stockholders may be significantly reduced due to changes in market conditions, which may cause the cost of our financing to increase relative to the income that can be derived from our assets.

SPECIAL NOTE REGARDING FORWARD-LOOKING STATEMENTS

This Information Statement contains certain "forward-looking statements" that are subject to risks and uncertainties. These statements are not historical facts but instead represent only our belief regarding future events, many of which are inherently uncertain and outside of our control. These statements may address, among other things, our possible or assumed future results of our business, financial condition, liquidity, results of operations, plans and objectives. When we use the words "outlook," "believes," "expects," "potential," "continues," "may," "will," "should," "could," "seeks," "approximately," "predicts," "intends," "plans," "estimates," "anticipates," "target," "projects," "contemplates" or the negative version of those words or other comparable words, we intend to identify forward-looking statements. Our actual results, liquidity and financial condition may differ from the anticipated results, liquidity and financial condition indicated in these forward-looking statements.

Such forward-looking statements are subject to various risks and uncertainties and assumptions relating to our operations, financial results, financial condition, business, prospects, growth strategy and liquidity. Accordingly, there are or will be important factors that could cause our actual results to differ materially from those indicated in these statements. The following is a summary of the principal risk factors that make investing in our securities risky and may materially adversely affect our business, financial condition, results of operations and cash flows. This summary should be read in conjunction with the more complete discussion of the risk factors we face, which are set forth in the "Risk Factors" section of this Information Statement. We believe that these factors include, but are not limited to:

- changes in economic conditions generally and specifically in our industry sectors, and other risks relating to the global economy, including, but not limited to, the ongoing COVID-19 pandemic and other public health crises, and any related responses or actions by businesses and governments;
- reductions in cash flows received from our assets;
- our ability to take advantage of acquisition opportunities at favorable prices;
- a lack of liquidity surrounding our assets, which could impede our ability to vary our portfolio in an appropriate manner;
- the relative spreads between the yield on the assets we acquire and the cost of financing;
- adverse changes in the financing markets we access affecting our ability to finance our acquisitions;
- customer defaults on their obligations;
- our ability to renew existing contracts and enter into new contracts with existing or potential customers;
- the availability and cost of capital for future acquisitions;
- concentration of a particular type of asset or in a particular sector;
- the competitive market for acquisition opportunities;
- risks related to operating through joint ventures, partnerships, consortium arrangements or other collaborations with third parties;
- our ability to successfully integrate acquired businesses;
- obsolescence of our assets or our ability to sell our assets;
- exposure to uninsurable losses and force majeure events;
- infrastructure operations and maintenance may require substantial capital expenditures;
- the legislative/regulatory environment and exposure to increased economic regulation;
- difficulties in obtaining effective legal redress in jurisdictions in which we operate with less developed legal systems;
- our ability to maintain our exemption from registration under the Investment Company Act and the fact that maintaining such exemption imposes limits on our operations;
- our ability to successfully utilize leverage in connection with our investments;
- foreign currency risk and risk management activities;

- effectiveness of our internal control over financial reporting;
- exposure to environmental risks, including natural disasters, increasing environmental legislation and the broader impacts of climate change;
- changes in interest rates and/or credit spreads, as well as the success of any hedging strategy we may undertake in relation to such changes;
- actions taken by national, state, or provincial governments, including nationalization, or the imposition of new taxes, could materially impact the financial performance or value of our assets;
- our dependence on our Manager and its professionals and actual, potential or perceived conflicts of interest in our relationship with our Manager;
- effects of the merger of Fortress Investment Group LLC with affiliates of SoftBank;
- volatility in the market price of our shares;
- the inability to pay dividends to our stockholders in the future; and
- other risks described in the "Risk Factors" section of this Information Statement.

These factors should not be construed as exhaustive and should be read in conjunction with the other cautionary statements that are included in this Information Statement. The forward-looking statements made in this Information Statement relate only to events as of the date on which the statements are made. We do not undertake any obligation to publicly update or review any forward-looking statement except as required by law, whether as a result of new information, future developments or otherwise.

If one or more of these or other risks or uncertainties materialize, or if our underlying assumptions prove to be incorrect, our actual results may vary materially from what we may have expressed or implied by these forward-looking statements. We caution that you should not place undue reliance on any of our forward-looking statements. Furthermore, new risks and uncertainties arise from time to time, and it is impossible for us to predict those events or how they may affect us.

We also direct readers to other risks and uncertainties referenced in this Information Statement, including those set forth under "Risk Factors." We caution that you should not place undue reliance on any of our forward-looking statements. Further, any forward-looking statement speaks only as of the date on which it is made. New risks and uncertainties arise from time to time, and it is impossible for us to predict those events or how they may affect us. Except as required by law, we are under no obligation (and expressly disclaim any obligation) to update or alter any forward-looking statement, whether written or oral, that we may make from time to time, whether as a result of new information, future events or otherwise.

OUR SPIN-OFF FROM FTAI

General

The FTAI board of directors, and a special committee thereof, has determined upon careful review and consideration that the spin-off of FTAI Infrastructure's assets from the rest of FTAI and the establishment of FTAI Infrastructure as a separate, publicly-traded company is in FTAI's best interests.

In furtherance of this plan, FTAI will distribute all of the shares of our common stock held by FTAI to holders of FTAI common shares, subject to certain conditions. The distribution of the shares of our common stock will take place on , 2022. On the distribution date, each holder of FTAI common shares will receive one share of our common stock for each FTAI common share held at the close of business on the record date, as described below. Immediately following the distribution, FTAI's shareholders will own substantially all of our common stock. You will not be required to make any payment, surrender or exchange your FTAI common shares or take any other action to receive your shares of our common stock.

The distribution of our common stock as described in this Information Statement is subject to the satisfaction or waiver of certain conditions. We cannot provide any assurances that the distribution will be completed. For a more detailed description of these conditions, see the section entitled "—Conditions to the Distribution" included elsewhere in this Information Statement.

The anticipated benefits of the spin-off are based on a number of assumptions, and there can be no assurance that such benefits will materialize to the extent anticipated or at all. In the event that the spin-off does not result in such benefits, the costs associated with the transaction, including an expected increase in general and administrative expenses and management compensation, could have a negative effect on our and FTAI's financial condition and ability to make distributions to stockholders or shareholders. For more information about the risks associated with the spin-off, see "Risk Factors."

Background of the Spin-Off

As part of FTAI's ongoing strategic planning process, the FTAI board of directors and senior management regularly review and assess FTAI's long-term goals and opportunities, industry trends, competitive environment, and short-and long-term performance in light of FTAI's strategic plan, with the goal of maximizing shareholder value. In connection with these activities, the FTAI board of directors and senior management meet from time to time in the ordinary course of business to consider and evaluate various courses of action, including business combinations, acquisitions, dispositions, stock buybacks, special dividends, internal restructurings, capital raising, debt financings or refinancings, spin-offs and other transactions, and FTAI engaged Skadden, Arps, Slate, Meagher & Flom LLP as legal advisor. As part of this review, the FTAI board of directors directed FTAI management to begin exploring a potential spin-off transaction in April 2021. The FTAI board of directors considered the merits of a spin-off transaction in light of feedback that management had received from FTAI's shareholders that had indicated that it was difficult to assess the value of FTAI against peer companies given its (i) combined aviation and infrastructure businesses, (ii) corporate structure as a Delaware limited liability company and (iii) tax status as a publicly traded partnership. As a result, the FTAI board of directors determined to explore the spin-off transaction, because the spin-off transaction, together with the proposed merger pursuant to which FTAI will merge with a subsidiary of FTAI and FTAI shareholders will receive stock in a non-U.S. company that holds FTAI's aviation subsidiaries, would address the shareholder feedback described above. On December 15, 2021, the FTAI board of directors formed a special committee comprised solely of independent and disinterested board members and delegated to the special committee the full power and responsibility to, among other things, (x) review, evaluate and negotiate certain terms relating to the management agreements, the treatment of certain income incentive allocations and capital gains incentive allocations and the treatment of certain outstanding options held by FTAI's manager and the non-employee directors of FTAI (collectively, the "Specified Matters") and (y) act with respect to the Specified Matters.

As described in more detail in the section entitled "Summary—The Spin-Off," the material terms of the ancillary agreements were initially determined by FTAI by making the material terms of the Company's agreements substantially consistent with the terms in place at FTAI prior to the spin-off, to the extent applicable, and reviewing the terms of comparable transactions and taking into account structuring considerations. The terms of the internal reorganization and the merger were determined by FTAI to separate FTAI's assets into the aviation business and the infrastructure business in accordance with contractual, regulatory and tax considerations and to effectuate the purposes of the transaction. The terms of the transaction, including the terms of the New Financing, are being negotiated with third-parties.

The material terms of the spin-off were proposed by FTAI for consideration by the special committee. The special committee hired Fried, Frank, Harris, Shriver & Jacobson LLP as its outside legal counsel to assist it in considering the terms of the proposed spin-off. The special committee reviewed with its outside legal counsel the terms of the definitive transaction agreements, including but not limited to, the Separation and Distribution Agreement, the Plan, the certificate of incorporation and bylaws of FTAI Infrastructure and the Management Agreement between the Manager and each of FTAI and FTAI Infrastructure. The special committee also received a review from an outside financial advisory firm, Houlihan Lokey, of publicly available information regarding stock options that were adjusted in selected spin-off transactions and publicly available information regarding selected external management agreements. The special committee considered other transactions and considerations as part of the full FTAI board process, including not proceeding with the spin-off transaction, as well as discussed the agreements related to the spin-off, and determined that the terms were substantially consistent with the terms in place prior to the spin-off, and agreed to approve the Specified Matters on this basis. The special committee agreed that the transaction would likely increase shareholder value and make it easier to determine each business' separate valuation. Following the determination of the special committee, the board of directors of FTAI unanimously approved the transactions described herein, subject to the board of directors declaring the distribution prior to the closing of the spin-off.

The Number of Shares You Will Receive

For each FTAI common share that you owned at the close of business on , 2022, the record date, you will receive one share of our common stock on the distribution date.

Transferability of Shares You Receive

Subject to the limitations on ownership described in "Description of Our Capital Securities—Ownership Restrictions for Company Securities," the shares of FTAI Infrastructure common stock distributed to FTAI shareholders will be freely transferable, except for shares received by persons who may be deemed to be FTAI Infrastructure "affiliates" under the Securities Act. Persons who may be deemed to be affiliates of FTAI Infrastructure after the spin-off generally include individuals or entities that control, are controlled by or are under common control with FTAI Infrastructure and may include directors and certain officers or principal stockholders of FTAI Infrastructure. FTAI Infrastructure affiliates will be permitted to sell their shares of FTAI Infrastructure common stock only pursuant to an effective registration statement under the Securities Act or an exemption from the registration requirements of the Securities Act, such as the exemptions afforded by Rule 144.

When and How You Will Receive the Distributed Shares

FTAI will distribute the shares of our common stock on , 2022, the distribution date. AST will serve as distribution agent and registrar for our common stock and as distribution agent in connection with the distribution.

If you own FTAI common shares as of the close of business on the record date, the shares of FTAI Infrastructure common stock that you are entitled to receive in the distribution will be issued electronically, as of the distribution date, to you or to your bank or brokerage firm on your behalf by way of direct registration in book-entry form. Registration in book-entry form refers to a method of recording stock ownership when no physical share certificates are issued to stockholders, as is the case in the distribution. No physical stock certificates of FTAI Infrastructure will be issued.

If you sell FTAI common shares in the "regular-way" market prior to the distribution date, you will also sell your right to receive shares of our common stock in the distribution.

For more information see the section entitled "—Market for Common Stock—Trading Between the Record Date and Distribution Date" included elsewhere in this Information Statement.

Commencing on or shortly after the distribution date, if you hold physical stock certificates that represent your FTAI common shares, or if you hold your shares in book-entry form, and you are the registered holder of such shares, the distribution agent will mail to you an account statement that indicates the number of shares of our common stock that have been registered in book-entry form in your name.

Most FTAI shareholders hold their FTAI common shares through a bank or brokerage firm. In such cases, the bank or brokerage firm would be said to hold the stock in "street name" and ownership would be recorded on the bank's or brokerage firm's books. If you hold your FTAI common shares through a bank or brokerage firm, your bank or brokerage firm will credit your account for the shares of our common stock that you are entitled to receive in the distribution. If you have any questions concerning the mechanics of having shares of our common stock held in "street name," we encourage you to contact your bank or brokerage firm.

Results of the Distribution

After the distribution, we will be a separate, publicly traded company. Immediately following the distribution, we expect to have approximately 10 stockholders of record, based on the number of registered holders of FTAI common shares on April 1, 2022 and 99,188,696 shares of our common stock outstanding. The actual number of shares to be distributed will be determined on the record date and will reflect any changes in the number of FTAI common shares between April 1, 2022 and the record date for the distribution.

Prior to the spin-off, we will enter into a Separation and Distribution Agreement to effect the spin-off and provide for the allocation between us and FTAI of FTAI's assets, liabilities and obligations (including tax-related assets and liabilities) attributable to periods prior to our spin-off from FTAI.

For a more detailed description of this agreement, see the section entitled "Certain Relationships and Related Party Transactions."

The distribution will not affect the number of outstanding FTAI common shares or any rights of FTAI shareholders.

U.S. Federal Income Tax Consequences of the Spin-Off

The following is a summary of U.S. federal income tax consequences generally applicable to the spin-off, and in particular the distribution by FTAI of FTAI Infrastructure common stock to common shareholders of FTAI. For purposes of this section under this heading "—U.S. Federal Income Tax Consequences of the Spin-Off": references to "FTAI" mean only FTAI and not its subsidiaries or other lower-tier entities, except as otherwise indicated.

The information in this summary is based on: the Internal Revenue Code of 1986, as amended (the "Code"); current, temporary and proposed regulations promulgated by the U.S. Treasury Department ("Treasury Regulations"); the legislative history of the Code; current administrative interpretations and practices of the IRS; and court decisions; all as currently in effect, and all of which are subject to differing interpretations or to change, possibly with retroactive effect. No assurance can be given that the IRS would not assert, or that a court would not sustain, a position contrary to any of the tax consequences described below. The summary is also based upon the assumption that FTAI, FTAI Infrastructure, and their respective subsidiaries and affiliated entities will operate in accordance with their applicable organizational documents or partnership agreements and the agreements and other documents applicable the spin-off. This summary is for general information only and is not legal or tax advice. The Code provisions applicable to the spin-off are highly technical and complex, and this summary is qualified in its entirety by the express language of applicable Code provisions, Treasury Regulations, and administrative and judicial interpretations thereof. Moreover, this summary does not purport to discuss all aspects of U.S. federal income taxation that may be important to a particular investor in light of its investment or tax circumstances, or to investors subject to special tax rules, such as:

- financial institutions;
- insurance companies;
- broker-dealers;
- regulated investment companies;
- partnerships and trusts;
- persons who hold FTAI shares on behalf of another person as a nominee;
- persons who receive FTAI shares through the exercise of employee stock options or otherwise as compensation;

- persons holding FTAI shares as part of a "straddle," "hedge," "conversion transaction," "synthetic security" or other integrated investment;
- persons that own (actually or constructively) more than 5% of FTAI common shares;
- tax-exempt organizations; and
- except to the extent expressly discussed below, foreign investors.

This summary assumes that investors hold their FTAI common shares and will hold their FTAI Infrastructure common stock as capital assets, which generally means as property held for investment. This summary also assumes that investors will hold their FTAI common shares at all times from the record date through the distribution date. Special rules may apply to determine the tax consequences to an investor that purchases or sells FTAI common shares between the record date and the distribution date. You are urged to consult your tax advisor regarding the consequences to you of any such sale.

For purposes of this discussion under this heading "U.S. Federal Income Tax Consequences of the Spin-Off," a "U.S. Holder" is an FTAI shareholder that is for U.S. federal income tax purposes:

- a citizen or resident of the United States;
- a corporation created or organized in the United States or under the laws of the United States, or of any state thereof, or the District of Columbia;
- an estate, the income of which is includable in gross income for U.S. federal income tax purposes regardless of its source; or
- a trust if (i) a U.S. court is able to exercise primary supervision over the administration of such trust and one or more U.S. fiduciaries have the authority to control all substantial decisions of the trust or (ii) the trust has a valid election in effect to be treated as a U.S. person.

A "Non-U.S. Holder" is an FTAI shareholder that is neither a U.S. Holder nor a partnership (or other entity or arrangement treated as a partnership) for U.S. federal income tax purposes. If a partnership, including for this purpose any entity or arrangement that is treated as a partnership for U.S. federal income tax purposes, holds FTAI shares, the tax treatment of a partner in the partnership will generally depend upon the status of the partner and the activities of the partnership. An investor that is a partnership and the partners in such partnership should consult their tax advisors about the U.S. federal income tax consequences of the spin-off.

The U.S. federal income tax treatment of the spin-off will depend in some instances on determinations of fact and interpretations of complex provisions of U.S. federal income tax law for which no clear precedent or authority may be available. In addition, the tax consequences of the spin-off to any particular FTAI shareholder will depend on the shareholder's particular tax circumstances. You are urged to consult your tax advisor regarding the federal, state, local, and foreign income and other tax consequences to you of the spin-off in light of your particular investment or tax circumstances.

Tax Treatment of the Spin-Off to U.S. Holders

The following discussion describes the U.S. federal income tax consequences to a U.S. Holder of FTAI common shares upon the receipt of FTAI Infrastructure common stock in the spin-off.

Subject to the discussions below of the rules governing distributions of "marketable securities" and the "disguised sale" rules, the distribution of FTAI Infrastructure common stock is generally not expected to be a taxable event for U.S. Holders. An FTAI shareholder's tax basis in shares of FTAI Infrastructure common stock received in the spin-off generally will be equal to the lesser of (i) FTAI's basis in such common stock on the distribution date (as reduced to reflect any election under Section 362(e), as described below), and (ii) such holder's tax basis in its FTAI shares immediately prior to the distribution. The holding period for the FTAI Infrastructure common stock received in the spin-off will take into account FTAI's holding period with respect thereto. The holding period for the holder's FTAI shares will not be affected by the distribution.

An FTAI shareholder's basis in FTAI shares held at the time of the distribution will generally be reduced (but not below zero) by FTAI's tax basis in the FTAI Infrastructure common stock received immediately prior to the distribution. However, if the spin-off were to be treated as a liquidating distribution occurring in connection with the deemed liquidation of FTAI as a result of the Aviation Merger, then the shareholder's basis in its FTAI shares

immediately prior to the spin-off would be allocated between the FTAI Infrastructure common stock received and the other shares deemed distributed in such liquidation based on their relative fair market values, without regard to FTAI's basis in the FTAI Infrastructure common stock. Although FTAI does not intend to report the spin-off as part of a liquidating distribution, no assurances can be given in that regard. FTAI may not be able to advise shareholders of its basis in FTAI Infrastructure common stock until after the spin-off occurs.

FTAI's holding period (and therefore a U.S. Holder's holding period) in FTAI Infrastructure common stock may be divided between blocks of stock that were acquired by FTAI on different dates and at different prices. As a general rule, if a shareholder has a divided holding period in common stock and sells its entire interest, any capital gain or loss recognized shall be divided between long-term and short-term capital gain or loss in the same proportions as the holding period of the interest in the corporation is divided between the portion of the interest deemed held for more than twelve (12) months and the portion of the interest deemed held for twelve (12) months or less. Shareholders should consult their tax advisors regarding how to allocate between long-term and short-term capital gain if they sell less than all of their FTAI Infrastructure common stock.

Under Section 731(c) of the Code, a partnership's distribution of "marketable securities" to a partner is generally treated as a distribution of cash, which would generally be taxable to the extent that such distribution exceeds the partner's adjusted tax basis in its partnership interest. Although shares of FTAI Infrastructure stock will be considered "marketable securities" under Section 731(c) immediately following the spin-off, FTAI anticipates that certain exceptions to these rules should apply to the distribution in connection with the spin-off such that the distribution in general should not trigger gain recognition under these rules.

Under Section 707(a) of the Code, a transfer of money or property by a partner to a partnership followed by a related transfer of property by the partnership to the partner is treated as a disguised sale if (i) the second transfer would not have occurred but for the first transfer and (ii) the second transfer is not dependent on the entrepreneurial risks of the partnership's operations. Transfers of money or other property between a partnership and a partner that are made within two years of each other must be reported to the IRS and are presumed to be a disguised sale unless the facts and circumstances clearly establish that the transfers do not constitute a sale.

Under these rules, it is possible that the IRS could assert that the distribution of FTAI Infrastructure common stock by FTAI or the Partnership in connection with the spin-off, together with contributions of cash to FTAI by certain holders, or to the Partnership by FTAI, in the two years preceding the spin-off, should be treated as a sale of property to such contributing holders. FTAI intends to take the position that the facts and circumstances establish the absence of a sale in connection with the spin-off. Nevertheless, in light of the lack of directly applicable authority, there can be no assurance that the disguised sale rules will not apply. If FTAI's position were successfully challenged, holders who purchased FTAI shares for cash from FTAI in the two years preceding the spin-off would be treated for U.S. federal income tax purposes as if they had purchased FTAI Infrastructure common stock in exchange for cash. Similar treatment could apply to contributions by FTAI to the Partnership in the two years preceding the spin-off. In that case, FTAI or the Partnership, as applicable, would generally be required to recognize gain or loss, which gain would be allocated to all of its holders. U.S. Holders are urged to consult their tax advisors with respect to the potential disguised sale of the FTAI Infrastructure common stock.

Tax Treatment of the Spin-Off to Non-U.S. Holders

The following discussion describes the U.S. federal income tax consequences to a Non-U.S. Holder of FTAI common shares upon the receipt of FTAI Infrastructure common stock in the spin-off.

Non-U.S. Holders are generally not expected to be subject to U.S. federal income tax or withholding tax on the distribution of FTAI Infrastructure common stock (and will generally be subject to the basis and holding period rules applicable to a U.S. Holder, as described above).

Withholding of Amounts Distributable to Non-U.S. Holders in the Spin-off

Although FTAI generally does not expect that withholding will be required in connection with the distribution of FTAI Infrastructure stock in the spin-off, if withholding is required on any amounts otherwise distributable to a Non-U.S. Holder in the spin-off, FTAI or other applicable withholding agents may collect the amount required to be withheld by converting to cash for remittance to the IRS a sufficient portion of FTAI Infrastructure common stock that such Non-U.S. Holder would otherwise receive or may withhold from other property held in the Non-U.S. Holder's account with the withholding agent, and such holder may bear brokerage or other costs for this withholding

procedure. A Non-U.S. Holder may seek a refund from the IRS of any amounts withheld if it is subsequently determined that the amounts withheld exceeded the holder's U.S. tax liability for the year in which the spin-off occurred.

Restructuring Transactions

As noted above, FTAI and its subsidiaries have engaged and intend to engage in certain Restructuring Transactions in connection with the spin-off. It is possible that FTAI will recognize income or gain as a result of those transactions. Holders of FTAI common shares may be subject to U.S. federal, state, local, or non-U.S. income taxation on their allocable share of FTAI's items of income or gain realized in connection with the Restructuring Transactions. The amount of such income or gain may depend, in part, on events after the spin-off, such as those that give rise to earnings and profits in the current taxable year. FTAI will not be able to advise shareholders of income or gain recognized in the Restructuring Transactions until after the spin-off occurs.

In addition, if the aggregate fair market value of the assets transferred by the Partnership to FTAI Infrastructure in the Restructuring Transactions is less than their aggregate tax basis at the time of their contribution, FTAI Infrastructure generally would be required to reduce its basis in those assets to their fair market value. However, under Section 362(e), an election is available to reduce the basis of certain of the shares of FTAI Infrastructure stock received by the Partnership instead of reducing the corresponding portion of the basis of the assets of FTAI Infrastructure. The Partnership may make an election under Section 362(e) of the Code. If made, the Partnership's basis in its FTAI Infrastructure shares generally would be reduced, but not below zero, by the difference between the Partnership's basis in its assets and the fair market value of those assets at the time of the contribution. In addition, Treasury Regulations provide that a partnership's reduction, pursuant to an election under Section 362(e) of the Code, of its basis in stock it holds results in a corresponding reduction of certain partners' basis in their partnership interests, which reduction would flow through the Partnership to FTAI shareholders. Any reduction in the Partnership's tax basis in its shares of FTAI Infrastructure common stock would carry over to the FTAI Infrastructure common stock that FTAI's common shareholders receive in connection with the spin-off. Such reduced basis would result in increased gain (or reduced loss) upon disposition of FTAI Infrastructure shares by such holder. Holders are strongly urged to consult with their tax advisers with respect to matters relating to the application of Section 362(e) and any election thereunder.

Market For Common Stock

There is currently no public market for our common stock. A condition to the distribution is the listing on Nasdaq of our common stock. We have applied to list our common stock on Nasdaq under the symbol "FIP."

Trading Between the Record Date and Distribution Date

Beginning shortly before the record date and continuing up to and through the distribution date, we expect that there will be two markets in FTAI common shares: a "regular-way" market and an "ex-distribution" market. FTAI common shares that trade on the "regular-way" market will trade with an entitlement to shares of our common stock distributed pursuant to the distribution. FTAI common shares that trade on the "ex-distribution" market will trade without an entitlement to shares of our common stock distributed pursuant to the distribution. Therefore, if you sell FTAI common shares in the "regular-way" market through the distribution date, you will also sell your right to receive shares of FTAI Infrastructure common stock in the distribution. If you own FTAI common shares at the close of business on the record date and sell those shares on the "ex-distribution" market through the distribution date, you will still receive the shares of our common stock that you would be entitled to receive pursuant to your ownership of the FTAI common shares on the record date. You are urged to consult your tax advisor regarding the treatment of the distribution to you if you purchase or sell FTAI common shares between the record date and the distribution date.

Furthermore, beginning on or shortly before the record date and continuing up to and through the distribution date, we expect that there will be a "when-issued" market in our common stock. "When-issued" trading refers to a sale or purchase made conditionally because the security has been authorized but not yet issued. The "when-issued" trading market will be a market for our common stock that will be distributed to FTAI shareholders on the distribution date. If you owned FTAI common shares at the close of business on the record date, you would be entitled to shares of our common stock distributed pursuant to the distribution. You may trade this entitlement to shares of our common stock, without trading the FTAI common shares you own, on the "when-issued" market. On the first trading day following the distribution date, "when-issued" trading with respect to our common stock will end and "regular-way" trading will begin.

Conditions to the Distribution

We expect that the distribution will occur on , 2022, the distribution date, *provided* that, among other conditions described in this Information Statement, the following conditions shall have been satisfied:

- our registration statement on Form 10, of which this Information Statement is a part, shall have become effective under the Exchange Act, and no stop order relating to the registration statement shall be in effect;
- all other actions and filings necessary or appropriate under applicable federal or state securities laws and state blue sky laws in connection with the transactions shall have been taken;
- an outside valuation advisory firm or firms acceptable to FTAI shall have delivered one or more opinions to the board of directors of FTAI regarding solvency and capital adequacy matters with respect to FTAI and FTAI Infrastructure after consummation of the distribution, and such opinions shall be acceptable to FTAI in form and substance in FTAI's sole discretion and such opinions shall not have been withdrawn or rescinded;
- the FTAI Infrastructure common stock to be distributed in the separation shall have been accepted for listing on Nasdaq, subject to compliance with applicable listing requirements;
- the Restructuring Transactions shall have been completed;
- any ancillary agreements shall have been executed and delivered by each of FTAI and us, as applicable, and no party to any of the ancillary agreements will be in material breach of any such agreement;
- any material governmental and third-party approvals shall have been obtained and be in full force and effect; and
- no order, injunction or decree issued by any court of competent jurisdiction or other legal restraint or prohibition preventing consummation of the distribution or any of the transactions related thereto, including the transfers of assets and liabilities contemplated by the Separation and Distribution Agreement, shall be in effect.

We cannot assure you that all of the conditions will be satisfied or waived. In addition, if the separation is completed and FTAI's board of directors waives any such condition, such waiver could have a material adverse effect on FTAI's and FTAI Infrastructure's respective business, financial condition or results of operations, including, without limitation, as a result of illiquid trading due to the failure of FTAI Infrastructure common stock to be accepted for listing, litigation relating to any preliminary or permanent injunctions that sought to prevent the consummation of the separation, or the failure of FTAI or FTAI Infrastructure to obtain any required regulatory approvals. As of the date hereof, the board of directors of FTAI does not intend to waive any of the conditions described herein and would only consider such a waiver if it determined that such action was in the best interests of FTAI and its shareholders.

The fulfillment of the above conditions will not create any obligation on behalf of FTAI to effect the separation. Until the separation has occurred, FTAI has the right to terminate the separation, even if all the conditions have been satisfied, if the board of directors of FTAI determines, in its sole discretion, that the separation is not in the best interests of FTAI and its stockholders or that market conditions or other circumstances are such that the separation of FTAI Infrastructure and FTAI is no longer advisable at that time.

Reasons for the Spin-Off

FTAI's board of directors periodically reviews strategic alternatives. The FTAI board of directors, and a special committee thereof, determined upon careful review and consideration that the spin-off of FTAI Infrastructure is in the best interests of FTAI. The FTAI board of directors' determination to move forward was based on a number of factors, including those set forth below.

- ***Creates two independent companies, each with the opportunity to pursue growth through the execution of distinctly different business plans.*** We and FTAI's board of directors believe that having two independent companies with distinct investment profiles will maximize the strategic focus and financial flexibility of each company to grow and return capital to stockholders. We and FTAI's board of directors believe that the two businesses, each with a clear focus, strong, independent boards of directors, and strengthened balance sheets, will create greater shareholder value as two companies than as one.

- ***Enhances investor transparency, better highlights the attributes of both companies, and provides investors with the option to invest in one or both companies.*** The separation will provide each shareholder the opportunity to make an individual allocation of capital to one or both of the two differentiated businesses, each with a distinct investment risk/return profile. In addition, we and FTAI's board of directors believe the separation will make FTAI Infrastructure and FTAI more competitive and appealing to a broader investor audience moving forward, providing them with the opportunity to invest in two companies with compelling value propositions and distinct investment strategies. Investors can increase their allocation to FTAI Infrastructure or to FTAI, depending on their preference.
- ***Tailored capital structure and financing options.*** Each company will have the flexibility to create a capital structure tailored to its needs, and each may be able to attain more favorable financing terms separately. In addition, tailored capital structures will facilitate each company's ability to pursue acquisitions, possibly using common stock, and other strategic alliances.
- ***Stock ownership.*** We believe the conversion of FTAI Infrastructure to a Delaware corporation and the subsequent spin-off of FTAI Infrastructure will make it easier for both domestic and international investors to own its stock and help simplify shareholders' tax reporting, which we expect should provide for significant growth potential for our shareholders. In addition, FTAI's subsequent restructuring from a publicly traded partnership to a corporation for U.S. federal income tax purposes is also expected to provide for significant growth potential for FTAI's shareholders.

The board of directors of FTAI also considered a number of potentially negative factors in evaluating the separation, including the following:

- ***Anticipated benefits of the separation may not be realized.*** Following the separation, FTAI Infrastructure and FTAI will be independent companies. FTAI Infrastructure and/or FTAI may not be able to achieve some or all of the benefits that it expects to achieve as a company independent from the other in the time it expects, if at all.
- ***There may be disruptions to the business as a result of the separation.*** The actions required to separate FTAI Infrastructure and FTAI could disrupt FTAI Infrastructure's and FTAI's operations after the separation. The separation and distribution may divert management's time and attention, which could have a material adverse effect on the business, results of operations, financial condition and cash flows.
- ***Costs of the separation.*** FTAI Infrastructure and FTAI will incur costs in connection with the transition to being separate public companies that include accounting, tax, legal and other professional service costs. In addition, FTAI Infrastructure and FTAI will incur costs in connection with operating as separate, stand alone public companies that the combined company otherwise shared, such as expenses associated with reporting and compliance as public companies and separate management and incentive fees, working capital requirements, overhead, insurance, financing and other operating costs, as well the potentially higher cost of capital as separate companies.
- ***There may be conflicts between FTAI Infrastructure and FTAI.*** There may be, or there may be the appearance of, conflicts of interest in FTAI Infrastructure's relationship with FTAI. We expect certain directors to overlap at least at the outset and we expect that, if and to the extent matters come before the board as to which there is a conflict between the two companies, that the companies would take appropriate steps so that decisions with respect to such matters are made by disinterested and independent directors. The agreements between FTAI and us, if any, generally will not limit or restrict FTAI or its affiliates from engaging in any business or managing other entities that engage in business of the type conducted by us. Actual, potential, or perceived conflicts could give rise to investor dissatisfaction, settlements with stockholders, litigation, or regulatory inquiries or enforcement actions.

As part of the FTAI board of director's process, the members of the special committee were involved in various discussions since February 2021 related to investor relations, share price and certain value creation solutions, including but not limited to, a discussion to potentially spin out FTAI's infrastructure business. During this time, the FTAI board of directors discussed FTAI's projections, financial and otherwise, continuing as a consolidated business versus spinning off the infrastructure business and decided there was sufficient growth potential to split FTAI into two independent publicly-traded companies. FTAI also made a large acquisition of Transtar from U.S. Steel which bolstered its infrastructure business and EBITDA projections. The members of the special committee, as part of the

full FTAI board of director's process, had a number of discussions with management as they explored the potential of spinning out the infrastructure business and considered various topics, including potential additional expenses related to running two public companies, potential market and analyst reactions to a spin-off for both FTAI and the new entity, the post-split projected economics, and potential capital structures for the two entities post-spin-off and how each could create greater shareholder value. The special committee concluded that the proposed spin-off is in the best interests of FTAI and its shareholders.

Following the separation, FTAI Infrastructure will be an infrastructure assets company and will not operate under the umbrella of FTAI. FTAI Infrastructure's business may be negatively impacted by this loss of operating diversity, including the purchasing power, financing options, and ability to share overhead costs associated with operating as part of a larger organization. The board of directors of FTAI concluded that the potential benefits of the separation outweighed these factors. For more information about the risks associated with the spin-off, see "Risk Factors."

Reasons for Furnishing this Information Statement

This Information Statement is being furnished solely to provide information to FTAI shareholders who are entitled to receive shares of FTAI Infrastructure common stock in the distribution. The Information Statement is not, and is not to be construed as, an inducement or encouragement to buy, hold or sell any of our securities or securities of FTAI. We believe that the information in this Information Statement is accurate as of the date set forth on the cover. Changes may occur after that date and neither FTAI nor we undertake any obligation to update such information.

DIVIDEND POLICY

We intend to make regular quarterly dividends to holders of our common stock out of assets legally available for this purpose, subject to satisfactory financial performance and approval by FTAI Infrastructure's board of directors. Any declaration and payment of future dividends to holders of our common stock will be at the discretion of our board of directors and will depend on many factors, including our financial condition, earnings, cash flows, capital requirements, level of indebtedness, statutory and contractual restrictions applicable to the payment of dividends and other considerations that our board of directors deems relevant.

Because we are a holding company and have no direct operations, we will only be able to pay dividends from our available cash on hand and any funds we receive from our subsidiaries. Our ability to pay dividends will be limited by restrictions contained in the Series A Preferred Stock, the agreements governing the New Financing, and the future indebtedness that we may incur. Under Delaware law, dividends may be payable only out of surplus, which is calculated as our net assets less our liabilities and our capital, or, if we have no surplus, out of our net profits for the fiscal year in which the dividend is declared and/or the preceding fiscal year.

UNAUDITED PRO FORMA COMBINED CONSOLIDATED FINANCIAL INFORMATION

The following unaudited pro forma combined consolidated financial statements have been prepared to illustrate the effects of the spin-off of FTAI Infrastructure from FTAI. Following the spin-off, the businesses of FTAI will separate into two distinct, publicly traded companies comprising the infrastructure business and the aviation business. The unaudited pro forma combined consolidated financial statements have been derived from our historical audited and unaudited combined consolidated financial statements for the three months ended March 31, 2022 and our historical audited combined consolidated financial statements for the year ended December 31, 2021 of FTAI Infrastructure. As detailed in the section entitled "Summary—Overview of the Separation" included elsewhere in this Information Statement, FTAI Infrastructure LLC will be allocated the Infrastructure Subsidiaries (the predecessor group) and other assets and liabilities related to the infrastructure business.

The unaudited pro forma combined consolidated financial statements have been prepared in accordance with Article 11 of the SEC's Regulation S-X. The unaudited pro forma combined consolidated financial statements consist of an unaudited pro forma combined consolidated balance sheet as of March 31, 2022, and unaudited pro forma combined consolidated statements of operations and comprehensive loss for the three months ended March 31, 2022 and year ended December 31, 2021. The unaudited pro forma combined consolidated financial statements reported below should be read in conjunction with our historical audited and unaudited combined consolidated financial statements and the related notes of FTAI Infrastructure, the consolidated financial statements and the related notes of Transtar, LLC, and "Management's Discussion and Analysis of Financial Condition and Results of Operations" included elsewhere in this Information Statement.

The unaudited pro forma combined consolidated statement of operations and comprehensive loss for the three months ended March 31, 2022 and year ended December 31, 2021 give effect to the separation and distribution of FTAI Infrastructure from FTAI and the related transactions described below as if they had occurred on January 1, 2021. The unaudited pro forma combined consolidated balance sheet as of March 31, 2022 gives effect to the separation and distribution of FTAI Infrastructure from FTAI and the related transactions described below as if they had occurred on such date.

In management's opinion, the unaudited pro forma combined consolidated financial statements reflect adjustments necessary to present fairly FTAI Infrastructure's pro forma results and financial position as of and for the period indicated. Such adjustments include transaction accounting and autonomous entity adjustments. The pro forma adjustments are based on currently available information and assumptions management believes are, given the information available at this time, reasonable and reflect changes necessary to reflect FTAI Infrastructure's financial condition and results of operations as if we were a stand-alone company. Actual adjustments may differ materially from the information presented herein.

Transaction accounting adjustments that reflect the effects of FTAI Infrastructure's separation from FTAI include the following adjustments:

- the acquisition of Transtar, LLC;
- the issuance of a debt financing arrangement of $450 million;
- the issuance of a preferred equity financing arrangement of $300 million;
- the issuance of our common stock to holders of FTAI common shares;
- the elimination of FTAI's net investment in us;
- the recognition of certain transaction costs resulting from the separation and distribution that were not included in our historical combined consolidated financial statements; and
- the tax impact for the change in tax reporting structure.

Autonomous entity adjustments of incremental expense or other charges necessary to reflect the operations and financial positions of FTAI Infrastructure as an independent and separate publicly traded company.

The unaudited pro forma combined consolidated financial statements include all revenues and costs directly attributable to FTAI Infrastructure as well as an allocation of expenses related to facilities, corporate overhead, professional fees, personnel costs, and other related expenses for services provided by FTAI's Manager in accordance with the management agreement. The charges reflected have either been specifically identified or allocated based on an estimate of time spent on FTAI Infrastructure's businesses. These allocated costs are included within the FTAI Infrastructure combined consolidated statement of operations.

Transactions between FTAI and us are accounted for through net parent investment in FTAI Infrastructure. Any transactions with FTAI are considered to be effectively settled in our unaudited pro forma combined consolidated financial statements as of the separation and distribution date. The total net effect of the settlement of these intercompany transactions is reflected in our unaudited pro forma combined consolidated balance sheets as additional paid-in capital.

As an independent, publicly traded company, we expect to incur certain incremental costs resulting from the separation and distribution that were not included in our historical combined consolidated financial statements. These costs include legal, accounting and advisory fees, and are reflected as autonomous entity adjustments in the accompanying unaudited pro forma combined consolidated financial statements.

Actual transactions costs incurred as of the balance sheet date have been reflected in our historical combined consolidated financial statements. Additional costs relating to the spin-off incurred after the balance sheet date and an estimate of costs to be incurred have been included in the accompanying unaudited pro forma combined consolidated financial statements.

Our unaudited pro forma combined consolidated financial statements are for illustrative and informational purposes only, and are not intended to represent what our results of operations or financial position would have been had the separation and distribution and related transactions occurred on the dates assumed. These unaudited pro forma combined consolidated financial statements also should not be considered indicative of our future results of operations or financial position as a separate publicly traded company.

FTAI Infrastructure
Unaudited Pro Forma Combined Consolidated Balance Sheet
As of March 31, 2022
(in thousands)

	FTAI Infrastructure (historical)	Transaction Accounting Adjustments	Notes	Pro Forma Results
Assets				
Current assets:				
Cash and cash equivalents	$ 65,475	$ —		$ 65,475
Restricted cash	214,401	—		214,401
Accounts receivable, net	36,532	—		36,532
Other current assets	61,583	—		61,583
Total current assets	377,991	—		377,991
Leasing equipment, net	35,736	—		35,736
Operating lease right-of-use assets, net	70,913	—		70,913
Property, plant, and equipment, net	1,547,374	—		1,547,374
Investments	55,383	—		55,383
Intangible assets, net	65,863	—		65,863
Goodwill	257,968	95	(b)	258,063
Other assets	26,468	(145)	(b)	26,323
Total assets	$2,437,696	$ (50)		$2,437,646
Liabilities				
Current liabilities:				
Accounts payable and accrued liabilities	$ 91,967	$ 3,189	(b,f)	$ 95,156
Operating lease liabilities	2,921	—		2,921
Other current liabilities	8,340	—		8,340
Total current liabilities	103,228	3,189		106,417
Debt, net	728,601	415,000	(c)	1,143,601
Operating lease liabilities	66,912	—		66,912
Other liabilities	189,166	(933)	(b)	188,233
Total liabilities	1,087,907	417,256		1,505,163
Preferred equity	—	236,458	(d)	236,458
Shareholder's Equity				
Net parent investment	1,609,049	(1,609,049)	(e)	—
Accumulated other comprehensive loss	(252,412)	(7,910)	(b)	(260,322)
Non-controlling interest in equity of consolidated subsidiaries	(6,848)	—		(6,848)
Common stock ($0.01 par value per share; 3,000,000 shares authorized; 99,188,696 shares issued and outstanding on a pro forma basis)	—	992	(e)	992
Additional paid-in capital / Retained earnings	—	962,203	(e)	962,203
Total shareholder's equity	1,349,789	(653,764)		696,025
Total liabilities and equity	$2,437,696	$ (50)		$2,437,646

FTAI Infrastructure
Unaudited Pro Forma Combined Consolidated Statement of Operations
For the Three Months Ended March 31, 2022
(in thousands)

	FTAI Infrastructure (historical)	Transaction Accounting Adjustments	Notes	Autonomous Entity Adjustments	Notes	Pro Forma Results
Revenues						
Total revenues	$ 46,148	$ —		$ —		$ 46,148
Expenses	—					
Operating expenses	38,068	—		—		38,068
General and administrative	2,430	—		581	(e)	3,011
Acquisition and transaction expenses	4,236	1,850	(f)	—		6,086
Management fees and incentive allocation to affiliate	4,161	(525)	(c, d)	—		3,636
Depreciation and amortization	16,996	—		—		16,996
Total expenses	65,891	1,325		581		67,797
Other expense						
Equity in losses of unconsolidated entities	(22,043)	—		—		(22,043)
Interest expense	(6,459)	(13,563)	(c)	—		(20,022)
Other expense	(459)	—		—		(459)
Total other expense	(28,961)	(13,563)		$ —		(42,524)
Loss before income taxes	(48,704)	(14,888)		(581)		(64,173)
Provision for (benefit from) income taxes	1,584	(1,110)	(b)	—		474
Net loss	(50,288)	(13,778)		(581)		(64,647)
Less: Net loss attributable to non-controlling interests in consolidated subsidiaries	(7,466)	—		—		(7,466)
Net loss attributable to FTAI Infrastructure	$(42,822)	$(13,778)		$(581)		$ (57,181)
Less: Dividends and accretion on preferred equity	—	12,285	(d)	—		12,285
Net loss attributable to shareholders	$(42,822)	$(26,063)		$(581)		$ (69,466)
Pro forma net loss per share: (h)						
Basic loss per share						(0.68)
Diluted loss per share						(0.68)
Pro forma weighted-average shares used to compute loss per share:						
Shares used in computation of basic loss per share						102,531,262
Shares used in computation of diluted loss per share						102,531,262

FTAI Infrastructure
Unaudited Pro Forma Combined Consolidated Statement of Comprehensive Loss
For the Three Months Ended March 31, 2022
(in thousands)

	FTAI Infrastructure (historical)	Transaction Accounting Adjustments	Notes	Autonomous Entity Adjustments	Notes	Pro Forma Results
Net loss	$ (50,288)	$(13,778)		$(581)		$ (64,647)
Other comprehensive loss:						
Other comprehensive loss related to equity method investees, net	(96,948)	—		—		(96,948)
Changes in pension and other employee benefit accounts	—	—		—		—
Comprehensive (loss) income	(96,948)	—		—		(96,948)
Comprehensive loss	(147,236)	(13,778)		(581)		(161,595)
Comprehensive loss attributable to non-controlling interest:	(7,466)	—		—		(7,466)
Comprehensive loss attributable to FTAI Infrastructure	$(139,770)	$(13,778)		$(581)		$(154,129)

FTAI Infrastructure
Unaudited Pro Forma Combined Consolidated Statement of Operations
Year Ended December 31, 2021
(in thousands)

	FTAI Infrastructure (historical)	Acquisition of Transtar, LLC (a)[1]	Transaction Accounting Adjustments	Notes	Autonomous Entity Adjustments	Notes	Pro Forma Results
Revenues							
Total revenues	$ 120,219	$79,543	$ —		$ —		$ 199,762
Expenses	—						
Operating expenses	98,541	34,189	—		—		132,730
General and administrative	8,737	4,603	—		2,322	(e)	15,662
Acquisition and transaction expenses	14,826	—	1,850	(f)	—		16,676
Management fees and incentive allocation to affiliate	15,638	—	(2,100)	(c, d)	—		13,538
Depreciation and amortization	54,016	12,192	—		—		66,208
Total expenses	191,758	50,984	(250)		2,322		244,814
Other (expense) income							
Equity in losses of unconsolidated entities	(13,499)	—	—		—		(13,499)
Gain on sale of assets, net	16	356	—		—		372
Interest expense	(16,019)	(23)	(54,250)	(c)	—		(70,292)
Other (expense) income	(8,930)	803	—		—		(8,127)
Total other (expense) income	(38,432)	1,136	(54,250)		—		(91,546)
(Loss) income before income taxes	(109,971)	29,695	(54,000)		(2,322)		(136,598)
(Benefit from) provision for income taxes	(3,630)	9,572	(4,141)	(b)	—		1,801
Net (loss) income	(106,341)	20,123	(49,859)		(2,322)		(138,399)
Less: Net loss attributable to non-controlling interests in consolidated subsidiaries	(26,472)	—	—		—		(26,472)
Net (loss) income attributable to FTAI Infrastructure	$ (79,869)	$20,123	$(49,859)		$(2,322)		$ (111,927)
Less: Dividends and accretion on preferred equity	—	—	49,141	(d)	—		49,141
Net (loss) income attributable to shareholders	$ (79,869)	$20,123	$(99,000)		$(2,322)		$ (161,068)
Pro forma net loss per share: (h)							
Basic loss per share							(1.57)
Diluted loss per share							(1.57)
Pro forma weighted-average shares used to compute loss per share:							
Shares used in computation of basic loss per share							102,531,262
Shares used in computation of diluted loss per share							102,531,262

(1) Includes total revenues of $69,272, operating expenses of $31,175, general and administrative of $2,825, depreciation and amortization of $4,453, gain on sale of assets, net of $356, interest expense of $76, other income of $803, provision for income taxes of $9,132, and net income of $26,913 for the six months ended June 30, 2021.

FTAI Infrastructure
Unaudited Pro Forma Combined Consolidated Statement of Comprehensive Loss
Year Ended December 31, 2021
(in thousands)

	FTAI Infrastructure (historical)	Acquisition of Transtar, LLC (a)[1]	Transaction Accounting Adjustments	Notes	Autonomous Entity Adjustments	Notes	Pro Forma Results
Net (loss) income	$(106,341)	$20,123	$(49,859)		$(2,322)		$(138,399)
Other comprehensive loss:							
Other comprehensive loss related to equity method investees, net	(128,990)	—	(936)	(b)	—		(129,926)
Changes in pension and other employee benefit accounts	(237)	—	—		—		(237)
Total other comprehensive loss	(129,227)	—	(936)		—		(130,163)
Comprehensive (loss) income	(235,568)	20,123	(50,795)		(2,322)		(268,562)
Comprehensive loss attributable to non-controlling interest:	(26,472)	—	—		—		(26,472)
Comprehensive (loss) income attributable to FTAI Infrastructure	$(209,096)	$20,123	$(50,795)		$(2,322)		$(242,090)

(1) Includes net income of $26,913 for the six months ended June 30, 2021.

Notes to Unaudited Pro Forma Combined Consolidated Financial Statements

Note 1: Description of Pro Forma Transactions

The accompanying unaudited pro forma combined consolidated financial statements have been prepared from FTAI's historical accounting records and are presented on a stand-alone basis as if FTAI Infrastructure's operations had been conducted independently from FTAI. Our results of operations were historically reported within FTAI's consolidated financial statements.

Note 2: Transaction Accounting Adjustments

This note should be read in conjunction with other notes in the unaudited pro forma combined consolidated financial statements. Included in the column under the heading "Acquisition of Transtar, LLC" is the following:

(a) Adjustment reflects the indicative Transtar, LLC results of operations that would have been achieved if the acquisition had taken place as of January 1, 2021.

Adjustments included in the column under the heading "Transaction Accounting Adjustments" represent the following:

(b) Adjustment reflects the income tax impact of the pro forma Transaction Accounting Adjustments. The tax impact was calculated using the jurisdictional tax rate associated with each adjustment. Furthermore, the legacy FTAI structure was a publicly traded partnership with several standalone corporate entities with separate tax return filing obligations. The post transaction FTAI Infrastructure structure will give rise to a consolidated group of corporations filing combined income tax returns in various jurisdictions. The final income tax impact may be materially different as more detailed information will become available after the consummation of the spin-off and related transactions.

(c) Adjustment reflects the $415.0 million cash proceeds from the issuance of $450.0 million of senior secured 10.5% debt, inclusive of estimated debt issuance costs and 5.415% original issue discount totaling $35.0 million, which are to be incurred in connection with the issuance. Adjustment also reflects a decrease in management fees driven by a decrease in total equity, in accordance with the management agreement. The pro forma interest expense is calculated based on these terms. The net proceeds of such financing are expected to be distributed to FTAI.

(d) Adjustment to the unaudited pro forma combined consolidated balance sheet reflects the $300.0 million of preferred equity cash proceeds, net of $63.5 million of estimated issuance costs, options expected to be issued to FIG LLC (the "Manager") and warrants purchased by the preferred equity holders, both as discussed further below. The net proceeds of such equity raise are expected to be distributed to FTAI.

Upon the successful completion of the equity offering, in accordance with the management agreement, we expect to grant the Manager an option to purchase our common shares in an amount equal to 10% of the gross equity raised, divided by the fair market value of a common share as of the date of issuance. The options will have an exercise price equal to the fair market value of a common share as of the date of issuance. The terms of the preferred equity also provide the investor warrants to purchase 6.68 million shares of common equity in the following tranches: (i) 3.34 million at $0.01 per share, and (ii) 3.34 million at $10.00 per share.

The warrants issued in connection with the preferred equity and the Manager options are expected to be accounted for as equity instruments in accordance with the guidance contained in ASC 480 and ASC 815-40. The adjustment reflects the estimated allocation of proceeds to the preferred equity warrants and Manager options within additional paid-in capital based on a price of $6.50 per common share for the Company based upon an assumption that the estimated per share fair value approximates the pro forma book value of shareholder's equity per outstanding common share at the time of spin. A $1.00 change to the per share fair value of the Company's stock at the time of spin would change the discount by $5.0 million. Management will further assess the value and classification of the warrants upon completion of the spin.

The adjustment to the unaudited pro forma combined consolidated statement of operations reflects an increase in management fees driven by an increase in total equity, in accordance with the management agreement. The preferred equity requires dividends, payable in cash at 14.0% per annum, or, if not paid in cash, will accrue at a 2.0% higher rate per annum, at the Company's option. This rate is subject to a 1.0% per annum increase beginning on the fifth anniversary of the issue date and on each one-year anniversary thereafter. The unaudited pro forma combined consolidated statements of operations reflect the effect of the preferred equity dividend being paid in cash for the periods presented.

The pro forma financial statements assume that the preferred equity is not currently redeemable, but is probable of becoming redeemable in the future. Based on a price of $6.50 per common share for the Company at the time of spin, FTAI Infrastructure would record accretion of approximately $7.1 million and $1.8 million to increase the carrying amount of the preferred equity during the year ended December 31, 2021 and three months ended March 31, 2022, respectively. These amounts are reflected as preferred stock dividends for the purpose of calculating basic and diluted pro forma loss per share. A $1.00 change to the per share fair value at the time of spin would change this accretion by $0.5 million and $0.1 million for the year ended December 31, 2021 and three months ended March 31, 2022, respectively. This effect on accretion would impact the pro forma loss per share amounts presented within the pro forma combined consolidated statements of operations by an amount less than $0.01.

(e) Adjustment represents the reclassification of FTAI's net investment in our company to additional paid-in capital. This reflects the issuance of 99,188,696 shares of our common stock with a par value of $0.01 per share pursuant to the separation and distribution. We have assumed the number of outstanding shares of our common stock based on 99,188,696 shares of FTAI common shares outstanding on April 1, 2022, and a distribution ratio of one share of our common stock for every one share of FTAI common shares. The actual number of shares issued will not be known until the record date for the distribution.

The following table illustrates the impact of the pro forma adjustments on Additional paid-in capital / Retained earnings:

	March 31, 2022
	(Dollars in thousands)
Additional paid-in capital / Retained earnings	
Tax adjustments[b]	$ 7,454
Distribution to FTAI – senior debt[c]	(415,000)
Distribution to FTAI – preferred equity[d]	(275,000)
Preferred stock proceeds allocated to warrants and options issued[d]	38,542
Net parent investment[e]	1,609,049
Common stock[e]	(992)
Transaction costs[f]	(1,850)
	$ 962,203

(f) Adjustment reflects an estimated $1.9 million of additional transaction costs related to the spin-off that are expected to be incurred by FTAI Infrastructure subsequent to March 31, 2022 and are, therefore, not reflected in the historical combined consolidated financial statements of FTAI Infrastructure.

Note 3: Autonomous Entity Adjustments

This note should be read in conjunction with other notes in the unaudited pro forma combined consolidated financial statements. Adjustments included in the column under the heading "Autonomous Entity Adjustments" represent the following:

(g) As an independent, separately traded public company, FTAI Infrastructure expects to incur certain costs associated with financial reporting and regulatory compliance, directors' compensation, audit, tax, legal, insurance, information technology, and other general and administrative-related services. The unaudited pro forma combined consolidated financial statements have been adjusted to depict FTAI Infrastructure as an autonomous entity. For the three months ended March 31, 2022 and the year ended December 31, 2021,

FTAI Infrastructure expects to have incurred approximately $0.6 million and $2.3 million of expenses, respectively, in addition to FTAI's corporate and shared costs allocated to FTAI Infrastructure in its historical combined consolidated financial statements.

Note 4: Net loss per share

(h) Pro forma basic and diluted loss per share and pro forma weighted-average basic and diluted shares outstanding for the three months ended March 31, 2022 and the year ended December 31, 2021 reflect the number of shares of our common stock that are expected to be outstanding upon completion of the separation and distribution. Pro forma basic and diluted loss per share are adjusted to reflect the impact of additional warrants provided in the preferred equity issuance detailed in adjustment (d). Loss per share has been calculated assuming the required dividend on preferred equity will be paid in cash. If the dividend is paid in PIK, it would result in an increase in the preferred equity balance.

	Three Months March 31, 2022	Year Ended December 31, 2021
	(Dollars in thousands, expect for share and per share)	
Pro forma combined consolidated net loss	$ (57,181)	$ (111,927)
Less: Dividends and accretion on preferred equity	12,285	49,141
Combined consolidated net loss attributable to common shareholders	$ (69,466)	$ (161,068)
Weighted average common shares outstanding	99,188,696	99,188,696
Add: Preferred stock warrants	3,342,566	3,342,566
Adjusted weighted average common shares outstanding	102,531,262	102,531,262
Basic EPS	$ (0.68)	$ (1.57)
Weighted average common shares outstanding	99,188,696	99,188,696
Add: Preferred stock warrants	3,342,566	3,342,566
Adjusted weighted average common shares outstanding	102,531,262	102,531,262
Diluted EPS	$ (0.68)	$ (1.57)

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

The following discussion should be read in conjunction with the audited combined consolidated financial statements of the Company for the years ended December 31, 2021, 2020 and 2019 and the unaudited combined consolidated financial statements for the three months ended March 31, 2022 and 2021 appearing elsewhere in this Information Statement. These historical financial statements do not give effect to the spin-off or reflect any other pro forma adjustments relating to the spin-off. In addition to historical information, this discussion contains forward-looking statements that involve risks, uncertainties and assumptions that could cause actual results to differ materially from management's expectations. Factors that could cause such differences are discussed in "Special Note Regarding Forward-Looking Statements," "Risk Factors" and elsewhere in this Information Statement. All amounts are presented in thousands unless otherwise noted. Unless the context requires otherwise, references use in this "Management's Discussion and Analysis of Financial Condition and Results of Operations" to "FTAI Infrastructure," the "Company," "we," "our," "us," and other similar terms refer to the infrastructure business of FTAI before giving effect to the spin-off.

Overview

We are in the business of acquiring, developing and operating assets and businesses that represent critical infrastructure for customers in the transportation and energy industries. We were formed as FTAI Infrastructure LLC, a Delaware limited liability company and subsidiary of FTAI, on December 13, 2021. Prior to the completion of the spin-off, we will convert into FTAI Infrastructure Inc., a Delaware corporation, and will hold all the material assets and investments that comprise FTAI's infrastructure business. Prior to the spin-off, we are a subsidiary of FTAI, which is a Nasdaq-listed company that is externally managed and advised by our Manager.

Our operations consist of three primary business lines: (i) Ports and Terminals, (ii) Railroads and (iii) companies and assets participating in global Energy Transition. Our Ports and Terminals business develops or acquires industrial properties in strategic locations that store and handle for third parties a variety of energy products including crude oil, refined products and clean fuels. In certain cases, we also develop and operate facilities, such as a 485 megawatt power plant at our Long Ridge terminal in Ohio through our equity method investment, that leverage the property's location and key attributes to generate incremental value. Our Railroads business primarily invests in and operates short line and regional railroads in North America. Our Energy Transition business focuses on investments in companies and assets that utilize green technology, produce sustainable fuels and products, or enable customers to reduce their carbon footprint. For the year ended December 31, 2021, (i) our Ports and Terminals business accounted for 48% of our total revenue, (ii) our Railroads business accounted for 48% of our total revenue and (iii) our Energy Transition business accounted for 0% of our total revenue. Corporate and other sources accounted for the remaining 4% of our total revenue.

We expect to continue to invest in such market sectors, and pursue additional investment opportunities in other infrastructure businesses and assets we believe to be attractive and meet our investment objectives. Our team focuses on acquiring a diverse group of long-lived assets or operating businesses that provide mission-critical services or functions to infrastructure networks and typically have high barriers to entry, strong margins, stable cash flows and upside from earnings growth and asset appreciation driven by increased use and inflation. We believe that there are a large number of acquisition opportunities in our markets and that our Manager's expertise and business and financing relationships, together with our access to capital and generally available capital for infrastructure projects in today's marketplace, will allow us to take advantage of these opportunities. As of March 31, 2022, on a pro forma basis, we had total consolidated assets of $2,437.6 million and total preferred and shareholder's equity of $932.5 million. For the three months ended March 31, 2022 and the year ended December 31, 2021, on a pro forma basis, we had net loss attributable to shareholders of $69.5 million and $161.1 million, respectively.

The Spin-Off

FTAI Infrastructure LLC, a Delaware limited liability company and subsidiary of FTAI, will convert into FTAI Infrastructure Inc., a Delaware corporation, which will hold, directly or indirectly, all of FTAI's infrastructure business comprised of (i) the Jefferson Terminal, a multi-modal crude oil and refined products terminal in Beaumont, Texas, (ii) Repauno, a deep-water port located along the Delaware River with an underground storage cavern, a new multipurpose dock, a rail-to-ship transloading system and multiple industrial development opportunities, (iii) Long Ridge, an equity method investment in a multi-modal terminal located along the Ohio River with multiple industrial

development opportunities, including a power plant, (iv) Transtar, comprising five freight railroads and one switching company that provide rail service to certain manufacturing and production facilities, (v) Aleon and Gladieux, an equity method investment in two ventures developing battery and metal recycling technology, (vi) KRS, a tank car cleaning and repair business, (vii) Clean Planet USA, a green-tech company that is developing recycling facilities to process traditionally non-recyclable waste plastics in key North American markets, (viii) FYX, an operating company that provides roadside assistance services for the intermodal and over-the-road trucking industries, (ix) CarbonFree, a business that develops technologies to capture carbon dioxide from industrial emissions sources, and (x) Containers, which consists of containers that are owned and leased. As part of the spin-off, these infrastructure businesses will be contributed to or merged into a new holding company which will result in the infrastructure business being considered the predecessor of the newly formed FTAI Infrastructure. The separation of FTAI Infrastructure from FTAI and the distribution of FTAI Infrastructure common stock are intended to create two independent companies, enhance investor transparency, better highlight the attributes of both companies and allow for tailored capital structure and financing options. FTAI and FTAI Infrastructure expect that the separation will result in enhanced long-term performance of each business for the reasons discussed in the section entitled "Our Spin-Off from FTAI—Reasons for the Spin-Off." In connection with the spin-off transaction, FTAI is being treated as the accounting spinnor, consistent with the legal form of the transaction.

Under the plan, FTAI will spin-off its infrastructure business by way of a pro-rata distribution of its interest in the common stock of our Company to FTAI shareholders of record as of the close of business on the spin-off transaction record date.

Impact of COVID-19

The ongoing COVID-19 pandemic adversely affected our Jefferson Terminal business in several material ways during the years ended December 31, 2020 and 2021. Although difficult to quantify the impact, the pandemic adversely affected macro trends in refinery utilization rates in the United States and the global consumption of petroleum and liquid fuels in 2020 and part of 2021, which adversely affected our revenues for our Jefferson Terminal business. In addition, we were unable to complete certain new customer contracts and certain of our existing customers did not increase volumes as anticipated which also adversely affected our revenues for those periods.

Due to the outbreak of COVID-19, we have taken measures to protect the health and safety of our employees, including having employees work remotely, where possible. As COVID-19 continues to evolve, the extent to which COVID-19 impacts operations will depend on future developments, which are highly uncertain and cannot be predicted with confidence, including the duration and severity of the outbreak, and the actions that may be required to try and contain COVID-19 or treat its impact. We continue to monitor the pandemic and, the extent to which the continued spread of the virus adversely affects our customer base and therefore revenue. As the COVID-19 pandemic is complex and rapidly evolving, our plans as described above may change. At this point, we cannot reasonably estimate the duration and severity of this pandemic, which could have a material adverse impact on our business, results of operations, financial position and cash flows.

For additional detail, see "Risk Factors—A pandemic, including COVID-19, could have an adverse impact on our business, financial condition, and results of operations."

Operating Segments

Our reportable segments represent strategic business units comprised of investments in different types of transportation and infrastructure assets. We have three reportable segments which operate in infrastructure businesses across several market sectors. Our reportable segments are (i) Jefferson Terminal, (ii) Ports and Terminals and (iii) Transtar. The Jefferson Terminal segment consists of a multi-modal crude oil and refined products terminal and other related assets. The Ports and Terminals segment consists of Repauno, which is a 1,630 acre deep-water port located along the Delaware River with an underground storage cavern and multiple industrial development opportunities, and an equity method investment in Long Ridge, which is a 1,660 acre multi-modal port located along the Ohio River with rail, dock, and multiple industrial development opportunities, including a power plant. The Transtar segment consists of five freight railroads and one switching company, of which two railroads are connected to US Steel's largest production facilities.

Corporate and Other primarily consists of corporate general and administrative expenses, and management fees, all allocated from the Parent. Additionally, Corporate and Other currently includes (i) Containers, (ii) investments in Aleon, Gladieux, and Clean Planet USA, (iii) a note receivable from CarbonFree and (iv) KRS.

Results of Operations

Adjusted EBITDA (non-GAAP)

The chief operating decision maker ("CODM") utilizes Adjusted EBITDA as the key performance measure. Adjusted EBITDA is not a financial measure in accordance with U.S. GAAP. This performance measure provides the CODM with the information necessary to assess operational performance, as well as making resource and allocation decisions. We believe Adjusted EBITDA is a useful metric for investors and analysts for similar purposes of assessing our operational performance.

Adjusted EBITDA is defined as net income attributable to FTAI Infrastructure, adjusted (a) to exclude the impact of provision for (benefit from) income taxes, equity-based compensation expense, acquisition and transaction expenses, losses on the modification or extinguishment of debt and capital lease obligations, changes in fair value of non-hedge derivative instruments, asset impairment charges, incentive allocations, depreciation and amortization expense, and interest expense, (b) to include the impact of our pro-rata share of Adjusted EBITDA from unconsolidated entities and (c) to exclude the impact of equity in earnings (losses) of unconsolidated entities and the non-controlling share of Adjusted EBITDA.

The following table presents our combined consolidated results of operations:

	Three Months Ended March 31,		Change
(in thousands)	**2022**	**2021**	**'22 vs '21**
Revenues			
Lease income	840	430	$ 410
Rail revenues	33,668	—	33,668
Terminal services revenues	12,784	10,421	2,363
Other revenue	(1,144)	9,691	(10,835)
Total revenues	46,148	20,542	25,606
Expenses			
Operating expenses	38,068	16,809	21,259
General and administrative	2,430	2,034	396
Acquisition and transaction expenses	4,236	958	3,278
Management fees and incentive allocation to affiliate	4,161	3,598	563
Depreciation and amortization	16,996	10,083	6,913
Total expenses	65,891	33,482	32,409
Other (expense) income			
Equity in losses of unconsolidated entities	(22,043)	(454)	(21,589)
Interest expense	(6,459)	(1,483)	(4,976)
Other (expense) income	(459)	181	(640)
Total other expense	(28,961)	(1,756)	(27,205)
Loss before income taxes	(48,704)	(14,696)	(34,008)
Provision for (benefit from) income taxes	1,584	(406)	1,990
Net loss	(50,288)	(14,290)	(35,998)
Less: Net loss attributable to non-controlling interest in consolidated subsidiaries	(7,466)	(4,961)	(2,505)
Net loss attributable to FTAI Infrastructure	$(42,822)	$ (9,329)	$(33,493)

	Year Ended December 31,			Change	
(in thousands)	**2021**	**2020**	**2019**	**'21 vs '20**	**'20 vs '19**
Revenues					
Lease income	$ 2,424	$1,186	$3,362	$ 1,238	$(2,176)
Rail revenues	56,803	—	—	56,803	—

(in thousands)	Year Ended December 31, 2021	2020	2019	Change '21 vs '20	'20 vs '19
Terminal services revenues	45,038	50,887	42,965	(5,849)	7,922
Crude marketing revenues	—	8,210	166,134	(8,210)	(157,924)
Other revenue	15,954	8,279	16,991	7,675	(8,712)
Total revenues	120,219	68,562	229,452	51,657	(160,890)
Expenses					
Operating expenses	98,541	69,391	260,909	29,150	(191,518)
General and administrative	8,737	8,522	7,469	215	1,053
Acquisition and transaction expenses	14,826	1,658	9,134	13,168	(7,476)
Management fees and incentive allocation to affiliate	15,638	13,073	16,541	2,565	(3,468)
Depreciation and amortization	54,016	31,114	33,128	22,902	(2,014)
Asset impairment	—	—	4,726	—	(4,726)
Total expenses	191,758	123,758	331,907	68,000	(208,149)
Other (expense) income					
Equity in losses of unconsolidated entities	(13,499)	(3,107)	(546)	(10,392)	(2,561)
Gain (loss) on sale of assets, net	16	(8)	121,296	24	(121,304)
Loss on extinguishment of debt	—	(4,724)	—	4,724	(4,724)
Interest expense	(16,019)	(10,764)	(17,907)	(5,255)	7,143
Other (expense) income	(8,930)	92	2,857	(9,022)	(2,765)
Total other (expense) income	(38,432)	(18,511)	105,700	(19,921)	(124,211)
(Loss) income before income taxes	(109,971)	(73,707)	3,245	(36,264)	(76,952)
(Benefit from) provision for income taxes	(3,630)	(1,984)	14,384	(1,646)	(16,368)
Net loss	(106,341)	(71,723)	(11,139)	(34,618)	(60,584)
Less: Net loss attributable to non-controlling interest in consolidated subsidiaries	(26,472)	(16,522)	(17,571)	(9,950)	1,049
Net (loss) income attributable to FTAI Infrastructure	$ (79,869)	$ (55,201)	$ 6,432	$(24,668)	$ (61,633)

The following table sets forth a reconciliation of net (loss) income attributable to FTAI Infrastructure to Adjusted EBITDA:

(in thousands)	Three Months Ended March 31, 2022	2021	Change '22 vs '21
Net loss attributable to FTAI Infrastructure	$(42,822)	$ (9,329)	$(33,493)
Add: Provision for (benefit from) income taxes	1,584	(406)	1,990
Add: Equity-based compensation expense	709	1,114	(405)
Add: Acquisition and transaction expenses	4,236	958	3,278
Add: Losses on the modification or extinguishment of debt and capital lease obligations	—	—	—
Add: Changes in fair value of non-hedge derivative instruments	766	(7,964)	8,730
Add: Asset impairment charges	—	—	—
Add: Incentive allocations	—	—	—
Add: Depreciation & amortization expense	16,996	10,083	6,913
Add: Interest expense	6,459	1,483	4,976
Add: Pro-rata share of Adjusted EBITDA from unconsolidated entities[1]	5,407	2,760	2,647
Less: Equity in losses of unconsolidated entities	22,043	454	21,589
Less: Non-controlling share of Adjusted EBITDA[2]	(3,816)	(2,029)	(1,787)
Adjusted EBITDA (non-GAAP)	$ 11,562	$ (2,876)	$ 14,438

(in thousands)	Year Ended December 31, 2021	2020	2019	Change '21 vs '20	'20 vs '19
Net (loss) income attributable to FTAI Infrastructure	$(79,869)	$(55,201)	$ 6,432	$(24,668)	$(61,633)
Add: (Benefit from) provision for income taxes	(3,630)	(1,984)	14,384	(1,646)	(16,368)
Add: Equity-based compensation expense	4,038	2,325	1,509	1,713	816
Add: Acquisition and transaction expenses	14,826	1,658	9,134	13,168	(7,476)
Add: Losses on the modification or extinguishment of debt and capital lease obligations	—	4,724	—	(4,724)	4,724
Add: Changes in fair value of non-hedge derivative instruments	(2,220)	181	4,555	(2,401)	(4,374)
Add: Asset impairment charges	—	—	4,726	—	(4,726)
Add: Incentive allocations	—	—	5,819	—	(5,819)
Add: Depreciation & amortization expense	54,016	31,114	33,128	22,902	(2,014)
Add: Interest expense	16,019	10,764	17,907	5,255	(7,143)
Add: Pro-rata share of Adjusted EBITDA from unconsolidated entities(1)	29,095	3,140	442	25,955	2,698
Less: Equity in losses of unconsolidated entities	13,499	3,107	546	10,392	2,561
Less: Non-controlling share of Adjusted EBITDA(2)	(12,508)	(9,637)	(9,859)	(2,871)	222
Adjusted EBITDA (non-GAAP)	$ 33,266	$ (9,809)	$88,723	$ 43,075	$(98,532)

(1) Includes the following items for the three months ended March 31, 2022 and 2021 and years ended December 31, 2021, 2020 and 2019: (i) net income (loss) of $(22,088), $1,518, $(11,839), $(3,503) and $(734), (ii) interest expense of $6,463, $239, $5,612, $1,138 and $131, (iii) depreciation and amortization expense of $6,284, $1,880, $12,443, $5,513 and $1,045, (iv) acquisition and transaction expense of $3, $— $104, $581 and $—, (v) changes in fair value of non-hedge derivative instruments of $14,615, $(877), $19,850, $(589) and $—, (vi) asset impairment of $32, $— $2,146, $— and $— and (vii) equity-based compensation of $98, $—, $779, $— and $—, respectively.

(2) Includes the following items for the three months ended March 31, 2022 and 2021 and years ended December 31, 2021, 2020 and 2019: (i) equity-based compensation of $127, $198, $751, $374 and $230, (ii) provision for income taxes of $15, $13 $52, $59 and $60, (iii) interest expense of $1,384, $280, $3,370, $2,025 and $3,400, (iv) depreciation and amortization expense of $2,263, $1,812, $8,411, $6,149 and $4,833, (v) changes in fair value of non-hedge derivative instruments of $27, $(274), $(76), $38 and $1,336 and (vi) loss on extinguishment of debt of $—, $—, $—, $992 and $—, respectively.

Comparison of the three months ended March 31, 2022 and 2021

Revenues

Rail revenue increased $33.7 million due to the acquisition of Transtar in July 2021.

Other revenue decreased $10.8 million primarily due to a loss on butane forward contracts at Repauno.

Terminal services revenue increased $2.4 million at Jefferson Terminal primarily due to higher volumes.

Expenses

Total expenses increased $32.4 million primarily due to increases in (i) operating expenses, (ii) acquisition and transaction expenses, (iii) management fees and incentive allocation to affiliate and (iv) depreciation and amortization.

Operating expenses increased $21.3 million primarily due to:

- an increase of $19.1 million due to the acquisition of Transtar, which primarily consists of compensation and benefits and facility operating expenses;
- an increase of $.8 million at Repauno due to increased operating activity; and
- and an increase of $1.4 million at Jefferson Terminal due to increased terminal activity.

Acquisition and transaction expenses increased $3.3 million primarily due an increase in professional fees related to strategic transactions.

Depreciation and amortization increased $6.9 million which primarily reflects (i) additional assets placed into service at Jefferson Terminal and (ii) the acquisition of Transtar.

Other (expense) income

Total other expense increased $27.2 million which primarily reflects:

- an increase in equity in losses of unconsolidated entities of $21.6 million which primarily reflects unrealized losses on power swaps at Long Ridge and
- an increase in interest expense of $5.0 million due to the issuance of the Series 2021 Bonds for $425 million and additional borrowings related to the EB-5 Loan Agreements.

Provision for income taxes

The benefit from income taxes decreased $2.0 million which primarily reflects a provision in the Transtar segment.

Adjusted EBITDA (non-GAAP)

Adjusted EBITDA increased $14.4 million primarily due to the changes noted above.

Comparison of the years ended December 31, 2021 and 2020

Revenues

Rail revenue increased $56.8 million due to the acquisition of Transtar in July 2021.

Crude marketing revenues decreased $8.2 million. In 2019, Jefferson Terminal directly sourced crude from producers in Canada, arranging logistics to its terminal and then marketing crude to third parties to take advantage of favorable spreads. The resulting crude sales and corresponding costs of sale, including logistical costs, are reflected in crude marketing revenues and operating expenses, respectively. Jefferson Terminal exited this crude marketing strategy in the fourth quarter of 2019 as a result of unfavorable oil spreads and as certain logistical commitments expired. All activities related to crude marketing revenues were terminated in 2019. All crude marketing revenues in 2020 include contracts executed in 2019 but delivered in 2020.

Other revenue increased $7.7 million primarily due to (i) an increase in butane sales of $5.2 million at Repauno, (ii) a gain of $2.2 million on butane forward purchase contracts at Repauno and (iii) an increase of $0.4 million due to the commencement of transloading at Repauno.

Terminal services revenue decreased $5.8 million at Jefferson Terminal which reflects lower volumes in the first half of 2021 due to lower global oil demand related to COVID-19.

Expenses

Total expenses increased $68.0 million primarily due to increases in (i) operating expenses, (ii) acquisition and transaction expenses, (iii) management fees and incentive allocation to affiliate and (iv) depreciation and amortization.

Operating expenses increased $29.2 million primarily due to:

- an increase of $29.0 million due to the acquisition of Transtar, which primarily consists of compensation and benefits and facility operating expenses;
- an increase of $4.1 million at Repauno which primarily reflects increases in (i) property taxes due to new assets, (ii) facility operating expenses due to higher butane volumes, (iii) compensation and benefits due to additional headcount and (iv) professional fees; and
- a decrease of $4.8 million at Jefferson Terminal which primarily reflects (i) a decrease in cost of sales due to Jefferson Terminal exiting the crude marketing strategy in the fourth quarter of 2019, partially offset by (ii) higher insurance and other facility operating expenses.

Acquisition and transaction expenses increased $13.2 million primarily due to an increase in professional fees related to the acquisition of Transtar and other strategic initiatives.

Management fees and incentive allocation to affiliate increased $2.6 million which reflects an increase in the base management fee as our average total equity was higher in 2021, primarily due to the acquisition of Transtar.

Depreciation and amortization increased $22.9 million which primarily reflects (i) additional assets placed into service at Jefferson Terminal and Repauno and (ii) the acquisition of Transtar.

Other (expense) income

Total other expense increased $19.9 million which primarily reflects:

- an increase in other expense of $9.0 million primarily due to (i) losses related to crude oil forward transactions at Jefferson Terminal and (ii) a write-off of an earn-out receivable at Long Ridge;
- an increase in equity in losses of unconsolidated entities of $10.4 million which primarily reflects unrealized losses on power swaps at Long Ridge;
- an increase in interest expense of $5.3 million due to the issuance of the Series 2021 Bonds for $425 million and the commencement of the EB-5 Loan Agreements; and
- a decrease in loss on extinguishment of debt of $4.7 million due to a debt refinancing at Jefferson Terminal in 2020.

Provision for income taxes

The benefit from income taxes increased $1.6 million which primarily reflects higher pre-tax losses in the Ports and Terminals segment and Corporate and Other, partially offset by a provision in the Transtar segment.

Adjusted EBITDA (non-GAAP)

Adjusted EBITDA increased $43.1 million primarily due to (i) the changes noted above and (ii) an increase in the Pro-rata share of Adjusted EBITDA from unconsolidated entities.

Comparison of the years ended December 31, 2020 and 2019

Revenues

Crude marketing revenues decreased $157.9 million primarily due to Jefferson Terminal exiting the crude marketing strategy in the fourth quarter of 2019. Revenues in 2020 include contracts executed in 2019 but delivered in 2020.

Other revenue decreased $8.7 million which primarily reflects (i) a decrease of $6.3 million at Long Ridge due to Long Ridge being accounted for as an equity method investment starting in the fourth quarter of 2019 (the "Long Ridge Transaction"), (ii) a decrease of $3.9 million at Repauno due to lower sales of butane, partially offset by (iii) an increase of $1.5 million in our railcar cleaning business due to higher volumes.

Terminal services revenue increased $7.9 million which primarily reflects (i) an increase of $15.0 million due to increased activity and storage capacity at Jefferson Terminal, partially offset by (ii) a decrease of $7.1 million due to the Long Ridge Transaction.

Expenses

Total expenses decreased $208.1 million primarily due to decreases in (i) operating expenses, (ii) acquisition and transaction expenses, (iii) asset impairment, (iv) management fees and incentive allocation to affiliate and (v) depreciation and amortization.

Operating expenses decreased $191.5 million primarily due to decreases in:

- cost of sales of $167.4 million primarily due to Jefferson Terminal exiting the crude marketing strategy in the fourth quarter of 2019; and
- facility operations of $19.2 million which primarily reflects (i) a decrease of $14.1 million at Jefferson Terminal due to lower railcar and storage expenses associated with the crude marketing strategy and (ii) a decrease of $4.1 million due to the Long Ridge Transaction.

Acquisition and transaction expenses decreased $7.5 million primarily due to transaction costs associated with the Long Ridge Transaction during 2019.

Asset impairment decreased $4.7 million due to asset impairment charges in 2019 at Long Ridge from the expiration of unproved gas leases.

Management fees and incentive allocation to affiliate decreased $3.5 million primarily due to incentive fees related to the Long Ridge Transaction in 2019.

Depreciation and amortization decreased $2.0 million which primarily reflects (i) a decrease of $8.4 million due to the Long Ridge Transaction, partially offset by (ii) an increase of $6.2 million due to assets placed into service at Jefferson Terminal.

Other (expense) income

Total other income decreased $124.2 million which primarily reflects:

- a decrease of $121.3 million in gains on sale of assets, net primarily due to the Long Ridge Transaction;
- a decrease in interest expense of $7.1 million which primarily reflects a decrease of $6.8 million at Jefferson Terminal due to the issuance of the Series 2020 Bonds ("Jefferson Refinancing"), which reduced its weighted average interest rate. See Note 8 to the combined consolidated financial statements for additional information;
- a loss on extinguishment of debt of $4.7 million due to the Jefferson Refinancing in 2020;
- a decrease in other income of $2.8 million primarily due to the Long Ridge Transaction; and
- an increase of $2.6 million in equity in losses of unconsolidated entities.

Provision for income taxes

The provision for income taxes decreased $16.4 million which primarily reflects deferred tax expense in 2019 due to the gain on sale for the Long Ridge Transaction.

Adjusted EBITDA (non-GAAP)

Adjusted EBITDA decreased $98.5 million primarily due to the changes noted above.

Jefferson Terminal Segment

The following table presents our results of operations:

	Three Months Ended March 31,		Change
(in thousands)	2022	2021	'22 vs '21
Revenues			
Lease income	352	430	$ (78)
Terminal services revenues	12,694	10,289	2,405
Total revenues	13,046	10,719	2,327
Expenses			
Operating expenses	13,123	11,721	1,402
Depreciation and amortization	9,700	7,718	1,982
Total expenses	22,823	19,439	3,384
Other (expense) income			
Interest expense	(6,110)	(1,203)	(4,907)
Other (expense) income	(99)	181	(280)
Total other expense	(6,209)	(1,022)	(5,187)
Loss before income taxes	(15,986)	(9,742)	(6,244)
Provision for income taxes	69	57	12
Net loss	(16,055)	(9,799)	(6,256)
Less: Net loss attributable to non-controlling interest in consolidated subsidiaries	(7,136)	(5,016)	(2,120)
Net loss attributable to FTAI Infrastructure	$ (8,919)	$ (4,783)	$(4,136)

(in thousands)	Year Ended December 31, 2021	2020	2019	Change '21 vs '20	'20 vs '19
Revenues					
Lease income	$ 1,688	$ 1,186	$ 2,306	$ 502	$ (1,120)
Terminal services revenues	44,664	50,887	35,908	(6,223)	14,979
Crude marketing revenues	—	8,210	166,134	(8,210)	(157,924)
Total revenues	46,352	60,283	204,348	(13,931)	(144,065)
Expenses					
Operating expenses	48,255	53,072	231,506	(4,817)	(178,434)
Depreciation and amortization	36,013	29,034	22,873	6,979	6,161
Total expenses	84,268	82,106	254,379	2,162	(172,273)
Other (expense) income					
Equity in losses of unconsolidated entities	—	—	(292)	—	292
(Loss) gain on sale of assets, net	—	(8)	4,636	8	(4,644)
Loss on extinguishment of debt	—	(4,724)	—	4,724	(4,724)
Interest expense	(14,812)	(9,426)	(16,189)	(5,386)	6,763
Other (expense) income	(4,726)	92	752	(4,818)	(660)
Total other expense	(19,538)	(14,066)	(11,093)	(5,472)	(2,973)
Loss before income taxes	(57,454)	(35,889)	(61,124)	(21,565)	25,235
Provision for income taxes	229	278	284	(49)	(6)
Net loss	(57,683)	(36,167)	(61,408)	(21,516)	25,241
Less: Net loss attributable to non-controlling interest in consolidated subsidiaries	(26,250)	(16,483)	(17,356)	(9,767)	873
Net loss attributable to FTAI Infrastructure	$(31,433)	$(19,684)	$ (44,052)	$(11,749)	$ 24,368

The following table sets forth a reconciliation of net loss attributable to FTAI Infrastructure to Adjusted EBITDA:

(in thousands)	Three Months Ended March 31, 2022	2021	Change '22 vs '21
Net loss attributable to FTAI Infrastructure	$(8,919)	$(4,783)	$(4,136)
Add: Provision for income taxes	69	57	12
Add: Equity-based compensation expense	538	841	(303)
Add: Acquisition and transaction expenses	—	—	—
Add: Losses on the modification or extinguishment of debt and capital lease obligations	—	—	—
Add: Changes in fair value of non-hedge derivative instruments	—	—	—
Add: Asset impairment charges	—	—	—
Add: Incentive allocations	—	—	—
Add: Depreciation and amortization expense	9,700	7,718	1,982
Add: Interest expense	6,110	1,203	4,907
Add: Pro-rata share of Adjusted EBITDA from unconsolidated entities[1]	—	—	—
Less: Equity in losses of unconsolidated entities	—	—	—
Less: Non-controlling share of Adjusted EBITDA[2]	(3,692)	(2,208)	(1,484)
Adjusted EBITDA (non-GAAP)	$ 3,806	$ 2,828	$ 978

(in thousands)	Year Ended December 31, 2021	2020	2019	Change '21 vs '20	'20 vs '19
Net loss attributable to FTAI Infrastructure	$(31,433)	$(19,684)	$(44,052)	$(11,749)	$24,368
Add: Provision for income taxes	229	278	284	(49)	(6)
Add: Equity-based compensation expense	3,215	1,676	1,054	1,539	622
Add: Acquisition and transaction expenses	—	—	—	—	—
Add: Losses on the modification or extinguishment of debt and capital lease obligations	—	4,724	—	(4,724)	4,724
Add: Changes in fair value of non-hedge derivative instruments	—	181	6,364	(181)	(6,183)
Add: Asset impairment charges	—	—	—	—	—
Add: Incentive allocations	—	—	—	—	—
Add: Depreciation and amortization expense	36,013	29,034	22,873	6,979	6,161
Add: Interest expense	14,812	9,426	16,189	5,386	(6,763)
Add: Pro-rata share of Adjusted EBITDA from unconsolidated entities(1)	—	—	656	—	(656)
Less: Equity in losses of unconsolidated entities	—	—	292	—	(292)
Less: Non-controlling share of Adjusted EBITDA(2)	(12,205)	(9,517)	(9,820)	(2,688)	303
Adjusted EBITDA (non-GAAP)	$ 10,631	$ 16,118	$ (6,160)	$ (5,487)	$22,278

(1) Includes the following items for the year ended December 31, 2019: (i) net loss of $(349) and (ii) depreciation and amortization expense of $1,005.

(2) Includes the following items for the three months ended March 31, 2022 and 2021 and years ended December 31, 2021, 2020 and 2019: (i) equity-based compensation of $121, $189, $723, $352 and $221, (ii) provision for income taxes of $15, $13, $52, $59 and $60, (iii) interest expense of $1,374, $270, $3,331, $1,979 and $3,400, (iv) changes in fair value of non-hedge derivative instruments of $—, $—, $—, $38 and $1,336, (v) depreciation and amortization expense of $2,182, $1,736, $8,099, $6,097 and $4,803 and (vi) loss on extinguishment of debt of $—, $— $—, $992 and $—, respectively.

Comparison of the three months ended March 31, 2022 and 2021

Revenues

Total revenues increased 2.3 million which primarily reflects an increase in terminal services revenue of $2.4 million primarily due to higher volumes.

Expenses

Total expenses increased $3.4 million which reflects (i) an increase in depreciation and amortization of $2.0 million due to additional assets placed into service and (ii) an increase in operating expenses of $1.4 million due to increased terminal activity.

Other (expense) income

Total other expense increased $5.2 million which primarily reflects an increase in interest expense of $4.9 million due to the issuance of the Series 2021 Bonds in August 2021 and additional borrowings related to the EB-5 Loan Agreements.

Adjusted EBITDA (non-GAAP)

Adjusted EBITDA increased $1.0 million primarily due to the changes noted above.

Comparison of the years ended December 31, 2021 and 2020

Revenues

Total revenues decreased $13.9 million which primarily reflects (i) a decrease in crude marketing revenue of $8.2 million due to Jefferson Terminal exiting its crude marketing strategy in the fourth quarter of 2019 and (ii) a decrease in terminal services revenues of $6.2 million which reflects lower volumes in the first half of 2021 due to lower global oil demand related to COVID-19.

Expenses

Total expenses increased $2.2 million which reflects (i) an increase in depreciation and amortization of $7.0 million due to additional assets placed into service, partially offset by (ii) a decrease in operating expenses of $4.8 million which primarily reflects (i) a decrease in cost of sales due to Jefferson Terminal exiting the crude marketing strategy in the fourth quarter of 2019, partially offset by (ii) higher insurance and other facility operating expenses.

Other (expense) income

Total other expense increased $5.5 million which primarily reflects:

- an increase in interest expense of $5.4 million due to the issuance of the Series 2021 Bonds for $425 million and the commencement of the EB-5 Loan Agreements;
- an increase in other expense of $4.8 million due to losses related to crude oil forward transactions; and
- a decrease in loss on extinguishment of debt of $4.7 million due to a debt refinancing in 2020. See Note 8 to the combined consolidated financial statements for additional information.

Adjusted EBITDA (non-GAAP)

Adjusted EBITDA decreased $5.5 million primarily due to the changes noted above.

Comparison of the years ended December 31, 2020 and 2019

Revenues

Total revenues decreased $144.1 million which primarily reflects (i) a decrease in crude marketing revenue of $157.9 million due to Jefferson Terminal exiting its crude marketing strategy in the fourth quarter of 2019. In 2019, crude to third parties to take advantage of favorable spreads. The resulting crude sales and corresponding costs of sale, including logistical costs, are reflected in Crude marketing revenues and Operating expenses, respectively. Jefferson exited this crude marketing strategy in the fourth quarter of 2019 as a result of unfavorable oil spreads and as certain logistical commitments expired. This decrease is partially offset by (ii) an increase in terminal services of $15.0 million due to increased activity and storage capacity.

Expenses

Total expenses decreased $172.3 million which reflects (i) a decrease in operating expenses of $178.4 million primarily due to Jefferson Terminal exiting the crude marketing strategy in the fourth quarter of 2019, as described above, partially offset by (ii) an increase in depreciation and amortization of $6.2 million due to additional assets placed into service.

Other (expense) income

Total other expense increased $3.0 million which primarily reflects (i) a loss on extinguishment of debt of $4.7 million due to the Jefferson Refinancing, (ii) a decrease in gains on sale of assets, net due to a $4.6 million gain recognized in 2019, partially offset by (iii) a decrease in interest expense of $6.8 million due to the Jefferson Refinancing.

Adjusted EBITDA (non-GAAP)

Adjusted EBITDA increased $22.3 million primarily due to the changes in net loss attributable to FTAI Infrastructure noted above.

Ports and Terminals

The following table presents our results of operations:

(in thousands)	Three Months Ended March 31, 2022	2021	Change '22 vs '21
Revenues			
Rail revenues	86	—	86
Terminal services revenues	90	132	(42)
Other revenue	(2,162)	7,964	(10,126)
Total revenues	(1,986)	8,096	(10,082)
Expenses			
Operating expenses	3,883	3,102	781
Depreciation and amortization	2,369	2,211	158
Total expenses	6,252	5,313	939
Other (expense) income			
Equity in (losses) earnings of unconsolidated entities	(21,381)	1,542	(22,923)
Interest expense	(287)	(279)	(8)
Total other (expense) income	(21,668)	1,263	(22,931)
(Loss) income before income taxes	(29,906)	4,046	(33,952)
Benefit from income taxes	—	(462)	462
Net (loss) income	(29,906)	4,508	(34,414)
Less: Net loss attributable to non-controlling interest in consolidated subsidiaries	(330)	55	(385)
Net (loss) income attributable to FTAI Infrastructure	$(29,576)	$4,453	$(34,029)

(in thousands)	Year Ended December 31, 2021	2020	2019	Change '21 vs '20	'20 vs '19
Revenues					
Lease income	$ —	$ —	$ 1,056	$ —	$ (1,056)
Terminal services revenues	374	—	7,057	374	(7,057)
Other revenue	11,243	3,855	14,074	7,388	(10,219)
Total revenues	11,617	3,855	22,187	7,762	(18,332)
Expenses					
Operating expenses	14,403	10,327	24,854	4,076	(14,527)
Acquisition and transaction expenses	—	907	5,008	(907)	(4,101)
Depreciation and amortization	9,052	1,497	9,849	7,555	(8,352)
Asset impairment	—	—	4,726	—	(4,726)
Total expenses	23,455	12,731	44,437	10,724	(31,706)
Other (expense) income					
Equity in losses of unconsolidated entities	(13,597)	(3,222)	(192)	(10,375)	(3,030)
Gain on sale of assets, net	16	—	116,660	16	(116,660)
Interest expense	(1,147)	(1,335)	(1,712)	188	377
Other (expense) income	(3,782)	—	2,098	(3,782)	(2,098)
Total other (expense) income	(18,510)	(4,557)	116,854	(13,953)	(121,411)
(Loss) income before income taxes	(30,348)	(13,433)	94,604	(16,915)	(108,037)
(Benefit from) provision for income taxes	(3,930)	(2,265)	14,106	(1,665)	(16,371)
Net (loss) income	(26,418)	(11,168)	80,498	(15,250)	(91,666)
Less: Net loss attributable to non-controlling interest in consolidated subsidiaries	(222)	(39)	(215)	(183)	176
Net (loss) income attributable to FTAI	$(26,196)	$(11,129)	$ 80,713	$(15,067)	$ (91,842)

Infrastructure					

The following table sets forth a reconciliation of net (loss) income attributable to FTAI Infrastructure to Adjusted EBITDA:

	Three Months Ended March 31,		Change
(in thousands)	2022	2021	'22 vs '21
Net (loss) income attributable to FTAI Infrastructure	$(29,576)	$ 4,453	$(34,029)
Add: (Benefit from) provision for income taxes	—	(462)	462
Add: Equity-based compensation expense	171	273	(102)
Add: Acquisition and transaction expenses	—	—	—
Add: Losses on the modification or extinguishment of debt and capital lease obligations	—	—	—
Add: Changes in fair value of non-hedge derivative instruments	766	(7,964)	8,730
Add: Asset impairment charges	—	—	—
Add: Incentive allocations	—	—	—
Add: Depreciation and amortization expense	2,369	2,211	158
Add: Interest expense	287	279	8
Add: Pro-rata share of Adjusted EBITDA from unconsolidated entities(1)	6,095	2,705	3,390
Less: Equity in losses (earnings) of unconsolidated entities	21,381	(1,542)	22,923
Less: Non-controlling share of Adjusted EBITDA(2)	(124)	179	(303)
Adjusted EBITDA (non-GAAP)	$ 1,369	$ 132	$ 1,237

	Year Ended December 31,			Change	
(in thousands)	2021	2020	2019	'21 vs '20	'20 vs '19
Net (loss) income attributable to FTAI Infrastructure	$(26,196)	$(11,129)	$ 80,713	$(15,067)	$ (91,842)
Add: (Benefit from) provision for income taxes	(3,930)	(2,265)	14,106	(1,665)	(16,371)
Add: Equity-based compensation expense	823	649	455	174	194
Add: Acquisition and transaction expenses	—	907	5,008	(907)	(4,101)
Add: Losses on the modification or extinguishment of debt and capital lease obligations	—	—	—	—	—
Add: Changes in fair value of non-hedge derivative instruments	(2,220)	—	(1,809)	(2,220)	1,809
Add: Asset impairment charges	—	—	4,726	—	(4,726)
Add: Incentive allocations	—	—	—	—	—
Add: Depreciation and amortization expense	9,052	1,497	9,849	7,555	(8,352)
Add: Interest expense	1,147	1,335	1,712	(188)	(377)
Add: Pro-rata share of Adjusted EBITDA from unconsolidated entities(1)	29,405	3,304	(153)	26,101	3,457
Less: Equity in losses of unconsolidated entities	13,597	3,222	192	10,375	3,030
Less: Non-controlling share of Adjusted EBITDA(2)	(303)	(120)	(39)	(183)	(81)
Adjusted EBITDA (non-GAAP)	$ 21,375	$ (2,600)	$114,760	$ 23,975	$(117,360)

(1) Includes the following items for the three months ended March 31, 2022 and 2021 and years ended December 31, 2021, 2020 and 2019: (i) net income (loss) of $(21,380), $1,542, $(11,430), $(3,222) and $(193), (ii) depreciation expense of $6,284, $1,880, $12,443, $5,513 and $40, (iii) interest expense of $6,443, $160, $5,513, $1,021 and $—, (iv) acquisition and transaction expense of $3 ,$—, $104, $581 and $0, (v) changes in fair value of non-hedge derivative instruments of $14,615 , $(877) , $19,850, $(589) and $—, (vi) asset impairment of $32, $ —, $2,146, $— and $— and (vii) equity-based compensation of $98, $—, $779, $—, and $—, respectively.

(2) Includes the following items for the three months ended March 31, 2022 and 2021 and years ended December 31, 2021, 2020 and 2019: (i) equity-based compensation of $6, $9, $28, $22 and $9, (ii) interest expense of $10, $10, $39, $46 and $—, (iii) depreciation and amortization expense of $81, $76, $312, $52 and $30, (iv) changes in fair value of non-hedge derivative instruments of $27, $(274), $(76), $— and $— and, respectively.

Comparison of the three months ended March 31, 2022 and 2021

Revenues

Total revenues decreased $10.1 million, primarily due to a loss on butane forward purchase contracts at Repauno.

Expenses

Total expenses increased $0.9 million which reflects higher operating expenses of $0.8 million due to increased activity at Repauno.

Other (expense) income

Total other expense increased $22.9 million which reflects an increase in equity in losses in unconsolidated entities primarily due to unrealized losses on power swaps at Long Ridge.

Provision for income taxes

The benefit from income taxes decreased $0.5 million which primarily reflects no deferred tax benefits in 2022.

Adjusted EBITDA (non-GAAP)

Adjusted EBITDA increased $1.2 million due to the changes noted above.

Comparison of the years ended December 31, 2021 and 2020

Revenues

Total revenues increased $7.8 million, primarily due to (i) an increase in butane sales of $5.2 million at Repauno, (ii) a gain of $2.2 million on butane forward purchase contracts at Repauno and (iii) an increase of $0.4 million due to the commencement of transloading at Repauno.

Expenses

Total expenses increased $10.7 million primarily due to:

- an increase in operating expenses of $4.1 million which primarily reflects increases in (i) property taxes due to new assets at Repauno, (ii) facility operating expenses due to higher butane volumes, (iii) compensation and benefits due to additional headcount at Repauno and (iv) professional fees;
- an increase in depreciation expense of $7.6 million due to assets being placed into service at Repauno; and
- a decrease in acquisition and transaction expense of $0.9 million due to no acquisitions in 2021.

Other (expense) income

Total other expense increased $14.0 million primarily due to increases in (i) other expense due to the write-off of an earn-out receivable of $4.1 million at Long Ridge and (ii) equity in losses in unconsolidated entities primarily due to unrealized losses on power swaps at Long Ridge.

Provision for income taxes

The benefit from income taxes increased $1.7 million which primarily reflects a deferred tax benefit due to higher pre-tax losses in 2021.

Adjusted EBITDA (non-GAAP)

Adjusted EBITDA increased $24.0 million due to an increase in the pro rata share of adjusted EBITDA from unconsolidated entities of $26.1 million and the changes noted above.

Comparison of the years ended December 31, 2020 and 2019

Revenues

Total revenues decreased $18.3 million, primarily due to (i) the Long Ridge Transaction and (ii) a decrease of $3.9 million in butane sales at Repauno.

Expenses

Total expenses decreased $31.7 million primarily due to decreases in (i) operating expenses of $14.5 million, (ii) depreciation expense of $8.4 million related to the Long Ridge Transaction, (iii) asset impairment of $4.7 million in 2019 at Long Ridge due to the expiration of unproved gas leases and (iv) acquisition and transaction expense of $4.1 million.

The decrease in operating expenses was primarily driven by lower:

- operating expenses of $12.7 million primarily due to the Long Ridge Transaction; and
- cost of sales of $2.6 million related to the sale of butane at Repauno.

The decrease in operating expenses was offset by an increase in compensation and benefits of $1.1 million due to increased headcount.

Acquisition and transaction expense decreased due to transaction costs associated with the Long Ridge Transaction during 2019.

Other (expense) income

Total other income decreased $121.4 million primarily due to decreases in (i) gain on sale of $116.7 million from the Long Ridge Transaction in 2019 (ii) equity method income of $3.0 million from Long Ridge in 2020 and (iii) other income of $1.8 million due to unrealized gains on power swap derivatives, which was deconsolidated with the Long Ridge Transaction.

Adjusted EBITDA (non-GAAP)

Adjusted EBITDA decreased $117.4 million primarily due to the changes in net income (loss) attributable to FTAI Infrastructure noted above.

Transtar

On July 28, 2021, we completed the acquisition for 100% of the equity interests of Transtar from United States Steel Corporation (“USS”) for total cash consideration of $636.0 million. Transtar is comprised of five freight railroads and one switching company, of which two railroads are connected to USS's largest production facilities. See Note 3 to the combined consolidated financial statements for additional information.

The following table presents our results of operations:

(in thousands)	Three Months Ended March 31, 2022	2021	Change '22 vs '21
Revenues			
Infrastructure revenues			
Lease income	$ 488	$—	$ 488
Rail revenues	33,582	—	33,582
Total revenues	34,070	—	34,070
Expenses			
Operating expenses	19,063	—	19,063
Acquisition and transaction expenses	206	—	206
Depreciation and amortization	4,759	—	4,759
Total expenses	24,028	—	24,028
Other expense			
Interest expense	(60)	—	(60)
Other expense	(360)	—	(360)
Total other expense	(420)	—	(420)
Income before income taxes	9,622	—	9,622
Provision for income taxes	1,515	—	1,515
Net income	8,107	—	8,107
Net income attributable to FTAI Infrastructure	$ 8,107	$—	$ 8,107

(in thousands)	Year Ended December 31, 2021	2020	2019	Change '21 vs '20	'20 vs '19
Revenues					
Infrastructure revenues					
Lease income	$ 736	$—	$—	$ 736	$—
Rail revenues	56,803	—	—	56,803	—
Total revenues	57,539	—	—	57,539	—
Expenses					
Operating expenses	28,987	—	—	28,987	—
Acquisition and transaction expenses	2,841	—	—	2,841	—
Depreciation and amortization	8,320	—	—	8,320	—
Total expenses	40,148	—	—	40,148	—
Other expense					
Interest expense	(53)	—	—	(53)	—
Other expense	(423)	—	—	(423)	—
Total other expense	(476)	—	—	(476)	—
Income before income taxes	16,915	—	—	16,915	—
Provision for income taxes	64	—	—	64	—
Net income	16,851	—	—	16,851	—
Net income attributable to FTAI Infrastructure	$16,851	$—	$—	$16,851	$—

The following table sets forth a reconciliation of net income attributable to FTAI Infrastructure to Adjusted EBITDA:

	Three Months Ended March 31,		Change
(in thousands)	2022	2021	'22 vs '21
Net income attributable to FTAI Infrastructure	$ 8,107	$—	$ 8,107
Add: Provision for income taxes	1,515	—	1,515
Add: Acquisition and transaction expenses	206	—	206
Add: Depreciation & amortization expense	4,759	—	4,759
Add: Interest expense	60	—	60
Adjusted EBITDA (non-GAAP)	$14,647	$—	$14,647

	Year Ended December 31,			Change	
(in thousands)	2021	2020	2019	'21 vs '20	'20 vs '19
Net income attributable to FTAI Infrastructure	$16,851	$—	$—	$16,851	$—
Add: Provision for income taxes	64	—	—	64	—
Add: Acquisition and transaction expenses	2,841	—	—	2,841	—
Add: Depreciation & amortization expense	8,320	—	—	8,320	—
Add: Interest expense	53	—	—	53	—
Adjusted EBITDA (non-GAAP)	$28,129	$—	$—	$28,129	$—

Financial results for the three months ended March 31, 2022

Revenues

Total revenues were $34.1 million, which primarily consists of switching, interline, and ancillary rail services.

Expenses

Total expenses were $24.0 million, which primarily consists of (i) operating expenses of $19.1 million which primarily includes compensation and benefits of $11.8 million and facility operating expense of $4.4 million and (ii) depreciation and amortization of $4.8 million.

Adjusted EBITDA (non-GAAP)

Adjusted EBITDA was $14.6 million primarily due to the activity noted above.

Financial results for the year ended December 31, 2021

Revenues

Total revenues were $57.5 million, which primarily consists of switching, interline and ancillary rail services.

Expenses

Total expenses were $40.1 million, which primarily consists of (i) operating expenses of $29.0 million which primarily includes compensation and benefits of $19.0 million and facility operating expense of $7.0 million and (ii) depreciation and amortization of $8.3 million.

Adjusted EBITDA (non-GAAP)

Adjusted EBITDA was $28.1 million primarily due to the activity noted above.

Corporate and Other

The following table presents our results of operations:

(in thousands)	Three Months Ended March 31, 2022	2021	Change '22 vs '21
Revenues			
Other revenue	$ 1,018	1,727	$ (709)
Total revenues	1,018	1,727	(709)
Expenses			
Operating expenses	1,999	1,986	13
General and administrative	2,430	2,034	396
Acquisition and transaction expenses	4,030	958	3,072
Management fees and incentive allocation to affiliate	4,161	3,598	563
Depreciation and amortization	168	154	14
Total expenses	12,788	8,730	4,058
Other (expense) income			
Equity in losses of unconsolidated entities	(662)	(1,996)	1,334
Interest expense	(2)	(1)	(1)
Total other expense	(664)	(1,997)	1,333
Loss before income taxes	(12,434)	(9,000)	(3,434)
Benefit from income taxes	—	(1)	1
Net loss	(12,434)	(8,999)	(3,435)
Less: Net income attributable to non-controlling interest in consolidated subsidiaries:	—	—	—
Net loss attributable to FTAI Infrastructure	$(12,434)	$(8,999)	$(3,435)

(in thousands)	Year Ended December 31, 2021	2020	2019	Change '21 vs '20	'20 vs '19
Revenues					
Other revenue	$ 4,711	$ 4,424	$ 2,917	$ 287	$ 1,507
Total revenues	4,711	4,424	2,917	287	1,507
Expenses					
Operating expenses	6,896	5,992	4,549	904	1,443
General and administrative	8,737	8,522	7,469	215	1,053
Acquisition and transaction expenses	11,985	751	4,126	11,234	(3,375)
Management fees and incentive allocation to affiliate	15,638	13,073	16,541	2,565	(3,468)
Depreciation and amortization	631	583	406	48	177
Total expenses	43,887	28,921	33,091	14,966	(4,170)
Other (expense) income					
Equity in earnings (losses) of unconsolidated entities	98	115	(62)	(17)	177
Interest expense	(7)	(3)	(6)	(4)	3
Other income	1	—	7	1	(7)
Total other income (expense)	92	112	(61)	(20)	173
Loss before income taxes	(39,084)	(24,385)	(30,235)	(14,699)	5,850
Provision for (benefit from) income taxes	7	3	(6)	4	9
Net loss	(39,091)	(24,388)	(30,229)	(14,703)	5,841
Less: Net income attributable to non-controlling interest in consolidated subsidiaries:	—	—	—	—	—
Net loss attributable to FTAI Infrastructure	$(39,091)	$(24,388)	$(30,229)	$(14,703)	$ 5,841

The following table sets forth a reconciliation of net loss attributable to FTAI Infrastructure to Adjusted EBITDA:

(in thousands)	Three Months Ended March 31, 2022	Three Months Ended March 31, 2021	Change '22 vs '21
Net loss attributable to FTAI Infrastructure	$(12,434)	$(8,999)	$(3,435)
Add: Provision for (benefit from) income taxes	—	(1)	1
Add: Equity-based compensation expense	—	—	—
Add: Acquisition and transaction expenses	4,030	958	3,072
Add: Losses on the modification or extinguishment of debt and capital lease obligations	—	—	—
Add: Changes in fair value of non-hedge derivative instruments	—	—	—
Add: Asset impairment charges	—	—	—
Add: Incentive allocations	—	—	—
Add: Depreciation and amortization expense	168	154	14
Add: Interest expense	2	1	1
Add: Pro-rata share of Adjusted EBITDA from unconsolidated entities[1]	(688)	55	(743)
Less: Equity in (earnings) losses of unconsolidated entities	662	1,996	(1,334)
Less: Non-controlling share of Adjusted EBITDA	—	—	—
Adjusted EBITDA (non-GAAP)	$ (8,260)	$(5,836)	$(2,424)

(in thousands)	Year Ended December 31, 2021	Year Ended December 31, 2020	Year Ended December 31, 2019	Change '21 vs '20	Change '20 vs '19
Net loss attributable to FTAI Infrastructure	$(39,091)	$(24,388)	$(30,229)	$(14,703)	$ 5,841
Add: Provision for (benefit from) income taxes	7	3	(6)	4	9
Add: Equity-based compensation expense	—	—	—	—	—
Add: Acquisition and transaction expenses	11,985	751	4,126	11,234	(3,375)
Add: Losses on the modification or extinguishment of debt and capital lease obligations	—	—	—	—	—
Add: Changes in fair value of non-hedge derivative instruments	—	—	—	—	—
Add: Asset impairment charges	—	—	—	—	—
Add: Incentive allocations	—	—	5,819	—	(5,819)
Add: Depreciation and amortization expense	631	583	406	48	177
Add: Interest expense	7	3	6	4	(3)
Add: Pro-rata share of Adjusted EBITDA from unconsolidated entities[1]	(310)	(164)	(61)	(146)	(103)
Less: Equity in (earnings) losses of unconsolidated entities	(98)	(115)	62	17	(177)
Less: Non-controlling share of Adjusted EBITDA	—	—	—	—	—
Adjusted EBITDA (non-GAAP)	$(26,869)	$(23,327)	$(19,877)	$ (3,542)	$(3,450)

(1) Includes the following items for the three months ended March 31, 2022 and 2021 and years ended December 31, 2021, 2020 and 2019: (i) net income (loss) of $(708), $(24), $(409), $(281) and $(192) and (ii) interest expense of $20, $79, $99, $117 and $131, respectively.

Comparison of the Three Months Ended March 31, 2022 and 2021

Revenues

Total revenues decreased $0.7 million due to lower volumes in our railcar cleaning business.

Expenses

Acquisition and transaction expenses increased $3.1 million primarily due to an increase in professional fees related to strategic transactions.

Management fees and incentive allocation to affiliate increased $0.6 million which reflects an increase in the base management fee as our average total equity was higher in 2021, primarily due to the acquisition of Transtar.

Other expense

Other expense decreased $1.3 million primarily due to a decrease in equity in losses of unconsolidated entities of $1.3 million.

Adjusted EBITDA (non-GAAP)

Adjusted EBITDA decreased $2.4 million primarily due to the changes noted above.

Comparison of the years ended December 31, 2021 and 2020

Revenues

Total revenues increased $0.3 million due to higher volumes in our railcar cleaning business.

Expenses

Acquisition and transaction expenses increased $11.2 million primarily due to an increase in professional fees related to the acquisition of Transtar and other strategic initiatives.

Management fees and incentive allocation to affiliate increased $2.6 million which reflects an increase in the base management fee as our average total equity was higher in 2021, primarily due to the acquisition of Transtar.

Operating expenses increased $0.9 million which primarily reflects higher compensation and benefits due to additional headcount in our railcar cleaning business.

Adjusted EBITDA (non-GAAP)

Adjusted EBITDA decreased $3.5 million primarily due to the changes noted above.

Comparison of the years ended December 31, 2020 and 2019

Revenues

Total revenues increased $1.5 million due to higher volumes in our railcar cleaning business.

Expenses

Management fees and incentive allocation to affiliate decreased $3.5 million primarily due to incentive fees related to the Long Ridge Transaction in 2019.

Acquisition and transaction expenses decreased $3.4 million primarily due to fewer transactions in 2020 compared to 2019.

Operating expenses increased $1.4 million which primarily reflects higher compensation and benefits of $1.1 million in our railcar cleaning business due to higher volumes.

General and administrative expense increased $1.1 million primarily due to higher professional fees.

Other (expense) income

Other income increased $0.2 million primarily due to an increase in equity in earnings in unconsolidated entities related to our shipping containers business.

Adjusted EBITDA (non-GAAP)

Adjusted EBITDA decreased $3.5 million primarily due to the changes noted above.

Transactions with Affiliates and Affiliated Entities

We will be managed by the Manager, an affiliate of Fortress, pursuant to our Management Agreement, which provides for us to bear obligations for management fees and expense reimbursements payable to the Manager. Pursuant to the terms of the Management Agreement with FTAI's Manager, the Manager provides a management team and other professionals who are responsible for implementing our business strategy and performing certain services for us, subject to oversight by our board of directors. Our Management Agreement has an initial six-year term and is automatically renewed for one-year terms thereafter unless terminated by our Manager. For its services, our Manager is entitled to receive a management fee from us, payable monthly, that is based on the average value of our total equity (excluding non-controlling interests) determined on a consolidated basis in accordance with GAAP as of the last day of the two most recently completed months *multiplied by* an annual rate of 1.50%. In addition, we are obligated to reimburse certain expenses incurred by our Manager on our behalf.

Geographic Information

Please refer to Note 17 of our combined consolidated financial statements for information by geographic area for each segment, all located in North America, of revenues from our external customers, for the three months ended March 31, 2022 and 2021, and for the years ended December 31, 2021, 2020 and 2019, as well as the geographic area for each segment of our total property, plant and equipment as of March 31, 2022 and December 31, 2021, and 2020.

Liquidity and Capital Resources

The liquidity required to fund our working capital, capital expenditures and other cash needs is provided from a combination of internally generated cash flows and external debt financing.

Additionally, in February 2020, Jefferson issued $264.0 million aggregate principal amount of Series 2020 Bonds. In August 2021, Jefferson also issued $425.0 million aggregate principal amount of Series 2021 Bonds (see Note 8 to the combined consolidated financial statements). Jefferson intends to use a portion of the net proceeds which are held in restricted cash, to pay for or reimburse the cost of development, construction and acquisition of certain facilities.

The liquidity provided by these sources and the restricted cash of $214.0 million at March 31, 2022 available from the above financings is expected to be sufficient to fund the Company's working capital needs and capital expenditures program. Additionally, we expect to continue to be able to obtain financing upon reasonable terms as necessary.

Our principal uses of liquidity have been and continue to be (i) acquisitions or expansion of transportation infrastructure and equipment, (ii) expenses associated with our operating activities and (iii) debt service obligations associated with our investments.

- Cash used for the purpose of making investments was $53.4 million, $34.4 million, $833.2 million, $252.2 million and $351.9 million during the three months ended March 31, 2022 and 2021, and years ended December 31, 2021, 2020 and 2019, respectively.
- Uses of liquidity associated with our operating expenses are captured on a net basis in our cash flows from operating activities. Uses of liquidity associated with our debt obligations are captured in our cash flows from financing activities.

Our principal sources of liquidity to fund these uses have been and continue to be (i) revenues from our infrastructure businesses net of operating expenses, (ii) proceeds from borrowings and (iii) proceeds from asset sales.

- During the three months ended March 31, 2022, additional borrowings were obtained in connection with the EB-5 Loan Agreements of $9.5 million.
- During the three months ended March 31, 2021, additional borrowings were obtained in connection with the EB-5 Loan Agreements of $21.6 million.
- During the year ended December 31, 2021, additional borrowings were obtained in connection with the (i) Series 2021 Bonds (as defined in Note 8 of the combined consolidated financial statements) of $425.0 million and (ii) EB-5 Loan Agreements of $26.1 million.

- During the year ended December 31, 2020, additional borrowings were obtained in connection with the Series 2020 Bonds (as defined in Note 8 of the combined consolidated financial statements) of $264.0 million. We made principal payments of $240.0 million related to the Jefferson Revolver and the Series 2016 and 2012 Bonds.
- During the year ended December 31, 2019, additional borrowings were obtained in connection with (i) LREG Credit Agreement of $173.5 million, (ii) the DRP Revolver of $25.0 million and (iii) the Jefferson Revolver of $23.2 million. We made principal payments of $24.8 million related to the Jefferson Revolver and Series 2012 Bonds.

Historical Cash Flow

The following table presents our historical cash flow:

	Three Months Ended March 31,	
(in thousands)	**2022**	**2021**
Cash flow data:		
Net cash used in operating activities	**$(14,149)**	$(33,628)
Net cash used in investing activities	**(51,273)**	(34,419)
Net cash provided by financing activities	**43,443**	52,038

	Year Ended December 31,		
(in thousands)	**2021**	**2020**	**2019**
Cash flow data:			
Net cash provided by (used in) operating activities	**$ (61,716)**	$ (46,860)	$ (52,672)
Net cash used in investing activities	**(828,716)**	(252,216)	(258,578)
Net cash provided by financing activities	**1,136,866**	337,628	293,647

Comparison of the three months ended March 31, 2022 and 2021

Net cash used in operating activities decreased $19.5 million, which primarily reflects (i) a change in equity in losses of unconsolidated entities of $21.6 million, (ii) changes in management fees payable to affiliate, accounts receivable, accounts payable and accrued liabilities, other assets and other liabilities of $16.3 million, (iii) an increase in depreciation and amortization of $6.9 million, (iv) a change in fair value of non-hedge derivatives of $8.7 million partially offset by (v) an increase in net loss of $36.0 million and (vi) a change in deferred income taxes of $2.0 million.

Net cash used in investing activities increased $16.9 million primarily due to (i) an increase in acquisitions of property, plant and equipment of $20.0 million partially offset by (ii) a decrease in the investment in unconsolidated entities of $0.4 million, (iii) a decrease in investment in convertible promissory notes of $0.7 million and (iv) an increase in proceeds from sale of property, plant and equipment of $2.1 million.

Net cash provided by financing activities decreased $8.6 million primarily due to (i) a decrease in proceeds from debt of $12.2 million partially offset by (ii) an increase in net transfers from Parent of $3.3 million.

Comparison of the years ended December 31, 2021 and 2020

Net cash used in operating activities increased $14.9 million, which primarily reflects (i) an increase in net loss of $34.6 million and (ii) changes in management fees payable to affiliate, accounts receivable, accounts payable and accrued liabilities, other assets and other liabilities of $7.6 million, partially offset by (iii) an increase in depreciation and amortization of $22.9 million and (iv) a change in equity in losses of unconsolidated entities of $10.4 million.

Net cash used in investing activities increased $576.5 million primarily due to (i) an increase in the acquisition of business, net of cash acquired for $627.1 million, (ii) an increase in the investment in unconsolidated entities of $50.5 million, and (iii) an increase in investment in convertible promissory notes of $10.0 million partially offset by (iv) an increase in proceeds from sale of property, plant and equipment of $4.5 million and (v) a decrease in acquisitions of property, plant and equipment of $106.6 million.

Net cash provided by financing activities increased $799.2 million primarily due to (i) an increase in net transfers from Parent of $372.7 million, (ii) a decrease in repayment of debt of $240.0 million and (iii) an increase in proceeds from debt of $187.1 million.

Comparison of the years ended December 31, 2020 and 2019

Net cash used in operating activities decreased $5.8 million, which primarily reflects (i) a change in gain on sale of subsidiaries of $121.3 million, partially offset by (ii) an increase in net loss of $60.6 million, (iii) a decrease in net working capital of $32.9 million and (iv) a change in current and deferred income taxes of $16.4 million.

Net cash used in investing activities decreased $6.4 million primarily due to (i) a decrease in acquisitions of property, plant, and equipment and JV investments of $104.3 million, partially offset by (ii) a decrease in proceeds from sale of subsidiaries of $91.7 million.

Net cash provided by financing activities increased $44.0 million primarily due to (i) an increase in net transfers from Parent of $203.3 million, (ii) a decrease in payments of deferred financing costs of $13.7 million and (iii) an increase in proceeds from debt of $42.1 million, partially offset by (iv) an increase in repayment of debt of $215.1 million.

Funds Available for Distribution (non-GAAP)

We use Funds Available for Distribution ("FAD") in evaluating our ability to pay dividends. We believe FAD is a useful metric for investors and analysts for similar purposes. FAD is not a financial measure in accordance with GAAP. The GAAP measure most directly comparable to FAD is net cash provided by operating activities.

We define FAD as: net cash provided by operating activities plus proceeds from sale of assets and return of capital distributions from unconsolidated entities, less required payments on debt obligations and capital distributions to non-controlling interests, and excluding changes in working capital. The following table sets forth a reconciliation of net cash provided by operating activities to FAD:

	Three Months Ended March 31,	
(in thousands)	**2022**	**2021**
Net cash used in operating activities	$(14,149)	$(33,628)
Add: Principal collections on finance leases	—	—
Add: Proceeds from sale of assets	2,092	—
Add: Return of capital distributions from unconsolidated entities	—	—
Less: Required payments on debt obligations	—	—
Less: Capital distributions to non-controlling interest	—	—
Exclude: Changes in working capital	6,753	23,089
Funds Available for Distribution (FAD)	$ (5,304)	$(10,539)

	Year Ended December 31,		
(in thousands)	**2021**	**2020**	**2019**
Net cash used in operating activities	**$(61,716)**	$(46,860)	$(52,672)
Add: Principal collections on finance leases	**—**	—	—
Add: Proceeds from sale of assets	**4,494**	—	91,732
Add: Return of capital distributions from unconsolidated entities	**—**	—	1,555
Less: Required payments on debt obligations[1]	**—**	—	(24,878)
Less: Capital distributions to non-controlling interest	**—**	—	—
Exclude: Changes in working capital	**23,498**	15,861	(17,073)
Funds Available for Distribution (FAD)	**$(33,724)**	$(30,999)	$ (1,336)

(1) Required payments on debt obligations for the year ended December 31, 2020 exclude repayments $50,262 for the Jefferson Revolver, $45,520 for the Jefferson Series 2012 Bonds and $144,200 for the Jefferson Series 2016 Bonds, all of which were voluntary refinancings as repayments of these amounts were not required at such time.

Limitations

FAD is subject to a number of limitations and assumptions and there can be no assurance that we will generate FAD sufficient to meet our intended dividends. FAD has material limitations as a liquidity measure because such measure excludes items that are required elements of our net cash provided by operating activities as described below. FAD should not be considered in isolation nor as a substitute for analysis of our results of operations under GAAP, and it is not the only metric that should be considered in evaluating our ability to meet our stated dividend policy. Specifically:

- FAD does not include equity capital called from our existing limited partners, proceeds from any debt issuance or future equity offering, historical cash and cash equivalents and expected investments in our operations.
- FAD does not give pro forma effect to prior acquisitions, certain of which cannot be quantified.
- While FAD reflects the cash inflows from sale of certain assets, FAD does not reflect the cash outflows to acquire assets as we rely on alternative sources of liquidity to fund such purchases.
- FAD does not reflect expenditures related to capital expenditures, acquisitions and other investments as we have multiple sources of liquidity and intend to fund these expenditures with future incurrences of indebtedness, additional capital contributions and/or future issuances of equity.
- FAD does not reflect any maintenance capital expenditures necessary to maintain the same level of cash generation from our capital investments.
- FAD does not reflect changes in working capital balances as management believes that changes in working capital are primarily driven by short term timing differences, which are not meaningful to our distribution decisions.
- Management has significant discretion to make distributions, and we are not bound by any contractual provision that requires us to use cash for distributions.

If such factors were included in FAD, there can be no assurance that the results would be consistent with our presentation of FAD.

Debt Covenants

We are in compliance with all of our debt covenants as of March 31, 2022, and December 31, 2021 and 2020. See Note 8 to the combined consolidated financial statements for information related to our debt obligations and respective covenants.

Contractual Obligations and Cash Requirements

Our material cash requirements include the following contractual and other obligations:

Debt Obligations—As of December 31, 2021, we have outstanding principal and interest payment obligations of $740.1 million and $348.6 million, respectively, of which, there is no principal payment due and $27.0 million of interest payment due within the next twelve months. See Note 8 of the combined consolidated financial statements for additional information about our debt obligations.

Lease Obligations—As of December 31, 2021, we had operating and finance lease obligations of $178.7 million, of which $10.0 million is due within the next twelve months.

Other Obligations—As of December 31, 2021, in connection with a pipeline capacity agreement at Jefferson Terminal, we had an obligation to pay a minimum of $10.2 million in marketing fees in the next twelve months.

We expect to meet our future short-term liquidity requirements through cash on hand and net cash provided by our current operations. We expect that our operating subsidiaries will generate sufficient cash flow to cover operating expenses. We may elect to meet certain long-term liquidity requirements or to continue to pursue strategic opportunities through utilizing cash on hand, cash generated from our current operations and the issuance of securities in the future. Management believes adequate capital and borrowings are available from various sources to fund our commitments to the extent required.

Application of Critical Accounting Policies

Variable Interest Entities—The assessment of whether an entity is a VIE and the determination of whether to consolidate a VIE requires judgment. VIEs are defined as entities in which equity investors do not have the characteristics of a controlling financial interest or do not have sufficient equity at risk for the entity to finance its activities without additional subordinated financial support from other parties. A VIE is required to be consolidated by its primary beneficiary, and only by its primary beneficiary, which is defined as the party who has the power to direct the activities of a VIE that most significantly impact its economic performance and who has the obligation to absorb losses or the right to receive benefits from the VIE that could potentially be significant to the VIE.

Property, Plant and Equipment, Leasing Equipment and Depreciation—Property, plant and equipment and leasing equipment are stated at cost (inclusive of capitalized acquisition costs, where applicable) and depreciated using the straight-line method, over their estimated useful lives, to their estimated residual values which are summarized as follows:

Asset	Range of Estimated Useful Lives	Residual Value Estimates
Railcars and locomotives	40 - 50 years from date of manufacture	Scrap value at end of useful life
Track and track related assets	15 - 50 years from date of manufacture	Scrap value at end of useful life
Land, site improvements and rights	N/A	N/A
Bridges and tunnels	15 - 55 years	Scrap value at end of useful life
Buildings and site improvements	20 - 30 years	Scrap value at end of useful life
Railroad equipment	3 - 15 years from date of manufacture	Scrap value at end of useful life
Terminal machinery and equipment	15 - 25 years from date of manufacture	Scrap value at end of useful life
Vehicles	5 - 7 years from date of manufacture	Scrap value at end of useful life
Furniture and fixtures	3 - 6 years from date of purchase	None
Computer hardware and software	2 - 5 years from date of purchase	None
Construction in progress	N/A	N/A

Impairment of Long-Lived Assets—We perform a recoverability assessment of each of our long-lived assets whenever events or changes in circumstances, or indicators, indicate that the carrying amount or net book value of an asset may not be recoverable. Indicators may include, but are not limited to, a significant lease restructuring or early lease termination; a significant change in market conditions; or the introduction of newer technology. When performing a recoverability assessment, we measure whether the estimated future undiscounted net cash flows expected to be generated by the asset exceeds its net book value. The undiscounted cash flows consist of cash flows from currently contracted leases and terminal services contracts, future projected leases, terminal service and freight rail rates, transition costs, and estimated residual or scrap values. In the event that an asset does not meet the recoverability test, the carrying value of the asset will be adjusted to fair value resulting in an impairment charge.

Management develops the assumptions used in the recoverability analysis based on its knowledge of active contracts, current and future expectations of the demand for a particular asset and historical experience, as well as information received from third party industry sources. The factors considered in estimating the undiscounted cash flows are impacted by changes in future periods due to changes in contracted lease rates, terminal service, and freight rail rates, residual values, economic conditions, technology, demand for a particular asset type and other factors.

Goodwill—Goodwill includes the excess of the purchase price over the fair value of the net tangible and intangible assets associated with the acquisition of Jefferson Terminal and Transtar. The carrying amount of goodwill was approximately $258.0 million, $257.1 million and $122.7 million as of March 31, 2022, and December 31, 2021 and 2020, respectively. The goodwill amounts as of December 31, 2020 related to the Jefferson reporting unit. The increase in goodwill in 2021 and 2022 reflects our acquisition of Transtar.

We review the carrying values of goodwill at least annually to assess impairment since these assets are not amortized. An annual impairment review is conducted as of October 1st of each year. Additionally, we review the carrying value of goodwill whenever events or changes in circumstances indicate that its carrying amount may not be recoverable. The determination of fair value involves significant management judgment.

For an annual goodwill impairment assessment, an optional qualitative analysis may be performed. If the option is not elected or if it is more likely than not that the fair value of a reporting unit is less than its carrying amount, then a goodwill impairment test is performed to identify potential goodwill impairment and measure an impairment loss. A qualitative analysis was not elected for the years ended December 31, 2021 or 2020.

Beginning in 2020, we adopted new guidance regarding the testing and recognition of a goodwill impairment, which prior to 2020 required two steps. A goodwill impairment assessment compares the fair value of a respective reporting unit with its carrying amount, including goodwill. The estimate of fair value of the respective reporting unit is based on the best information available as of the date of assessment, which primarily incorporates certain factors including our assumptions about operating results, business plans, income projections, anticipated future cash flows and market data. If the estimated fair value of the reporting unit is less than the carrying amount, a goodwill impairment is recorded to the extent that the carrying value of the reporting unit exceeds the fair value.

We estimate the fair value of the Jefferson and Transtar reporting units using an income approach, specifically a discounted cash flow analysis. This analysis requires us to make significant assumptions and estimates about the forecasted revenue growth rates, EBITDA margins, capital expenditures, the timing of future cash flows, and discount rates. The estimates and assumptions used consider historical performance if indicative of future performance and are consistent with the assumptions used in determining future profit plans for the reporting units.

In connection with our impairment analysis, although we believe the estimates of fair value are reasonable, the determination of certain valuation inputs is subject to management's judgment. Changes in these inputs, including as a result of events beyond our control, could materially affect the results of the impairment review. If the forecasted cash flows or other key inputs are negatively revised in the future, the estimated fair value of the reporting unit could be adversely impacted, potentially leading to an impairment in the future that could materially affect our operating results. Due to the acquisition of Transtar in the current year, the estimated fair value of that reporting unit approximates the book value. The Jefferson reporting unit had an estimated fair value that exceeded its carrying value by more than 10% but less than 20%. The Jefferson Terminal segment forecasted revenue is dependent on the ramp up of volumes under current and expected future contracts for storage and throughput of heavy and light crude and refined products and is subject to obtaining rail capacity for crude, expansion of refined product distribution to Mexico and movements in future oil spreads. At October 31, 2021, approximately 4.3 million barrels of storage was currently operational with 1.9 million barrels currently under construction for new contracts which will complete our storage development for our main terminal. Our discount rate for our 2021 goodwill impairment analysis was 9.0% and our assumed terminal growth rate was 2.0%. If our strategy changes from planned capacity downward due to an inability to source contracts or expand volumes, the fair value of the reporting unit would be negatively affected, which could lead to an impairment. The expansion of refineries in the Beaumont/Port Arthur area, as well as growing crude oil production in the U.S. and Canada, are expected to result in increased demand for storage on the U.S. Gulf Coast. Although we do not have significant direct exposure to volatility of crude oil prices, changes in crude oil pricing that affect long term refining planned output could impact Jefferson Terminal operations.

We expect the Jefferson Terminal segment to continue to generate positive Adjusted EBITDA in future years. Although certain of our anticipated contracts or expected volumes from existing contracts for Jefferson Terminal have been delayed, we continue to believe our projected revenues are achievable. Further delays in executing these contracts or achieving our projections could adversely affect the fair value of the reporting unit. The impact of the COVID-19 global pandemic during 2020 and 2021 negatively affected refining volumes and therefore Jefferson Terminal crude throughput but we have seen the activity starting to normalize and are expected to ramp back to normal during 2022. Furthermore, we anticipate strengthening macroeconomic demand for storage and the increasing spread between Western Canadian Crude and Western Texas Intermediate as Canadian crude pipeline apportionment increases. Also, as our pipeline connections became fully operational during 2021, we remain positive for the outlook of Jefferson Terminal's earnings potential.

There were no impairments of goodwill for the three months ended March 31, 2022 and 2021 or for the years ended December 31, 2021, 2020 or 2019.

Income Taxes—The income tax provision in the combined consolidated financial statements was prepared on a separate return method. Income earned by our corporate subsidiaries for the infrastructure businesses is subject to U.S. federal and state income taxation and is taxed at the currently enacted rates. The remainder of our income is allocated directly to our partners and is not subject to a corporate level of taxation. Following the spin-off, all of our income will be subject to a corporate level of taxation, and none of it will be allocated directly to our partners.

We account for these taxes using the asset and liability method under which deferred tax assets and liabilities are recognized for the future tax consequences attributable to differences between the financial statement carrying amounts of existing assets and liabilities and their respective tax bases. A valuation allowance is established when management believes it is more likely than not that a deferred tax asset will not be realized.

Each of our combined entities files income tax returns in the U.S. federal jurisdiction, various state jurisdictions and in certain foreign jurisdictions. The income tax returns filed by us and our subsidiaries are subject to examination by the U.S. federal, state and foreign tax authorities. We recognize tax benefits for uncertain tax positions only if it is more likely than not that the position is sustainable based on its technical merits. Interest and penalties on uncertain tax positions are included as a component of the provision for income taxes in the combined consolidated statements of operations.

Recent Accounting Pronouncements

Please see Note 2 to our combined consolidated financial statements included elsewhere in this filing for recent accounting pronouncements.

Item 7A. Quantitative and Qualitative Disclosures about Market Risk

Market risk represents the risk of changes in value of a financial instrument, caused by fluctuations in interest rates and foreign exchange rates. Changes in these factors could cause fluctuations in our results of operations and cash flows. We are exposed to the market risks described below.

Interest Rate Risk

Interest rate risk is the exposure to loss resulting from changes in the level of interest rates and the spread between different interest rates. Interest rate risk is highly sensitive to many factors, including the U.S. government's monetary and tax policies, global economic factors and other factors beyond our control. We are exposed to changes in the level of interest rates and to changes in the relationship or spread between interest rates. Our primary interest rate exposure relates to our term loan arrangements.

Although a majority of our borrowing agreements are fixed rate agreements, we do have borrowing agreements that require payments based on a variable interest rate index, such as SOFR. Therefore, to the extent our borrowing costs are not fixed, increases in interest rates may reduce our net income by increasing the cost of our debt without any corresponding increase in rents. We may elect to manage our exposure to interest rate movements through the use of interest rate derivatives (interest rate swaps and caps).

The following discussion about the potential effects of changes in interest rates is based on a sensitivity analysis, which models the effects of hypothetical interest rate shifts on our financial condition and results of operations. Although we believe a sensitivity analysis provides the most meaningful analysis permitted by the rules and regulations of the SEC, it is constrained by several factors, including the necessity to conduct the analysis based on a single point in time and by the inability to include the extraordinarily complex market reactions that normally would arise from the market shifts modeled. Although the following results of a sensitivity analysis for changes in interest rates may have some limited use as a benchmark, they should not be viewed as a forecast. This forward-looking disclosure also is selective in nature and addresses only the potential interest expense impacts on our financial instruments It also does not include a variety of other potential factors that could affect our business as a result of changes in interest rates. As of March 31, 2022 and December 31, 2021, assuming we do not hedge our exposure to interest rate fluctuations related to our outstanding floating rate debt, a hypothetical 100-basis point increase/decrease in our variable interest rate on our borrowings would result in an increase of approximately $0.3 million and $0.3 million or a decrease of approximately $0.1 million and $0.1 million, respectively, in interest expense over the next 12 months.

BUSINESS

Our Company

We are in the business of acquiring, developing and operating assets and businesses that represent critical infrastructure for customers in the transportation and energy industries. We were formed on December 13, 2021 as FTAI Infrastructure LLC, a Delaware limited liability company and subsidiary of FTAI. Prior to the completion of the spin-off, we will convert into FTAI Infrastructure Inc., a Delaware corporation, and will hold all of the material assets and investments that comprise FTAI's infrastructure business.

Our operations consist of three primary business lines: (i) Ports and Terminals, (ii) Railroads and (iii) companies and assets participating in the global Energy Transition. Our Ports and Terminals business develops or acquires industrial properties in strategic locations that store and handle for third parties a variety of energy products, including crude oil, refined products and clean fuels. In certain cases, we also develop and operate facilities, such as a 485 megawatt power plant at our Long Ridge terminal in Ohio through our equity method investment, that leverage the property's location and key attributes to generate incremental value. Our Railroads business primarily invests in and operates short line and regional railroads in North America. Our Energy Transition business focuses on investments in companies and assets that utilize green technology, produce sustainable fuels and products, or enable customers to reduce their carbon footprint. For the year ended December 31, 2021, (i) our Ports and Terminals business accounted for 48% of our total revenue, (ii) our Railroads business accounted for 48% of our total revenue and (iii) our Energy Transition business accounted for 0% of our total revenue. Corporate and other sources accounted for the remaining 4% of our total revenue.

We expect to continue to invest in such market sectors, and pursue additional investment opportunities in other infrastructure businesses and assets that we believe to be attractive and meet our investment objectives. Our team focuses on acquiring a diverse group of long-lived assets or operating businesses that provide mission-critical services or functions to infrastructure networks and typically have high barriers to entry, strong margins, stable cash flows and upside from earnings growth and asset appreciation driven by increased use and inflation. We believe that there are a large number of acquisition opportunities in our markets and that our Manager's expertise and business and financing relationships, together with our access to capital and generally available capital for infrastructure projects in today's marketplace, will allow us to take advantage of these opportunities. As of March 31, 2022, on a pro forma basis, we had total consolidated assets of $2,437.6 million and total preferred and shareholder's equity of $932.5 million. For the three months ended March 31, 2022 and the year ended December 31, 2021, on a pro forma basis, we had net loss attributable to shareholders of $69.5 million and $161.1 million, respectively.

We target sectors that we believe enjoy strong long-term growth potential and proactively seek investment opportunities within those sectors that we believe will generate strong risk-adjusted returns. We take an opportunistic approach—targeting assets that are distressed or undervalued, or where we believe we can add value through active management, without heavy reliance on the use of financial leverage to generate returns. We also seek to develop incremental opportunities to deploy capital through follow-on investments in our existing assets in order to grow our earnings and create value. While leverage on any individual asset may vary, we target overall leverage for our assets on a consolidated basis of no greater than 50% of our total capital.

Our Strategy

We invest across a number of major sectors including energy, intermodal transport, ports and terminals and rail, and we may pursue acquisitions in other areas as and when they arise in the future. In general, we seek to own a diverse mix of high-quality infrastructure facilities, operations and equipment within our target sectors that generate predictable cash flows in markets that we believe provide the potential for strong long-term growth and attractive returns on deployed capital. We believe that by investing in a diverse mix of assets across sectors, we can select from among the best risk-adjusted investment opportunities, while avoiding overconcentration in any one segment, further adding to the stability of our business.

We take a proactive investment approach by identifying key secular trends as they emerge within our target sectors and then pursuing what we believe are the most compelling opportunities within those sectors. We look for unique investments, including assets that are distressed or undervalued, or where we believe that we can add value through active management. We consider investments across the size spectrum, including smaller opportunities often overlooked by other investors, particularly where we believe we may be able to grow the investment over time. We believe one of our strengths is our ability to create attractive follow-on investment opportunities and deploy

incremental capital within our existing portfolio. We have several such opportunities currently identified, including significant potential for future investment at our Jefferson Terminal, Repauno and Long Ridge sites, in addition to our other assets, as discussed below.

Our Manager has significant prior experience in all of our target sectors, as well as a network of industry relationships, that we believe positions us well to make successful acquisitions and to actively manage and improve operations and cash flows of our existing and newly-acquired assets. These relationships include senior executives at lessors and operators, end users of transportation and infrastructure assets, as well as banks, lenders and other asset owners.

We have a robust current pipeline of potential investment opportunities. This current pipeline consists of opportunities for renewable and non-renewable energy, intermodal, rail and port-related investments.

Asset Acquisition Process

Our strategy is to acquire assets that we believe are essential to global infrastructure. We acquire assets that are used by major operators of infrastructure networks. We seek to acquire assets and businesses that we believe operate in sectors with long-term macroeconomic growth opportunities and that have significant cash flow and upside potential from earnings growth and asset appreciation.

We approach markets and opportunities by first developing an asset acquisition strategy with our Manager and then pursuing optimal opportunities within that strategy. In addition to relying on our own experience, we source new opportunities through our Manager's network of industry relationships in order to find, structure and execute attractive acquisitions. We believe that sourcing assets both globally and through multiple channels will enable us to find the most attractive opportunities. We are selective in the assets we pursue and efficient in the manner in which we pursue them.

Once attractive opportunities are identified, our Manager performs detailed due diligence on each of our potential acquisitions. Due diligence on each of our assets always includes a comprehensive review of the asset itself as well as the industry and market dynamics, competitive positioning, and financial and operational performance. Where appropriate, our Manager conducts physical inspections, a review of the credit quality of each of our counterparties, the regulatory environment, and a review of all material documentation. In some cases, third-party specialists are hired to physically inspect and/or value the target assets.

We and our Manager also spend a significant amount of time on structuring our acquisitions to minimize risks while also optimizing expected returns. We employ what we believe to be reasonable amounts of leverage in connection with our acquisitions. In determining the amount of leverage for each acquisition, we consider a number of characteristics, including, but not limited to, the existing cash flow, the length of the lease or contract term, and the specific counterparty.

Our Strengths

Strong Contracted Cash Flows Plus Growth Potential—We target a diverse mix of infrastructure facilities, operations and equipment that deliver, on a combined basis, significant and predictable current cash flows plus the potential for earnings growth and asset appreciation. Our current portfolio includes assets in the energy, intermodal transport and rail sectors, among others. Our holdings include value-add projects where we expect to be able to generate strong earnings and cash flow growth through development and asset repositioning. We expect our future investments to continue to deliver a mix of current cash flow and growth potential.

Opportunistic Investment Approach—We take an opportunistic approach to buying and managing assets by targeting assets that are distressed or undervalued, or where we believe we can add value through active management. We also try to develop incremental opportunities to deploy significant amounts of capital through follow-on investments in our existing assets in order to drive cash flow and growth. In these ways, we seek to deliver attractive returns on our portfolio without heavy reliance on financial leverage. Following the spin-off, our leverage on a weighted basis across our existing portfolio will be approximately 55% of our total capital. While leverage on any individual asset may vary, we target overall leverage for our assets on a consolidated basis of no greater than 50% of our total capital.

Experienced Investment Team—Our Manager is an affiliate of Fortress, a leading, diversified global investment firm with approximately $53.3 billion under management as of December 31, 2021. Founded in 1998, Fortress

manages assets on behalf of over 1,900 institutional clients and private investors worldwide across a range of credit and real estate, private equity and permanent capital investment strategies. Over the last ten years, Fortress has been one of the industry's most active investors in infrastructure-, energy-, and transportation-related assets and equipment globally. The Fortress team of investment professionals has over fifty years of combined experience in acquiring, managing and marketing infrastructure-assets. The team has been working directly together for over fifteen years and has invested in infrastructure-related assets since 2002. Some of our Manager's prior transactions include the growth and sale of Florida East Coast Railway, a major regional freight railroad operating mainline track along the east coast of Florida, the creation of New Fortress Energy, a fully integrated, global provider of natural gas-fueled energy solutions operating a growing network of liquefied natural gas terminals, power generation facilities and natural gas logistics infrastructure; Aircastle Ltd., one of the world's leading aircraft lessors; SeaCube Container Leasing Ltd., one of the world's largest container lessors; RailAmerica Inc., a leading short-line rail operator; Global Signal Inc., an owner operator and lessor of towers and other communication structures for wireless communications, and Brightline Holdings, an owner and operator of an express passenger rail system connecting major population centers in Florida, with plans to expand operations in Los Angeles, Las Vegas and elsewhere in North America.

Extensive Relationships with Experienced Operators—Through our Manager, we have numerous relationships with operators across the infrastructure industry. We typically seek to partner and often co-invest with experienced operators and owners when making acquisitions, and our existing relationships enable us not only to source opportunities, but also to maximize the value of each asset post-closing. Our strategy is to actively manage our investments to improve operations, grow cash flows and develop incremental investment opportunities.

Management Agreement

We will be externally managed by our Manager, an affiliate of Fortress, which has a dedicated team of experienced professionals focused on the acquisition of infrastructure assets since 2002. On December 27, 2017, SoftBank announced the SoftBank Merger. In connection with the SoftBank Merger, Fortress operates within SoftBank as an independent business headquartered in New York.

Pursuant to the terms of the management agreement with our Manager, our Manager provides a management team and other professionals who are responsible for implementing our business strategy and performing certain services for us, subject to oversight by our board of directors. Our Management Agreement has an initial six-year term and is automatically renewed for one-year terms thereafter unless terminated by our Manager. For its services, our Manager is entitled to receive a management fee from us, payable monthly, that is based on the average value of our total equity (excluding non-controlling interests) determined on a consolidated basis in accordance with GAAP as of the last day of the two most recently completed months *multiplied by* an annual rate of 1.50%. In addition, we are obligated to reimburse certain expenses incurred by our Manager on our behalf.

Our Portfolio

The following primarily comprise our Ports and Terminals business:

Jefferson Terminal

In August 2014, FTAI and certain other Fortress affiliates purchased substantially all of the assets and assumed certain liabilities of Jefferson Terminal, a Texas-based group of companies developing crude oil and refined products logistics assets since 2012.

Jefferson Terminal is located on approximately 250 acres of land at the Port of Beaumont, Texas, a deep-water port near the mouth of the Neches River (the "Port"). Today, Jefferson Terminal leases 185 developed or developable acres from the Port. As part of the lease, Jefferson Terminal was granted the concession to operate as the sole handler of liquid hydrocarbons at the Port. Jefferson Terminal does not own any land at Jefferson Terminal but does own certain equipment and leasehold improvements carried out as part of the Jefferson Terminal build-out.

Jefferson Terminal is developing a large multi-modal crude oil and refined products handling terminal at the Port, and also owns several other assets for the transportation and processing of crude oil and related products. Jefferson Terminal has a unique combination of six rail loop tracks and direct rail service from three Class I railroads, multiple direct pipeline connections to local refineries and interstate pipeline systems, barge docks and deep water ship loading capacity, capabilities to handle multiple types of products including refined products and both free-flowing crude oil and bitumen, and a prime location close to Port Arthur and Lake Charles, which are home to

refineries with over 2.3 million barrels per day of capacity. Jefferson Terminal currently has approximately 4.3 million barrels of heated and unheated storage tanks in operation servicing both crude oil and refined products. As we secure new storage and handling contracts, we expect to expand storage capacity and/or develop new assets. The timing of the ultimate development of Jefferson Terminal will be dependent, in part, on the pace at which contracts are executed as well as the amount of volume subject to such contracts.

Jefferson Terminal's prime location and excellent optionality make it well suited to provide logistics solutions to regional and global refineries, including blending, storage and delivery of crude oil and refined products. Jefferson handles, stores, and blends both light and heavy crudes that originate by marine, rail or pipeline from most major North American productions markets, including Western Canada, the Uinta Basin, the Permian Basin, and the Bakken Formation, as well as other international markets, with full heating capabilities for unloading heavier crude prior to storing and blending. Jefferson also transloads refined products, such as automotive gasoline and diesel fuel, that nearby refineries produce and ship through its terminal by pipeline, rail and marine to other domestic and foreign markets in North America, including Mexico.

Heavy crude oils, such as those produced in Western Canada, are in high demand on the Gulf Coast because most refineries in the area are configured to handle heavier crudes (previously sourced predominately from Mexico and Venezuela) than those in other parts of the United States. Heavy crude is well suited for transport by rail rather than pipeline because of its high viscosity. Jefferson Terminal is one of only a few terminals on the Gulf Coast that has heated unloading system capabilities to handle these heavier grades of crude. As the production of North American heavy crude grows in excess of existing takeaway capacity, demand for crude-by-rail to the Gulf Coast is expected to increase. Refined products opportunities for storage and logistics are expected to be positively impacted by demand growth in export markets.

Mexican demand for U.S.-sourced refined products continues to increase; however, Mexico lacks the infrastructure required to efficiently import, store and distribute large volumes of gasoline and diesel. This has spurred the rapid build-out of new Mexican rail terminals, as well as storage capacity on both sides of the U.S.-Mexico border. To meet such increased demand, Jefferson Terminal operates a refined products system that receives three grades of products by direct pipeline connection from a large area refiner, as well as inland tank barge via the barge dock, stores the cargo in six tanks with a combined capacity of approximately 0.7 million barrels, and operates a 20 spot rail car loading system with the capacity to load approximately 70,000 barrels per day. This system may be further expanded to meet additional market demand.

Recent expansion projects completed include the construction of three pipeline systems, including a bundle of six pipelines, varying in size, a 14.2 mile outbound crude oil pipeline connection to a large refinery in Port Arthur, and a 5.6 mile inbound pipeline connecting to neighboring Delek Paline pipeline.

In addition to the Jefferson Terminal, Jefferson Terminal owns several other energy and infrastructure-related assets, including 299 tank railcars for the purpose of leasing to third parties; a gas processing and condensate stabilization plant (not operational); pipeline rights-of-way; and an approximately 50-acre property with intercoastal waterway access all of which can be developed. These assets can be deployed or developed in the future to meet market demands for transportation and hydrocarbon processing, and if successfully deployed or developed, may represent additional opportunities to generate stable, recurring cash flow. As we secure customer contracts, we expect to invest equity capital to fund working capital needs and future construction, which may be required.

Long Ridge Energy Terminal

During 2017, through Ohio River Partners Shareholder LLC ("ORP"), a consolidated subsidiary, FTAI purchased 100% of the interests in the assets of Long Ridge, which consisted primarily of land, buildings, railroad track, docks, water rights, site improvements and other rights. In December 2019, ORP contributed its equity interests in Long Ridge into Long Ridge Terminal LLC and sold a 49.9% interest for $150 million in cash, *plus* an earn out, which earn out was written off during the period ended September 30, 2021. We no longer have a controlling interest in Long Ridge but still maintain significant influence through our retained interest and, therefore, now account for this investment in accordance with the equity method.

The Long Ridge Energy Terminal is one of the Appalachian Basin's leading multimodal energy terminals with a 485 MW power plant, nearly 300 acres of flat land, two barge docks on the Ohio River, a unit-train-capable loop track and direct highway access.

In October 2021, Long Ridge completed its construction of its now fully-functional 485 MW combined-cycle power plant at the site and the associated plans to self-supply the natural gas fuel requirements for the plant. We continue to evaluate opportunities to deploy Long Ridge assets for sustainable and traditional energy projects and other value-driving enterprises.

For example, Long Ridge plans to eventually run its power plant on carbon-free hydrogen. In collaboration with New Fortress Energy and GE, Long Ridge is blending carbon-free hydrogen as a fuel today and intends to increase that blend over time by blending hydrogen in the gas stream and transitioning the plant to be capable of burning 100% green hydrogen over the next decade with hydrogen produced nearby as an industrial byproduct. In April 2022, Long Ridge became the first large scale gas power plant in the U.S. to blend hydrogen as a fuel. This is also the first GE-H class turbine in the world to achieve this milestone. Long Ridge has engaged Black & Veatch to assist with developing plans for the plant integration for hydrogen blending and to ensure safe and reliable industrial practices. For initial testing of hydrogen blending, Long Ridge has access to nearby industrial byproduct hydrogen. For the production of green hydrogen with electrolysis, Long Ridge has access to water from the Ohio River. Over time, below ground salt formations can be used for large-scale hydrogen storage.

In addition, Long Ridge plans to develop a 125-acre data center campus to offer more than 300 megawatts of capacity to serve custom hyperscale data center development and the wholesale colocation market in need of low-cost on-site power, new customizable white space data center infrastructure, and real estate expansion capability securely outside of the crowded northern-Virginia data center market. Long Ridge's initial 15-acre phase, dubbed "LR-1", will deliver a 170,000-square foot powered shell with 24 megawatts of IT capacity. Land has been cleared and site development planning is well underway for the LR-1 structure.

Combined with Long Ridge's proximity to large scale storage, the plant is capable of supporting a balanced and diverse power generation portfolio, from energy storage capable of accommodating the seasonal fluctuations of renewable energy, to cost-effective, dispatchable intermediate and baseload power. We continue to evaluate opportunities to deploy Long Ridge assets for sustainable and traditional energy projects and other value-driving enterprises.

Repauno

During 2016, through Delaware River Partners LLC ("DRP"), a consolidated subsidiary, FTAI purchased the assets of Repauno, which consisted primarily of land, a storage cavern, and riparian rights for the acquired land, site improvements and rights. We currently hold an approximately 98% economic interest, and a 100% voting interest in DRP. DRP is solely reliant on us to finance its activities and therefore is a variable interest entity ("VIE"). We concluded that we are the primary beneficiary; accordingly, DRP has been presented on a consolidated basis in the accompanying financial statements.

As one of the newest marine terminals on the Delaware River, Repauno is uniquely positioned as a premier multimodal facility on the Atlantic Seaboard. The deep water terminal is located on 1,600 acres in Gibbstown, New Jersey with underground granite storage cavern infrastructure, a new multipurpose dock and convenient truck access to two major interstate highways.

Shortly after the end of 2020, DRP completed its new state-of-the-art rail-to-ship transloading system. This allows DRP to load Liquified Petroleum Gas ("LPG") marine vessels from its new wharf, including 30 marine vessels loaded in 2021. As the newest marine terminal on the Delaware River, Repauno is designed to safely and efficiently handle a wide variety of freight, providing critical logistics services to a multitude of industrial segments. In addition, Repauno is expanding its storage and transloading capacity, and pursuing accretive sustainable energy projects such as the development of a recycling facility on-site (see discussion of *Clean Planet USA* below).

The following primarily comprise our Railroads business:

Transtar

Transtar is comprised of five short-line freight railroads and one switching company, including two railroads that connect to U.S. Steel's largest production facilities in North America: the Gary Railway Company, Indiana; The Lake Terminal Railroad Company, Ohio; Union Railroad Company LLC, Pennsylvania; Fairfield Southern Company Inc., Alabama; Delray Connecting Railroad Company, Michigan; and the Texas & Northern Railroad Company, Texas.

FTAI and USS also agreed to enter into an exclusive strategic rail partnership under which FTAI will provide rail service to USS for an initial term of 15 years with minimum volume commitments for the first five years. Through operational improvements and potential long-term development projects, we intend to enhance performance of any under-utilized Transtar assets.

Acquisition of Transtar

On July 28, 2021, FTAI completed the purchase of 100% of the equity interests of Transtar, which was a wholly owned short-line railroad subsidiary of U.S. Steel, for a cash purchase price of $640.0 million, subject to certain customary adjustments set forth in the Transtar Purchase Agreement. Transtar has approximately 400 employees, of which approximately 300 are subject to collective bargaining agreements.

Railway Services Agreement

On July 28, 2021, in connection with the closing of the Transtar Acquisition, Transtar, certain Transtar subsidiaries (together with Transtar, the "Transtar Parties"), and U.S. Steel entered into a railway services agreement (the "Railway Services Agreement"). Under the Railway Services Agreement, for an initial term of 15 years from and after the closing of the Transtar Acquisition, Transtar will continue to provide U.S. Steel with rail haulage, switching and transportation services at U.S. Steel's facilities in and around Gary, Indiana, Pittsburgh, Pennsylvania, Fairfield, Alabama, Ecorse, Michigan, Lorain, Ohio and Lone Star, Texas, including but not limited to: railcar maintenance and repair services, locomotive maintenance, inspection and repair services, maintenance-of-way services, car management services, and rail and material handling services. The first five years of the Railway Services Agreement term contain the following minimum annual dollar value requirements: (i) from the closing until the first anniversary, $85.8 million, (ii) from the first anniversary until the second anniversary, $92.3 million, (iii) from the second anniversary until the third anniversary, $94.5 million, (iv) from the third anniversary until the fourth anniversary, $103.5 million and (v) from the fourth anniversary until the fifth 128 anniversary, $106.5 million.

The following primarily comprise our Energy Transition business:

Aleon and Gladieux

In September 2021, FTAI acquired 1% of Class A shares and 50% of Class B shares of GM-FTAI Holdco LLC for $52.5 million. GM-FTAI Holdco LLC owns 100% interest in Gladieux and Aleon. Gladieux specializes in recycling spent catalyst produced in the petroleum refining industry. Aleon plans to develop a lithium-ion battery recycling business across the United States. Each planned location will collect, discharge and disassemble lithium-ion batteries to extract various metals in high-purity form for resale into the lithium-ion battery production market. Aleon and Gladieux are governed by separate boards of directors. In June 2022, due to an internal reorganization of GM-FTAI Holdco LLC, FTAI now owns a 27.4% indirect interest in each of Gladieux and Aleon.

Clean Planet USA

On November 19, 2021, FTAI and UK green-tech company Clean Planet Energy announced the formation of a joint venture partnership to develop Clean Planet USA ecoPlants in key North American markets. The first Clean Planet USA ecoPlant is under development at the Repauno Port & Rail Terminal in Gibbstown, New Jersey, where the plant is planned to initially process 20,000 tons of waste plastics each year. In addition, the newly formed Clean Planet USA business development team is advancing multiple additional projects with agreements in place for plastic-waste supply in Alabama, Texas, Florida, the Dominican Republic, and other North American markets.

Clean Planet USA ecoPlants are green recycling facilities that convert traditionally non-recyclable waste plastics into ultra-clean fuels and oils, and circular naphtha to support the manufacture of new plastics. An ecoPlant can accept and process plastics from all classifications, including those which are almost always rejected by traditional recycling centers and sent to landfill or incineration.

CarbonFree

In December 2021, FTAI purchased $10 million in convertible notes of CarbonFree. CarbonFree has developed patented technologies to capture carbon dioxide from industrial emissions sources and convert it to usable and storable products. CarbonFree's first commercial scale SkyCycle plant is expected to begin development in 2022.

Long Ridge-Newlight AirCarbon Facility

On June 24, 2022, Long Ridge Terminal LLC and certain of its subsidiaries entered into certain agreements with Eagle Ridge 4, LLC ("Eagle Ridge"), a wholly-owned, direct subsidiary of Newlight Technologies, Inc. ("Newlight"), whereby Long Ridge will lease land and sell power and gas to Eagle Ridge. Newlight has developed a technology to produce AirCarbon, a naturally-occurring, carbon-negative molecule called PHB that performs like plastic, but biologically degrades in natural environments.

In connection with this transaction, Ohio River Partners Holdco LLC, an entity that will be a wholly-owned, indirect subsidiary of FTAI Infrastructure following the spin-off, entered into an Equity Investment Agreement, dated June 24, 2022 (the "Equity Investment Agreement") with Newlight and Eagle Ridge. Pursuant to and subject to certain conditions in the Equity Investment Agreement, Ohio River Partners Holdco LLC will invest up to $75 million in Eagle Ridge.

The agreements with Newlight and Eagle Ridge described above are subject to conditions, including that the board of directors of Newlight make a final investment decision to proceed with the development of the project by December 31, 2022, and there can be no assurance that these transactions will be consummated on the terms described herein or at all.

Our other opportunistic investments include:

FYX

In July 2020, FTAI invested $1.3 million for a 14% interest in an operating company that provides roadside assistance services for the intermodal and over-the-road trucking industries. FYX has developed a mobile and web-based application that connects fleet managers, owner-operators, and drivers with repair vendors to efficiently and reliably quote, dispatch, monitor, and bill comprehensive roadside and fleet repair services.

Asset Management

Our Manager actively manages and monitors our portfolios of assets on an ongoing basis, and in some cases engages third parties to assist with the management of those assets. Our Manager frequently reviews the status of all of our assets. In the case of operating infrastructure, our Manager plays a central role in developing and executing operational, finance and business development strategies. On a periodic basis, our Manager discusses the status of our acquired assets with our board of directors.

In some situations, we may acquire assets through a joint venture entity or own a minority position in an investment entity. In such circumstances, we will seek to protect our interests through appropriate levels of board representation, minority protections and other structural enhancements.

While we expect to hold our assets for extended periods of time, we and our Manager continually review our assets to assess whether we should sell or otherwise monetize them. Aspects that will factor into this process include relevant market conditions, the asset's age, relative concentration or remaining expected useful life.

Customers

Our customers consist of global industrial and energy companies, including corporations that refine crude oil and trade petroleum products, manufacturers and local electricity markets and traders. We maintain ongoing relationships and discussions with our customers and seek to have consistent dialogue. In addition to helping us monitor the needs and quality of our customers, we believe these relationships help source additional opportunities and gain insight into attractive opportunities in the infrastructure sectors. A substantial portion of our revenue has historically been derived from a small number of customers. As of and for the year ended December 31, 2021, our largest customer accounted for 22% of our revenue and 24% of total accounts receivable, net. We derive a significant percentage of our revenue within specific sectors from a limited number of customers. However, we do not think that we are dependent upon any particular customer, or that the loss of one or more of them would have a material adverse effect on our business or the relevant segment, because of our ability to replace the customers at similar contractual terms following the loss of any such customer. See "Risk Factors—Contractual defaults may adversely affect our business, prospects, financial condition, results of operations and cash flows by decreasing revenues and increasing storage, positioning, collection, recovery and lost equipment expenses."

Competition

The business of acquiring, managing and marketing infrastructure assets is highly competitive. Market competition for acquisition opportunities includes traditional infrastructure companies, commercial and investment banks, as well as a growing number of non-traditional participants, such as hedge funds, private equity funds, and other private investors.

Additionally, the markets for our products and services are competitive, and we face competition from a number of sources. These competitors include companies in the midstream energy business, terminal operators and those involved in the transportation of bulk goods.

We compete with other market participants on the basis of industry knowledge, availability of capital and deal structuring experience and flexibility, among other things. We believe our Manager's experience in the infrastructure industry and our access to capital, in addition to our focus on diverse asset classes and customers, provides a competitive advantage versus competitors that maintain a single sector focus.

Governmental Regulations

We are subject to federal, state, local and foreign laws and regulations relating to the protection of the environment, including those governing the discharge of pollutants to air and water, the management and disposal of hazardous substances and wastes, the cleanup of contaminated sites and noise and emission levels. Under some environmental laws in the United States and certain other countries, strict liability may be imposed on the owners or operators of assets, which could render us liable for environmental and natural resource damages without regard to negligence or fault on our part. In addition, changes to environmental standards or regulations in the industries in which we operate could limit the economic life of the assets we acquire or reduce their value, and also require us to make significant additional investments in order to maintain compliance.

Sustainability

Our ongoing sustainable solutions and investments in our business include the following:

- **Waste plastic to renewable fuel**. In November 2021, FTAI announced a joint venture with Clean Planet Energy, a UK-based green tech company, that aims to develop Clean Planet Energy USA ecoPlants in key North American markets. The ecoPlants will be designed to convert non-recyclable waste plastics (which are typically destined for landfill) into ultra-clean fuels and oils to support the manufacture of new plastics. The first facility is under development at Repauno in Gibbstown, New Jersey, and is expected to initially process 20,000 tons of waste plastics each year.
- **Lithium-ion battery recycling**. In September 2021, FTAI acquired a 50% interest in Aleon and Gladieux. Aleon plans to develop a lithium-ion battery recycling business across the United States. Each planned location is anticipated to collect, discharge and disassemble lithium-ion batteries to extract various metals in high-purity form for resale into the lithium-ion battery production market. Gladieux specializes in recycling spent catalyst produced in the petroleum refining industry. The initial battery recycling plant is planned to be build-out at the Freeport site owned by Gladieux, leveraging their existing assets and infrastructure. At full ramp, the plant is expected to process approximately 110,000 tons of spent lithium-ion batteries each year.
- **Hydrogen-fueled power plant**. In October 2020, Long Ridge, located in Hannibal, Ohio, announced its plan to transition its 485 MW combined-cycle power plant to run on carbon-free hydrogen, in collaboration with New Fortress Energy, GE, Kiewit Power Constructors Co., Black & Veatch and NAES Corporation. In April 2022, Long Ridge became the first large scale gas power plant in the U.S. to blend hydrogen as a fuel. This is also the first GE-H class turbine in the world to achieve this milestone. The plant is anticipated to be transitioned to be capable of burning 100% green hydrogen over the next decade.
- **Carbon capture**. In December 2021, FTAI invested in CarbonFree, whose operations are intended to capture carbon from industrial emitters and convert it to beneficial products that also sequester the carbon permanently.

Human Capital Management

Our Manager provides a management team and other professionals who are responsible for implementing our business strategy and performing certain services for us, subject to oversight by our board of directors. We also have

approximately 600 employees at our business segments, approximately 325 of whom are party to a collective bargaining agreement as of March 31, 2022. We consider our relationship with our employees to be good and we focus heavily on employee engagement. We have invested substantial time and resources into building our team, and our human capital management objectives include, as applicable, identifying, recruiting, retaining, incentivizing and integrating our existing and new employees. To facilitate attraction and retention, we strive to create a diverse, inclusive, and safe workplace, with opportunities for our employees to grow and develop in their careers, supported by strong compensation and benefits programs.

Properties

An affiliate of our Manager leases principal executive offices at 1345 Avenue of the Americas, 45th Floor, New York, NY 10105. Our Jefferson Terminal operating segment leases approximately 200 acres of property for its terminal facilities and leases approximately 12,300 square feet of office space in Texas and 300 square feet in Canada. We are redeveloping Repauno, located in New Jersey, which includes over 1,600 acres of land, riparian rights, rail tracks and a 186,000 barrel underground storage cavern, to be a multi-purpose, multi-modal deepwater port. Additionally, our railcar cleaning business leases space in Maine. We believe that our office facilities and properties are suitable and adequate for our business as it is contemplated to be conducted.

Conflicts of Interest

Although we will establish certain policies and procedures designed to mitigate conflicts of interest, there can be no assurance that these policies and procedures will be effective in doing so. It is possible that actual, potential or perceived conflicts of interest could give rise to investor dissatisfaction, litigation or regulatory enforcement actions. Below is a summary of certain factors that could result in conflicts of interest.

One or more of our officers and directors will have responsibilities and commitments to entities other than us, including, but not limited to, FTAI. In addition, we will not have a policy that expressly prohibits our directors, officers, securityholders or affiliates from engaging for their own account in business activities of the types conducted by us. Moreover, our certificate of incorporation will provide that if any of the Fortress Parties, or any of their officers, directors or employees of any of the Fortress Parties acquire knowledge of a potential transaction that could be a corporate opportunity for us, they have no duty, to the fullest extent permitted by law, to offer such corporate opportunity to us. In the event that any of our directors and officers who is also a director, officer or employee of any of the Fortress Parties acquires knowledge of a corporate opportunity or is offered a corporate opportunity, *provided* that this knowledge was not acquired solely in such person's capacity as a director or officer of us and such person acts in good faith, then such person is deemed to have fully satisfied such person's fiduciary duties owed to us and is not liable to us, to the fullest extent permitted by law, if any of the Fortress Parties or their respective affiliates, pursues or acquires the corporate opportunity or if such person does not present the corporate opportunity to us. See "Risk Factors—Risks Related to Our Manager—There are conflicts of interest in our relationship with our Manager."

Our key agreements, including our Management Agreement, were negotiated among related parties, and their respective terms, including fees and other amounts payable, may not be as favorable to us as terms negotiated on an arm's-length basis with unaffiliated parties.

The structure of the Manager's compensation arrangement may have unintended consequences for us. We have agreed to pay our Manager a management fee that is not tied to our performance and incentive compensation that is based entirely on our performance. The management fee may not sufficiently incentivize our Manager to generate attractive risk-adjusted returns for us, while the performance-based incentive compensation component may cause our Manager to place undue emphasis on the maximization of earnings, including through the use of leverage, at the expense of other objectives, such as preservation of capital, to achieve higher incentive distributions. Since investments with higher yield potential are generally riskier or more speculative than investments with lower yield potential, this could result in increased risk to the value of our portfolio of assets and your investment in us.

We may compete with entities affiliated with or managed by our Manager or Fortress for certain assets that we may seek to acquire. From time to time, entities affiliated with or managed by our Manager or Fortress may focus on investments in assets with a similar profile as our target assets. These affiliates may have meaningful purchasing capacity, which may change over time depending upon a variety of factors, including, but not limited to, available equity capital and debt financing, market conditions and cash on hand. Fortress has funds invested in transportation-related infrastructure with approximately $3.5 billion in investments in aggregate as of both December 31, 2020 and 2021. Fortress funds generally have a fee structure similar to the structure of the fees in our Management Agreement, but the fees actually paid will vary depending on the size, terms and performance of each fund.

Our Manager may determine, in its discretion, to make a particular investment through an investment vehicle other than us. Investment allocation decisions will reflect a variety of factors, such as a particular vehicle's availability of capital (including financing), investment objectives and concentration limits, legal, regulatory, tax and other similar considerations, the source of the investment opportunity and other factors that the Manager, in its discretion, deems appropriate. Our Manager does not have an obligation to offer us the opportunity to participate in any particular investment, even if it meets our investment objectives.

Legal Proceedings

We are and may become involved in legal proceedings, including, but not limited to, regulatory investigations and inquiries, in the ordinary course of our business. Although we are unable to predict with certainty the eventual outcome of any litigation, regulatory investigation or inquiry, in the opinion of management, we do not expect our current and any threatened legal proceedings to have a material adverse effect on our business, financial position or results of operations. Given the inherent unpredictability of these types of proceedings, however, it is possible that future adverse outcomes could have a material adverse effect on our financial results.

OUR MANAGER AND MANAGEMENT AGREEMENT

General

We will be externally managed by our Manager, FIG LLC, pursuant to the terms of our Management Agreement, which will be effective upon the completion of the spin-off. Our Manager is an affiliate of Fortress.

Our officers and the other individuals who execute our business strategy are employees of our Manager or its affiliates. These individuals are not required to exclusively dedicate their services to us and may provide services for other entities affiliated with our Manager.

Management Agreement

We will be party to a Management Agreement with our Manager effective upon completion of the spin-off. Pursuant to the terms of the Management Agreement, our Manager will provide a management team that will be responsible for implementing our business strategy and performing certain services for us. Our Management Agreement will require our Manager to manage our business affairs in conformity with the policies and the investment guidelines that are approved and monitored by our board of directors. There will be no limit on the amount our Manager may invest on our behalf without seeking the approval of our board of directors.

Our Manager will be responsible for, among other things, (i) performing all of our day-to-day functions, (ii) determining investment criteria in conjunction with, and subject to the supervision of, our board of directors, (iii) sourcing, analyzing and executing on investments and sales, (iv) performing investment and liability management duties, including financing and hedging and (v) performing financial and accounting management. Our Manager will perform (or cause to be performed), in each case on our behalf and at our expense, such services and activities relating to our assets and operations as may be appropriate, which may include, without limitation, the following:

- serving as our consultant with respect to the periodic review of the acquisition criteria and parameters for asset acquisitions, borrowings, financing transactions and operations;
- investigating, analyzing, valuing and selecting asset acquisition opportunities;
- with respect to our prospective acquisitions and dispositions of assets, conducting negotiations with brokers, sellers and purchasers and their respective agents and representatives, investment bankers and owners of privately and publicly held companies;
- engaging and supervising independent contractors that provide services relating to us or any of our subsidiaries' assets, including, but not limited to, investment banking, legal or regulatory advisory, tax advisory, due diligence, accounting advisory, securities brokerage, brokerage and other financial, brokerage and consulting services as the Manager determines from time to time is advisable;
- negotiating the sale, exchange or other disposition of any assets;
- coordinating and managing operations of any of our joint venture or co-investment interests held by us or any of our subsidiaries and conducting all matters with respect to those joint ventures or co-investment partners;
- coordinating and supervising all matters related to our or any of our subsidiaries' assets, including the leasing and/or sale and management of such assets and retaining agents, managers or other advisors in connection therewith;
- providing executive and administrative personnel, office space and office services required in rendering services to us;
- administering the day-to-day operations of us and our subsidiaries and performing and supervising the performance of such other administrative functions necessary to our and our subsidiaries' management as may be agreed upon by our Manager and our board of directors, including, without limitation, the collection of revenues and the payment of our debts and obligations and maintenance of appropriate computer services to perform such administrative functions;
- communicating with the past, current and prospective holders of any of our equity or debt securities of us and our subsidiaries as required to satisfy the reporting and other requirements of any governmental bodies or agencies or trading markets and to maintain effective relations with such holders;
- counseling us in connection with policy decisions to be made by our board of directors;

- evaluating and recommending to our board of directors modifications to any hedging strategies in effect on the date hereof and engaging in hedging activities consistent with such strategies, as in effect from time to time;
- counseling us regarding the maintenance of our exemption from the Investment Company Act and monitoring compliance with the requirements for maintaining such an exemption;
- assisting us in developing criteria that are specifically tailored to our acquisition objectives and making available to us its knowledge and experience with respect to our target assets;
- representing and making recommendations to us in connection with the purchase and finance, and commitment to purchase and finance, of our target assets, and in connection with the sale and commitment to sell such assets;
- monitoring the operating performance of our and our subsidiaries' assets and providing periodic reports with respect thereto to our board of directors, including comparative information with respect to such operating performance, valuation and budgeted or projected operating results;
- investing and re-investing any of our and our subsidiaries' moneys and securities (including investing in short-term investments pending investment in asset acquisitions, payment of fees; costs and expenses; or payments of dividends or distributions to our shareholders and partners) and advising us as to our capital structure and capital raising;
- causing us to retain qualified accountants and legal counsel, as applicable, to assist in developing appropriate accounting procedures, compliance procedures and testing systems with respect to financial reporting obligations and to conduct quarterly compliance reviews with respect thereto;
- causing us and our subsidiaries to qualify to do business in all applicable jurisdictions and to obtain and maintain all appropriate licenses;
- taking all necessary actions to enable us and our subsidiaries to make required tax filings and reports, including soliciting shareholders for required information to the extent provided by the provisions of the Code;
- assisting us and our subsidiaries in complying with all regulatory requirements applicable to us and our subsidiaries in respect of our business activities, including preparing or causing to be prepared all financial statements required under applicable regulations and contractual undertakings and all reports and documents required under the Exchange Act;
- handling and resolving all claims, disputes or controversies (including all litigation, arbitration, settlement or other proceedings or negotiations) in which we or any of our subsidiaries may be involved or to which we or any of our subsidiaries may be subject arising out of our or our subsidiaries' day-to-day operations, subject to such limitations or parameters as may be imposed from time to time by our board of directors;
- using commercially reasonable efforts to cause expenses incurred by or on behalf of us or our subsidiaries to be within any expense guidelines set by our board of directors from time to time;
- performing such other services as may be required from time to time for management and other activities relating to our or our subsidiaries' assets as our board of directors and our Manager shall agree from time to time or as our Manager shall deem appropriate under the particular circumstances;
- using commercially reasonable efforts to cause us to comply with all applicable laws; and
- traveling in connection with the performance of any services or activities relating to our or our subsidiaries' assets, operations, acquisitions or investment analysis.

Indemnification

Pursuant to our Management Agreement, our Manager will not assume any responsibility other than to render the services called for thereunder in good faith and will not be responsible for any action of our board of directors in following or declining to follow its advice or recommendations. Our Manager, its members, managers, officers and employees will not be liable to us or any of our subsidiaries, to our board of directors, or our or any subsidiary's stockholders or partners for any acts or omissions by our Manager, its members, managers, sub-advisers, officers or employees, except by reason of acts constituting bad faith, willful misconduct, gross negligence or reckless disregard of our Manager's duties under our Management Agreement. We shall, to the full extent lawful, reimburse, indemnify and hold our Manager, its members, managers, officers and employees, sub-advisers and each other person, if any,

controlling our Manager, harmless of and from any and all expenses, losses, damages, liabilities, demands, charges and claims of any nature whatsoever (including attorneys' fees) in respect of or arising from any acts or omissions of an indemnified party made in good faith in the performance of our Manager's duties under our Management Agreement and not constituting such indemnified party's bad faith, willful misconduct, gross negligence or reckless disregard of our Manager's duties under our Management Agreement.

Our Manager will, to the full extent lawful, reimburse, indemnify and hold us, our stockholders, directors, officers and employees and each other person, if any, controlling us, harmless of and from any and all expenses, losses, damages, liabilities, demands, charges and claims of any nature whatsoever (including attorneys' fees) in respect of or arising from our Manager's bad faith, willful misconduct, gross negligence or reckless disregard of its duties under our Management Agreement. Our Manager carries errors and omissions and other customary insurance.

Management Team

Pursuant to the terms of our Management Agreement, our Manager will provide us with a management team, including a chief executive officer and a chief financial officer, to provide the management services to be provided by our Manager to us. The members of our management team shall devote such of their time to the management of us as is reasonably necessary and appropriate, commensurate with our level of activity from time to time.

Assignment

Our Manager may generally only assign our Management Agreement with the written approval of a majority of our independent directors; *provided, however*, that our Manager may assign our Management Agreement to an entity whose day-to-day business and operations are managed and supervised by Mr. Wesley R. Edens. We may not assign our Management Agreement without the prior written consent of our Manager, except in the case of an assignment to another organization which is our successor, in which case such successor organization shall be bound under our Management Agreement and by the terms of such assignment in the same manner as we are bound under our Management Agreement.

Term

The initial term of our Management Agreement will expire on the sixth anniversary of the distribution and will be automatically renewed for one-year terms thereafter unless (i) a majority consisting of at least two-thirds of our independent directors or a simple majority of the holders of outstanding shares of our common stock, agree that there has been unsatisfactory performance that is materially detrimental to us or (ii) a simple majority of our independent directors agree that the management fee payable to our Manager is unfair; *provided* that we shall not have the right to terminate our Management Agreement under clause (ii) foregoing if the Manager agrees to continue to provide the services under the Management Agreement at a fee that a simple majority of our independent directors have reasonably determined to be fair.

If we elect not to renew our Management Agreement at the expiration of the original term or any such one-year extension term as set forth above, our Manager will be provided with 60 days' prior notice of any such termination. In the event of such termination, we would be required to pay the termination fee described below.

We may also terminate our Management Agreement at any time for cause effective upon 60 days' prior written notice of termination from us to our Manager, in which case no termination fee would be due, for the following reasons:

- the willful violation of the Management Agreement by the Manager in its corporate capacity (as distinguished from the acts of any employees of the Manager which are taken without the complicity of any of the Manager's management) under the Management Agreement;
- our Manager's fraud, misappropriation of funds, or embezzlement against us; or
- our Manager's gross negligence of duties under our Management Agreement.

In addition, our Manager may terminate our Management Agreement effective upon 60 days' prior written notice of termination to us in the event that we default in the performance or observance of any material term, condition or covenant contained in our Management Agreement and such default continues for a period of 30 days after written notice thereof specifying such default and requesting that the same be remedied in such 30-day period.

If our Management Agreement is terminated by our Manager upon our breach, we would be required to pay to our Manager the termination fee described below.

Management Fee

We will pay a management fee equal to 1.5% per annum of our total equity, which will be calculated and payable monthly in arrears in cash. Total equity is generally our equity value, determined on a consolidated basis in accordance with GAAP, but reduced proportionately in the case of a subsidiary to the extent we own, directly or indirectly, less than 100% of the equity interests in such subsidiary.

Our Manager shall compute each installment of the management fee within 15 days after the end of the calendar month with respect to which such installment is payable.

In addition, upon the successful completion of an offering of our common stock or other equity securities (including securities issued as consideration in an acquisition), we will pay and issue to the Manager options to purchase common stock in an amount equal to 10% of the number of common stock being sold in the offering (or if the issuance relates to equity securities other than our common stock, options to purchase a number of shares of common stock equal to 10% of the gross capital raised in the equity issuance *divided by* the fair market value of a share of common stock as of the date of issuance), with an exercise price equal to the offering price per share paid by the public or other ultimate purchaser or attributed to such securities in connection with an acquisition (or the fair market value of a share of common stock as of the date of the equity issuance if it relates to equity securities other than our common stock). Any ultimate purchaser of common stock for which such options are granted may be an affiliate the Manager.

Incentive Compensation

Under the terms of the Management Agreement, our Manager will be entitled to an income incentive fee (the "Income Incentive Fee"). The Income Incentive Fee is calculated and paid quarterly in arrears based on our pre-incentive fee net income for the immediately preceding calendar quarter. For this purpose, pre-incentive fee net income means, with respect to a calendar quarter, net income attributable to shareholders during such quarter calculated in accordance with U.S. GAAP excluding our pro rata share of (1) realized or unrealized gains and losses, (2) certain non-cash or one-time items, and (3) any other adjustments as may be approved by our independent directors. Pre-incentive fee net income does not include any Income Incentive Fees or Capital Gains Incentive Fees (described below) paid to our Manager during the relevant quarter.

We pay our Manager the Income Incentive Fee with respect to our pre-incentive fee net income in each calendar quarter as follows: (1) no Income Incentive Fee in any calendar quarter in which pre-incentive fee net income, expressed as a rate of return on the average value of our net equity capital (excluding non-controlling interests) at the end of the two most recently completed calendar quarters, does not exceed 2% for such quarter (8% annualized); (2) 100% of pre-incentive fee net income with respect to that portion of such pre-incentive fee net income, if any, that is equal to or exceeds 2% but does not exceed 2.2223% for such quarter; and (3) 10% of the amount of pre-incentive fee net income, if any, that exceeds 2.2223% for such quarter. These calculations will be prorated for any period of less than three months.

Under the terms of the Management Agreement, our Manager will also be entitled to a capital gains incentive fee (the "Capital Gains Incentive Fee"). The Capital Gains Incentive Fee is calculated and distributable in arrears as of the end of each calendar year and is equal to 10% of our pro rata share of cumulative realized gains from the date of the spin-off through the end of the applicable calendar year, net of our pro rata share of cumulative realized or unrealized losses, the cumulative non-cash portion of equity-based compensation expenses and all realized gains upon which prior performance-based Capital Gains Incentive Fee payments were made to our Manager.

Reimbursement of Expenses

We pay all of our operating expenses, except those specifically required to be borne by the Manager under the Management Agreement. The expenses required to be paid by us include, but are not limited to, issuance and transaction costs incident to the acquisition, disposition and financing of our assets, legal and auditing fees and expenses, the compensation and expenses of our independent directors, the costs associated with the establishment and maintenance of any credit facilities and other indebtedness of ours (including commitment fees, legal fees, closing costs, etc.), expenses associated with other securities offerings of ours, costs and expenses incurred in

contracting with third parties (including affiliates of the Manager), the costs of printing and mailing proxies and reports to our stockholders, costs incurred by the Manager or its affiliates for travel on our behalf, costs associated with any computer software or hardware that is used by us, costs to obtain liability insurance to indemnify our directors and officers and the compensation and expenses of our transfer agent, and all other expenses incurred by our Manager which are reasonably necessary for the performance of its duties under the Management Agreement.

We will pay or reimburse the Manager and its affiliates for performing certain legal, accounting, due diligence tasks and other services that outside professionals or outside consultants otherwise would perform; *provided* that such costs and reimbursements are no greater than those which would be paid to outside professionals or consultants. The Manager is responsible for all of its other costs incident to the performance of its duties under the Management Agreement, including compensation of the Manager's employees, rent for facilities and other "overhead" expenses; we will not reimburse the Manager for these expenses. A portion of our reimbursement to the Manager will be allocated to us based on the estimated amount of time incurred by the Manager's employees on activities related to our operations.

Termination Fee

If we terminate the Management Agreement, we will generally be required to pay the Manager a termination fee. The termination fee is equal to (i) the amount of the management fee during the 12 months immediately preceding the date of the termination and (ii) the amount of the Income Incentive Fee and Capital Gains Incentive Fee as if our assets were sold for cash at their then current fair market value.

Employees

Our Manager provides a management team and other professionals who are responsible for implementing our business strategy and performing certain services for us, subject to oversight by our board of directors, and as a result, we have no employees. From time to time, certain of our officers may enter into written agreements with us that memorialize the provision of certain services; these agreements do not provide for the payment of any cash compensation to such officers from us. The employees of our Manager are not a party to any collective bargaining agreement. In addition, our Manager expects to utilize third-party contractors to perform services and functions related to the operation and leasing of our assets. These functions may include billing, collections, recovery and asset monitoring.

MANAGEMENT

Directors and Officers

Set forth below is certain biographical information and ages for our directors. Each director holds office until his or her successor is duly elected or appointed and qualified or until his or her earlier death, retirement, disqualification, resignation or removal. Our board of directors currently consists of four members.

Our bylaws will provide that our board of directors shall consist of not less than three and not more than nine directors as the board of directors may from time to time determine. Our board of directors is divided into three classes that are, as nearly as possible, of equal size. Each class of directors is elected for a three-year term of office, but the terms are staggered so that the term of only one class of directors expires at each annual general meeting. The initial terms of the Class I, Class II and Class III directors will expire in 2023, 2024 and 2025, respectively. Mr. Hamilton will serve as a Class I director Mr. Robinson will serve as a Class II director and Ms. Hannaway and Mr. Adams will serve as Class III directors. All officers serve at the discretion of the board of directors.

We have four directors, three of whom are expected to be determined by our board of directors to be independent under the standards adopted by Nasdaq and the SEC.

Our certificate of incorporation will not provide for cumulative voting in the election of directors, which means that the holders of a majority of the outstanding shares of common stock can elect all of the directors standing for election, and the holders of the remaining shares will not be able to elect any directors.

The following table shows the names, positions and ages of our directors:

Name	Age	Position
Joseph P. Adams, Jr.	64	Chairman of the board of directors
James L. Hamilton	67	Independent Director
Judith A. Hannaway	70	Independent Director
Ray M. Robinson	74	Independent Director

Joseph P. Adams, Jr. Mr. Adams will serve as Chairman of our board of directors upon completion of the spin-off. He has served as Chief Executive Officer and as a member of the Board of Directors of FTAI since May 2015, and he became the Chairman of the FTAI Board of Directors in May 2016. He is a member of the Management Committee of Fortress, and is a Managing Director at Fortress within the Private Equity Group. He has served as a member of the board of directors of Seacastle, Inc., SeaCube Container Leasing Ltd., Aircastle Limited and RailAmerica Inc. Previously, Mr. Adams was a partner at Brera Capital Partners and at Donaldson, Lufkin & Jenrette where he was in the transportation industry group. In 2002, Mr. Adams served as the first Executive Director of the Air Transportation Stabilization Board. Mr. Adams received a B.S. in Engineering from the University of Cincinnati and an M.B.A. from Harvard Business School. Mr. Adams' experience, including his role serving as Deputy Chairman on a number of boards for portfolio companies of Fortress, provides the board with valuable insights into how boards at other companies address issues similar to those faced by the company. In addition, his experience as a private equity investor and investment and merchant banker provides the board with valuable guidance on financial, strategic planning and investor relations matters, particularly as it relates to transportation related industries.

James L. Hamilton. Mr. Hamilton will serve on our board of directors upon completion of the spin-off. Mr. Hamilton served as JP Morgan's Global Head of Transportation Investment Banking Coverage from 2010 to 2020, and had an earlier role as Managing Director, Transport Group from 2006 to 2010. Mr. Hamilton is currently serving as a Director of Ingram Industries since 2019. He is also currently serving as a Chairman of the US Merchant Marine Academy Alumni Association & Foundation, having joined the board in 2009 and formerly serving as Vice Chairman of the Finance Committee and Chairman of the Audit Committee. Mr. Hamilton formerly was a member of the board of directors of the New York Archdiocese School Board, Manhattan District, and was previously a member of the Northwestern University Transportation Center, Business Advisory Council. Prior to business school, Mr. Hamilton sailed as a merchant marine deck officer for Gulf Oil Corporation. Mr. Hamilton served his country for more than a decade in the U.S. Naval Reserve, obtaining the rank of Lieutenant Commander. Mr. Hamilton received a B.S. in Marine Transportation from the United States Merchant Marine Academy and his M.B.A in Finance from the New York University Stern School of Business. Mr. Hamilton's transportation and investment experience, particularly across the shipping, rails and logistics sectors, will provide the board with valuable guidance as it relates to transportation-related industries.

Judith A. Hannaway. Ms. Hannaway will serve on our board of directors upon completion of the spin-off. Ms. Hannaway has served on the FTAI Board of Directors since January 2018. During the past several years, Ms. Hannaway has acted as a consultant to various financial institutions. Prior to acting as a consultant, Ms. Hannaway was employed by Scudder Investments, a wholly-owned subsidiary of Deutsche Bank Asset Management, as a Managing Director. Ms. Hannaway joined Scudder Investments in 1994 and was responsible for Special Product Development including closed-end funds, offshore funds and REIT funds. Prior to joining Scudder Investments, Ms. Hannaway was employed by Kidder Peabody as a Senior Vice President in Alternative Investment Product Development. She joined Kidder Peabody in 1983. Prior to Kidder Peabody, Ms. Hannaway was a Senior Vice President in the Leverage Leasing Group at Merrill Lynch involved in aircraft and other transportation equipment leasing. Ms. Hannaway also spent time at Continental Grain Company at the beginning of her career in the Long Range Planning Group doing barge financing and leasing. From 2015 to September 2019, Ms. Hannaway was the Lead Independent Director of Northstar Realty Europe Corp. Ms. Hannaway served as an independent director of NorthStar Realty and Northstar Asset Management from September 2004 and June 2014, respectively, through January 2017. Ms. Hannaway holds a B.A. with honors from Newton College of the Sacred Heart and an M.B.A. from Simmons College Graduate Program in Management. Her extensive experience in the aviation and transportation business and on public company boards led our board of directors to conclude that Ms. Hannaway should serve as a director.

Ray M. Robinson. Mr. Robinson will serve on our board of directors upon completion of the spin-off. Mr. Robinson has served on the FTAI Board of Directors since May 2015. Mr. Robinson has been the non-executive chairman of Citizens Trust Bank since May 2003. From 1996 to 2003 he served as the President of the Southern Region of AT&T Corporation. Mr. Robinson is a director of Acuity Brands Inc., American Airlines Group Inc. and PROG Holdings, Inc., all of which are public companies, and was previously a director of Aaron's Inc. (November 2002 to October 2020), Avnet, Inc., Choicepoint Inc., Mirant Corporation, and RailAmerica, Inc. He was the president of Atlanta's East Lake Golf Club from May 2003 to December 2005, and has been President Emeritus since December 2005. Mr. Robinson was the Chairman of Atlanta's East Lake Community Foundation from November 2003 to January 2005 and has been Vice Chairman since January 2005. Mr. Robinson was selected as a director because of his extensive service on other public company boards, sales and marketing experience gained through senior leadership positions, extensive operational skills from his tenure at AT&T, and longstanding involvement in civic and charitable leadership roles in the community.

The following table shows the names and ages of our executive officers and the positions that they hold. A description of the business experience of each for at least the past five years follows the table.

Name	Age	Position
Kenneth J. Nicholson	51	Chief Executive Officer and President
Scott Christopher	48	Chief Financial Officer, Chief Accounting Officer and Treasurer

Kenneth J. Nicholson. Mr. Nicholson will be the Chief Executive Officer and President of FTAI Infrastructure. He has served on the FTAI board of directors since May 2016. Mr. Nicholson is a Managing Director at Fortress focusing on investments in the transportation, infrastructure and energy industries, including investments made by FTAI. He joined Fortress in May 2006. Previously, Mr. Nicholson worked in investment banking at UBS Investment Bank and Donaldson, Lufkin & Jenrette where he was a member of the transportation industry group. Mr. Nicholson holds a B.S. in Economics from the Wharton School at the University of Pennsylvania.

Scott Christopher. Mr. Christopher will be the Chief Financial Officer, Chief Accounting Officer and Treasurer of FTAI Infrastructure. Mr. Christopher has been FTAI's Chief Financial Officer since May 2016, and served as Chief Accounting Officer from May 2015 to August 2018. Mr. Christopher also serves as a Senior Vice President of the Fortress Private Equity group. From 2010 to 2015, Mr. Christopher worked as Deputy Corporate Controller at American International Group, Inc. Prior to that, he worked at Deloitte & Touche LLP in various capacities in Audit, Advisory and Merger & Acquisition Services. Mr. Christopher received a Bachelor of Business Administration in Accounting from the University of Wisconsin — Madison, and is a certified public accountant.

Director Independence

Our board of directors is expected to determine that each of Mr. Hamilton, Ms. Hannaway and Mr. Robinson are independent under the standards adopted by Nasdaq and the SEC. There are no family relationships among any of our directors or executive officers.

Committees of the Board of Directors

We have established the following committees of our board of directors:

Audit Committee

Following the spin-off, our audit committee (the "Audit Committee") will intially consist of Mr. Hamilton, Ms. Hannaway and Mr. Robinson. Mr. Hamilton will serve as the chair of the Audit Committee. Our board of directors is expected to determine that Mr. Hamilton is an audit committee financial expert as defined by the SEC. The Audit Committee assists the board of directors in fulfilling its legal and fiduciary obligations with respect to matters involving the accounting, auditing, financial reporting, internal control and legal compliance functions of FTAI Infrastructure and our subsidiaries, including, without limitation:

- assisting the board's oversight of (i) the integrity of our financial statements, (ii) our compliance with legal and regulatory requirements, (iii) our independent auditors' qualifications and independence and (iv) the performance of our independent auditors and our internal auditors;
- preparing the report required to be prepared by the Audit Committee pursuant to the rules of the SEC for inclusion in our annual proxy statement;
- reviewing our financial risk and control procedures; and
- has the sole discretion to appoint annually our independent registered public accounting firm, evaluate its independence and performance and set clear hiring policies for employees or former employees of the independent registered public accounting firm.

Our board of directors is expected to determine that each of Mr. Hamilton, Ms. Hannaway and Mr. Robinson are independent under the standards adopted by Nasdaq and the SEC.

Nominating and Corporate Governance Committee

Following the spin-off, our nominating and corporate governance committee (the "Nominating and Corporate Governance Committee") will consist of Mr. Hamilton, Ms. Hannaway and Mr. Robinson. Ms. Hannaway will serve as the chair of the Nominating and Corporate Governance Committee. The principal duties and responsibilities of our Nominating and Corporate Governance Committee will be the following:

- recommend to the board of directors individuals qualified to serve as directors and on committees of the board of directors;
- advise the board with respect to board composition, procedures and committees;
- advise the board with respect to the corporate governance principles applicable to us; and
- oversee the evaluation of the board of directors.

Compensation Committee

Following the spin-off, our compensation committee (the "Compensation Committee") will consist of Mr. Hamilton, Ms. Hannaway and Mr. Robinson. Mr. Robinson will serve as the chair of the Compensation Committee. The principal duties of the Compensation Committee are to:

- oversee our annual review of the Management Agreement, including the performance of and compensation payable to our Manager thereunder;
- oversee our compensation policies and, if applicable, employee benefit plans and practices, including any incentive-compensation and equity-based plans;
- review and discuss with management our compensation discussion and analysis to be included in our annual proxy statement or annual report on Form 10-K filed with the SEC;
- prepare Compensation Committee reports, as required by the rules of the SEC;
- make recommendations to the board of directors regarding director compensation; and
- perform such further functions as may be consistent with the charter of the Compensation Committee of the board of directors or assigned by applicable law, our articles of incorporation or bylaws, or the board of directors.

Code of Business Conduct and Ethics

Our board of directors will establish a code of business conduct and ethics that applies to our directors and to our Manager's officers, directors and personnel when such individuals are acting for or on our behalf. Among other matters, our code of business conduct and ethics is designed to deter wrongdoing and to promote:

- honest and ethical conduct, including the ethical handling of actual or apparent conflicts of interest between personal and professional relationships;
- full, fair, accurate, timely and understandable disclosure in our SEC reports and other public communications;
- compliance with applicable governmental laws, rules and regulations;
- prompt internal reporting of violations of the code to appropriate persons identified in the code; and
- accountability for adherence to the code.

Any waiver of the code of business conduct and ethics for our officers or directors may be made only by our board of directors as a whole or by the audit committee and will be promptly disclosed as required by law or stock exchange regulations.

Compensation of Directors

We have not yet paid any compensation to our directors. Following completion of the distribution, we will pay an annual fee to each of our independent directors equal to $150,000. In addition, an annual fee of $10,000 will be paid to the chair of the Audit Committee. Fees to independent directors may be made by issuance of common stock, based on the value of such common stock at the date of issuance, rather than in cash; *provided* that any such issuance does not prevent such director from being determined to be independent and such common stock is granted pursuant to a stockholder-approved plan or the issuance is otherwise exempt from Nasdaq listing requirements. Each of our independent directors will also receive an initial one time grant of fully vested options to purchase 5,000 shares of common stock under the FTAI Infrastructure Inc. Nonqualified Stock Option and Incentive Award Plan upon the date of the first meeting of our board of directors attended by such director. For additional information on our director equity compensation, see "—FTAI Infrastructure Inc. Nonqualified Stock Option and Incentive Award Plan." Our affiliated directors, however, will not be separately compensated by us. All members of our board of directors will be reimbursed for reasonable costs and expenses incurred in attending meetings of our board of directors.

Executive Officer Compensation

Introduction

Each of our officers is an employee of our Manager or an affiliate of our Manager. Our officers will be compensated by our Manager (or the applicable affiliate) and will not receive any compensation directly from us. We will not reimburse our Manager or any of its affiliates for the compensation of any of our officers and we will not make any decisions regarding the compensation of our officers. For a description of our Manager's compensation, please refer to the section entitled "Our Manager and Management Agreement."

In accordance with our Management Agreement, our officers will devote such portion of their time to our affairs as is required for the performance of the duties of our Manager under the Management Agreement. As a result, certain of our officers from time to time may be exclusively dedicated to performing services to us and thus not provide any other significant services to our Manager, while other of our officers may not be exclusively dedicated to us and may perform services for our Manager that are unrelated to our affairs.

Our Chief Executive Officer and President, Kenneth J. Nicholson, devoted a substantial portion of his time to us or FTAI in 2021, although he did not exclusively provide services to us or FTAI in 2021. Since our Manager compensates Mr. Nicholson based on the overall value of the various services that he performs for our Manager, our Manager is not able to segregate and identify any portion of the compensation awarded to him as relating solely to services performed for us or FTAI. Accordingly, we have not included any information relating to the compensation paid to Mr. Nicholson by our Manager in or in respect of 2021 in the "Summary Compensation Table for 2021" below.

In 2021, our Chief Financial Officer, Chief Accounting Officer and Treasurer Scott Christopher was exclusively dedicated to providing services to us or FTAI. Accordingly, our Manager has determined that the entire amount of

the compensation that it paid to Mr. Christopher in or in respect of 2021 was for services that he performed for us or FTAI and we have therefore reported that compensation in the "Summary Compensation Table for 2021," below.

Compensation Elements for 2021

All of the decisions regarding Mr. Christopher's compensation are made by our Manager, and the Company and Mr. Christopher do not have any role in determining any aspect of Mr. Christopher's compensation from our Manager. Our Manager used the following compensation elements in 2021 as tools to reward and retain Mr. Christopher:

- Base Salary - Our Manager paid Mr. Christopher a base salary of $200,000 in 2021 to assist him with paying basic living expenses during the calendar year;
- Bonus - Our Manager paid Mr. Christopher a discretionary bonus of $700,000 in early 2022 based on its subjective review of his performance in 2021; and
- Retirement Arrangements and Other Compensation - Our Manager provides Mr. Christopher with 401(k) matching contributions and company-paid life insurance premiums, which our Manager believes are reasonable, competitive and consistent with our Manager's overall executive compensation objectives to reward and retain talented and experienced individuals.

Summary Compensation Table for 2021

The following table provides additional information regarding the compensation earned by Mr. Christopher in respect of the fiscal years set forth below, which in each case was determined and paid by our Manager.

Name and Principal Position	Year	Salary ($)	Bonus ($)	Option Awards ($)	All Other Compensation ($)	Total ($)
Scott Christopher *Chief Financial Officer, Chief Accounting Officer and Treasurer*	2021	200,000	700,000	—	9,168[1]	909,168
	2020	200,000	700,000	—	8,868	908,868

(1) This amount consists of (i) $8,700 of 401(k) matching contributions made by our Manager and (ii) $468 of life insurance premiums paid by our Manager.

Grants of Plan-Based Awards in 2021

From time to time, at the discretion of the compensation committee of the board of directors of FTAI, FTAI may grant options relating to FTAI's common shares or other equity interests in FTAI to an affiliate of our Manager, who may in turn assign a portion of the options to its employees, including our officers. Any such option awards assigned to employees of our Manager, including our officers ("Tandem Options"), will correspond on a one-to-one basis with the options granted to our Manager, such that exercise by an employee of the Tandem Option would result in the corresponding option held by our Manager being cancelled. In 2021, Mr. Nicholson was granted 12,999 Tandem Options.

In connection with equity offerings and sales by FTAI in March, September and October 2021, FTAI granted options to our Manager related to 1,684,318 common shares of FTAI, which had an aggregate fair value of $13.8 million as of their respective grant dates. The fair values of these options were recorded by FTAI as an increase in equity with an offsetting reduction of capital proceeds received. The exercise prices ranged between $25.50 and $29.50 per option, which, pursuant to the Fortress Transportation and Infrastructure Investors LLC Nonqualified Stock Option and Incentive Award Plan, are equal to the price per share of FTAI's common shares on the dates of such equity issuances.

Outstanding Option Awards as of December 31, 2021

The table below sets forth the outstanding Tandem Options held by our officers as of December 31, 2021.

Name	Number of Securities Underlying Exercisable Options (#)	Number of Securities Underlying Not-Yet Exercisable Options (#)(1)	Option Exercise Price ($)	Option Expiration Date(2)
Kenneth J. Nicholson	—	225	12.72	7/6/2030
	—	75	12.71	7/7/2030
	—	71	12.94	7/8/2030
	—	71	12.94	7/13/2030
	—	69	13.27	7/14/2030
	—	950	14.75	7/29/2030
	—	68	14.49	7/30/2030
	—	198	14.86	7/31/2030
	—	63	15.10	8/4/2030
	—	195	14.89	8/5/2030
	—	259	15.00	8/6/2030
	—	248	15.72	8/7/2030
	—	696	16.83	8/10/2030
	—	870	16.90	8/11/2030
	—	816	16.93	8/12/2030
	—	358	16.95	8/13/2030
	—	178	17.06	8/14/2030
	—	298	16.98	8/17/2030
	—	176	17.27	8/18/2030
	—	364	16.77	8/19/2030
	—	369	16.63	8/20/2030
	—	183	16.72	8/21/2030
	—	117	16.59	8/25/2030
	—	230	16.92	8/26/2030
	—	941	16.62	8/27/2030
	—	548	16.10	8/28/2030
	—	181	16.04	8/31/2030
	—	4,182	16.03	9/1/2030
	—	57,538	14.99	9/12/2029
	—	68,698	16.74	11/27/2029

(1) Upon the grant of options to our Manager (or an affiliate), such options are fully vested and become exercisable over a 30-month period (the "Total Exercisability Period") in monthly installments beginning on the first of each month following the month in which the options were granted. When Tandem Options are granted, the Manager options become exercisable in monthly installments over a portion of the Total Exercisability Period equal to 30 months, minus the product of (i) the ratio of Manager options not subject to corresponding Tandem Options to the total number of Manager options (including Manager options subject to corresponding Tandem Options) multiplied by (ii) 30 (such period, the "Manager Exercisability Period"). Following the Manager Exercisability Period, the Tandem Options vest in generally monthly installments over the remainder of the Total Exercisability Period and become exercisable only at the end of the Total Exercisability Period.

(2) Represents the expiration date of the option held by our Manager (or an affiliate) that is the basis for the Tandem Options held by the officer. In general, the expiration date of the Tandem Options occurs prior to the expiration date of the underlying Manager options.

Potential Payments Upon Change-in-Control or Termination

Mr. Christopher is not entitled to any severance payments or benefits upon a termination of employment with our Manager and its affiliates, whether occurring prior to or following a change in control of the Company or Fortress Investment Group LLC.

All options granted to our Manager will become fully vested and exercisable upon a "change of control" of FTAI (as defined in the Fortress Transportation and Infrastructure Investors LLC Nonqualified Stock Option and Incentive Award Plan) or a termination of the Manager's services to FTAI for any reason, and any Tandem Options

will be governed by the terms and condition set forth in the applicable award agreements, as determined by the compensation committee of the board of directors of FTAI or our Manager, as the case may be. All Tandem Options will become fully vested and exercisable if the holder's employment with our Manager or an affiliate of our Manager is terminated without cause or due to the holder's death or disability within 12 months following a change of control of Fortress Investment Group LLC. However, no optionholder will be entitled to receive any payment or other items of value upon a change of control of Fortress Investment Group LLC or of FTAI. The estimated fair value of the option awards held by our Manager as of December 31, 2021 that would have been accelerated had a change in control of FTAI occurred on December 31, 2021 is approximately $29.7 million.

FTAI Infrastructure Nonqualified Stock Option and Incentive Award Plan

Introduction

The FTAI Infrastructure Inc. Nonqualified Stock Option and Incentive Award Plan (the "Plan") is intended to facilitate the use of long-term equity-based awards and incentives for the benefit of the service providers to us and our Manager. A summary of the Plan is set forth below.

Summary of the Plan Terms

The Plan is administered by our board of directors, which has appointed the Compensation Committee to administer the Plan. As the administrator of the Plan, the Compensation Committee has the authority to grant awards under the Plan and to adopt, alter and repeal such administrative rules, guidelines and practices governing the Plan as it deems advisable for the administration of the Plan. The Compensation Committee also has the authority to interpret the terms and provisions of the Plan, any award issued under the plan and any award agreements relating thereto, and to otherwise supervise the administration of the Plan. In particular, the Compensation Committee has the authority to determine the terms and conditions of awards under the Plan, including, without limitation, the exercise price, the number of shares of our common stock subject to awards, the term of the awards and the vesting schedule applicable to awards, and to waive or amend the terms and conditions of outstanding awards. All decisions made by the Compensation Committee pursuant to the provisions of the Plan are final, conclusive and binding on all persons.

The terms of the Plan provide for the grant of options (that are not intended to qualify as "incentive stock options" under Section 422 of the Code), stock appreciation rights ("SARs"), restricted stock, performance awards, manager awards, tandem awards, other stock-based awards (including restricted stock units) and non-stock-based awards to our Manager or to employees, officers, directors, consultants, service providers or advisors to either our Manager or us who have been selected by the Compensation Committee to be participants in the Plan.

We reserved 30,000,000 shares of common stock for issuance under the Plan. On the date of any equity issuance by us during the ten-year term of the Plan, that number will be increased by a number of shares of common stock equal to 10% of (i) the number of shares of common stock newly issued by us in such equity issuance or (ii) if such equity issuance relates to equity securities other than our common stock, the number of shares of common stock equal to the quotient obtained by dividing the gross capital raised in such equity issuance (as determined by the Compensation Committee) by the fair market value of a share of common stock as of the date of such equity issuance (such quotient, the "Equity Security Factor"). The shares of common stock which may be issued pursuant to an award under the Plan may be treasury shares, authorized but unissued shares or shares acquired on the open market to satisfy the requirements of the Plan. Awards may consist of any combination of such shares or, at our election, cash. If any shares of common stock subject to an award are forfeited, cancelled, exchanged or surrendered or if an award otherwise terminates or expires without a distribution of shares to the participant, such shares will again be available for grants under the Plan. The grant of a tandem award will not reduce the number of shares of common stock reserved and available for issuance under the Plan.

Upon the occurrence of any event which affects the shares of common stock in such a way that an adjustment of outstanding awards is appropriate to prevent the dilution or enlargement of rights under the awards, the Compensation Committee will make appropriate equitable adjustments. The Compensation Committee may also provide for other substitutions or adjustments in its sole discretion, including, without limitation, the cancellation of any outstanding award and payment in cash or other property in exchange thereof, equal to the excess, if any, of the fair market value of the shares or other property subject to the award over the exercise price, if any.

We anticipate that we will grant our Manager options in connection with our equity offerings as compensation for our Manager's role in raising capital for us. In the event that we offer equity securities to the public, we intend

to simultaneously grant to our Manager or an affiliate of our Manager a number of options equal to up to 10% of (i) the aggregate number of shares of common stock being issued in such offering or (ii) if such equity issuance relates to equity securities other than our shares of common stock, the number of shares of common stock equal to the Equity Security Factor, in each case at an exercise price per share equal to the offering price per share, as determined by the Compensation Committee. The main purpose of these options is to provide transaction-specific compensation to our Manager, in a form that aligns our Manager's interests with those of our shareholders, for the valuable services it provides in raising capital for us to invest through equity offerings. In addition, the Plan enables our Manager to incentivize its employees who render services to us by making tandem equity awards to them and thus also aligning their interests with those of our shareholders, as described below. In each case, the Plan provides that such Manager options will be fully vested as of the date of grant and exercisable as to 1/30 of the shares subject to the option on the first day of each of the 30 calendar months following the date of the grant. The Compensation Committee will determine whether the exercise price will be payable in cash, by withholding from common stock otherwise issuable upon exercise of such option or through another method permitted under the Plan.

In addition, the Compensation Committee has the authority to grant such other awards to our Manager as it deems advisable; *provided* that no such award may be granted to our Manager in connection with any issuance by us of equity securities in excess of 10% of (i) the maximum number of common stock then being issued or (ii) if such equity issuance relates to equity securities other than shares of common stock, the maximum number of shares of common stock determined in accordance with the Equity Security Factor. Our board of directors may also determine to issue options to our Manager that are not subject to the Plan; *provided* that the number of shares of common stock underlying any options granted to our Manager in connection with capital raising efforts would not exceed 10% of the equity securities sold in such offering and would be subject to Nasdaq rules.

Each of the Compensation Committee and our Manager also has the authority under the terms of the Plan to direct tandem options ("Tandem Options") to employees of our Manager who act as officers or perform other services for us that correspond on a one-to-one basis with the options granted to our Manager, such that exercise by such employee of the Tandem Options would result in the corresponding options held by our Manager being cancelled. As a condition to the grant of Tandem Options, our Manager is required to agree that so long as such Tandem Options remain outstanding, our Manager will not exercise any options under any designated Manager options that relate to the options outstanding under such Tandem Options. If any Tandem Options are forfeited, expire or are cancelled without being exercised, the related options under the designated Manager options will again become exercisable in accordance with their terms. The terms and conditions of any Tandem Options (e.g., the per-share exercise price, the schedule of vesting, exercisability and delivery, etc.) will be determined by the Compensation Committee or our Manager, as the case may be, in its sole discretion and must be included in an award agreement; *provided* that the term of such Tandem Options may not be greater than the term of the designated Manager options to which they relate.

All options granted to our Manager will become fully vested and exercisable upon a "change of control" (as defined in the Plan) or a termination of our Manager's services to us for any reason, and any Tandem Options will be governed by the terms and condition set forth in the applicable award agreements, as determined by the Compensation Committee or our Manager, as the case may be.

As a general matter, the Plan provides that the Compensation Committee has the power to determine at what time or times each option may be exercised and, subject to the provisions of the Plan, the period of time, if any, after death, disability or other termination of employment during which options may be exercised. Options may become vested and exercisable in installments, and the exercisability of options may be accelerated by the Compensation Committee. To the extent permitted by applicable law, we may make loans available to the optionee in connection with the exercise of stock options. Such loans must be evidenced by the delivery of a promissory note and will bear interest and be subject to such other terms and conditions (including, without limitation, the execution by the optionee of a pledge agreement) as the Compensation Committee may determine. In any event, such loan amount may not exceed the sum of (x) the exercise price less the par value of the shares of common stock subject to such option then being exercised *plus* (y) any federal, state or local income taxes attributable to such exercise.

The Compensation Committee may also grant SARs in tandem with all or part of, or completely independent of, a grant of options or any other award under the Plan. A SAR issued in tandem with an option may be granted at the time of grant of the related option or at any time during the term of such option. The amount payable in cash and/or common stock with respect to each SAR will be equal in value to a percentage (including up to 100%) of the amount by which the fair market value per share on the exercise date exceeds the fair market value per share on the

date of grant of the SAR. The applicable percentage will be established by the Compensation Committee. The award agreement under which the SAR is granted may state whether the amount payable is to be paid wholly in cash, wholly in shares of common stock or in any combination of the foregoing, and if the award agreement does not state the manner of payment, the Compensation Committee will determine such manner of payment at the time of payment. The amount payable in shares of common stock, if any, is determined with reference to the fair market value per share on the date of exercise.

SARs issued in tandem with options shall be exercisable only to the extent that the options to which they relate are exercisable. Upon exercise of the tandem SAR, and to the extent of such exercise, the participant's underlying option shall automatically terminate. Similarly, upon the exercise of the tandem option, and to the extent of such exercise, the participant's related SAR will automatically terminate.

The Compensation Committee may also grant restricted shares, performance awards, and other stock-based awards (including restricted stock units) and non-stock-based awards under the Plan. These awards will be subject to such conditions and restrictions as the Compensation Committee may determine, which may include, without limitation, the achievement of certain performance goals or continued employment with us through a specific period.

The Plan provides that each new non-officer or non-employee member of our board of directors will be granted an initial one-time grant of an option to purchase 5,000 shares of common stock upon the date of the first meeting of our board of directors attended by such director. Such initial option grant, which will be fully vested on the date of grant and will have an exercise price equal to the fair market value of the underlying common stock on the date of grant.

Equitable Adjustment of Options

In connection with the distribution, each FTAI option held by our Manager, the employees of our Manager (including our officers), and the non-employee directors of FTAI, in each case as of the date of the distribution will be converted into an adjusted FTAI option and a new FTAI Infrastructure option. The exercise price of each adjusted FTAI option and new FTAI Infrastructure option will be set to collectively maintain the intrinsic value of the FTAI option immediately prior to the distribution and to maintain the ratio of the exercise price of the adjusted FTAI option and the new FTAI Infrastructure option, respectively, to the fair market value of the underlying shares as of the distribution. The terms and conditions applicable to each new FTAI Infrastructure option will be substantially similar to the terms and conditions otherwise applicable to the corresponding FTAI option as of the date of distribution. The grant of such new FTAI Infrastructure options will not reduce the number of shares of common stock otherwise available for issuance under the Plan.

PRINCIPAL STOCKHOLDERS

As of the date hereof, substantially all of the outstanding shares of our common stock are owned by FTAI. After the distribution, FTAI will not own any of our common stock. The following table provides information with respect to the expected beneficial ownership of our common stock by (i) each person whom we believe will be a beneficial owner of more than 5% of our outstanding common stock, (ii) each of our directors and named executive officers and (iii) all directors, director nominees and executive officers as a group. We based the share amounts on each person's beneficial ownership of FTAI common shares as of April 1, 2022, unless we indicate some other basis for the share amounts, and assuming a distribution ratio of one share of our common stock for every one FTAI common share.

To the extent our directors and officers own FTAI common shares at the time of the spin-off, they will participate in the distribution on the same terms as other holders of FTAI common shares. In addition, following the distribution, FTAI options held by these individuals will be equitably adjusted to become separate options relating to both FTAI common shares and our common stock. Such options relating to our common stock are reflected in the table below. For a description of the equitable adjustments expected to be made to FTAI options, see "Management —Equitable Adjustment of Options."

Except as otherwise noted in the footnotes below, each person or entity identified below has sole voting and investment power with respect to such securities. Following the distribution, we will have outstanding an aggregate of 99,188,696 shares of common stock based upon FTAI common shares outstanding on April 1, 2022, assuming no exercise of FTAI options and applying the distribution ratio of one share of our common stock for every one FTAI common share held as of the record date.

For purposes of this Information Statement, a "beneficial owner" means any person who, directly or indirectly, through any contract, arrangement, understanding, relationship or otherwise has or shares:

(i) voting power, which includes the power to vote, or to direct the voting of, our common stock; and/or

(ii) investment power, which includes the power to dispose of, or to direct the disposition of, our common stock.

A person is also deemed to be the beneficial owner of a security if that person has the right to acquire beneficial ownership of such security at any time within 60 days.

Name and Address of Beneficial Owner[1]	Amount and Nature of Beneficial Ownership	Percent of Class[2]
The Washington State Investment Board[3]	11,785,779	11.9%
Morgan Stanley[4]	6,615,390	6.7%
The Goldman Sachs Group, Inc.[5]	5,956,245	6.0%
Bank of America Corporation[6]	5,044,918	5.1%
Fortress Investment Group LLC and certain affiliates[7]	3,027,233	3.0%
Joseph P. Adams Jr.[8]	328,852	*
James L. Hamilton[8]	—	—
Kenneth J. Nicholson[8]	210,506	*
Scott Christopher[8]	10,300	*
All directors, nominees and executive officers as a group (4 persons)	549,658	*

* Denotes less than 1%.

1) The address of all officers and directors listed above, and of Fortress and certain affiliates, is in the care of Fortress Investment Group LLC, 1345 Avenue of the Americas, 45th Floor, New York, NY 10105.

(2) Percentages shown assume the exercise by such persons of all options to acquire shares of common stock that are exercisable within 60 days of April 1, 2022, and no exercise by any other person.

(3) Sole voting and dispositive power in respect of 11,785,779 shares of common stock, based on a Schedule 13G/A filed with the SEC on April 29, 2020. The Washington State Investment Board's address is 2100 Evergreen Park Drive SW, P.O. Box 40916, Olympia, WA 98504.

(4) Shared voting power in respect of 6,501,629 shares of common stock; shared dispositive power in respect of 6,615,390 shares of common stock, as stated in a Schedule 13G/A filed with the SEC on February 10, 2022. Morgan Stanley's address is 1585 Broadway, New York, NY 10036.

(5) Shared voting and dispositive power in respect of 5,956,245 shares of common stock, as stated in a Schedule 13G filed with the SEC on February 4, 2022. The Goldman Sachs Group, Inc.'s address is 200 West Street, New York, NY 10282.

(6) Shared voting power in respect of 4,878,655 shares of common stock; shared dispositive power in respect of 5,044,918 shares of common stock, as stated in a Schedule 13G filed with the SEC on January 28, 2022. Bank of America Corporation's address is 100 N Tryon St, Charlotte, NC 28255.

(7) Includes 713,694 shares of common stock held by Fortress Worldwide Transportation and Infrastructure Investors LP, 34,950 shares of common stock held by FTAI Offshore Holdings L.P. and 2,278,589 options held by the Manager that are exercisable within 60 days of April 1, 2022.

(8) Includes with respect to each of these individuals the following number of shares of common stock issuable upon the exercise of options that are currently exercisable or exercisable within 60 days of April 1, 2022: Adams - 126,236; Hamilton - 0; Nicholson - 126,236; and Christopher - 0.

CERTAIN RELATIONSHIPS AND RELATED PARTY TRANSACTIONS

SEC rules define "transactions with related persons" to include any transaction in which the company is a participant, the amount involved exceeds $120,000, and in which any "related person," including any officer, director, nominee for director or beneficial holder of more than 5% of any class of our voting securities or an immediate family member of any of the foregoing, has a direct or indirect material interest. We adopted a written policy that outlines procedures for approving transactions with related persons, and the independent directors review and approve or ratify such transactions pursuant to the procedures outlined in this policy. In determining whether to approve or ratify a transaction with a related person, the independent directors will consider a variety of factors they deem relevant, such as: the terms of the transaction; the terms available to unrelated third parties; the benefits to FTAI Infrastructure; and the availability of other sources for comparable assets, products or services. The policy includes standing pre-approvals for specified categories of transactions, including investments in securities offerings and participation in other investment opportunities generally made available to the Manager's employees.

Registration Rights Agreement

We have entered into a registration rights agreement (the "Registration Rights Agreement") granting our Manager and its affiliates and the Master GP and its affiliates (collectively, the "Fortress Entities") certain rights to register shares of common stock held by them under the Securities Act.

Demand Rights

Under the Registration Rights Agreement, the Fortress Entities, for so long as the Management Agreement is in effect, if a year has not elapsed from the execution of the Registration Rights Agreement or the Fortress Entities directly or indirectly beneficially own an amount of our common stock (whether owned are subsequently acquired, or may be acquired pursuant to a right to conversion or exercise) equal to or greater than 1% of our common stock issued and outstanding immediately after the consummation of the spin-off transaction (a "Registrable Amount"), may exercise "demand" registration rights that allow the Fortress Entities, at any time after the consummation of this spin-off transaction, to request that we register under the Securities Act an amount equal to or greater than a Registrable Amount. The Fortress Entities are entitled to unlimited demand registrations so long as such persons, together, beneficially own a Registrable Amount. We are not obligated to grant a request for a demand registration within three months of any other demand registration.

Piggyback Rights

For so long as the Fortress Entities beneficially own a Registrable Amount, the Fortress Entities have "piggyback" registration rights that allow them to include the common stock that they own in any public offering of equity securities initiated by us (other than those public offerings pursuant to registration statements on Forms S-4 or S-8 or pursuant to an employee benefit plan arrangement) or by any of our other stockholders that have registration rights. These "piggyback" registration rights are subject to proportional cutbacks based on the manner of the offering and the identity of the party initiating such offering.

Shelf Registration

We have granted to the Fortress Entities, for so long as they beneficially own a Registrable Amount or otherwise hold restricted securities, the right to request a shelf registration on Form S-1 or Form S-3 or any other appropriate form providing for offerings of our common stock to be made on a continuous basis until all shares covered by such registration have been sold, subject to our right to suspend the use of the shelf registration prospectuses for a reasonable period of time (not exceeding 60 days in succession or 90 days in the aggregate in any 12-month period) if we determine that certain disclosures required by the shelf registration statements would be detrimental to us or our stockholders. In addition, the Fortress Entities may elect to participate in such shelf registrations within 10 days after notice of the registration is given.

Indemnification; Expenses; Lock-ups

We have agreed to indemnify the applicable selling stockholders, their affiliates and their respective officers, directors, employees, managers, partners, agents and controlling persons against any losses or damages resulting from any untrue statement or omission of material fact in any registration statement, prospectus or preliminary prospectus or any issuer free writing prospectus or any amendment or supplement thereto pursuant to which they sell our

common stock, unless such liability arose from the applicable selling stockholder's misstatement or omission, and the applicable selling stockholder have agreed to indemnify us against all losses caused by its misstatements or omissions. We will pay all registration and offering-related expenses incidental to our performance under the Registration Rights Agreement, and the applicable selling stockholder will pay its portion of all underwriting discounts, commissions and transfer taxes, if any, relating to the sale of its common stock thereunder. We have agreed to enter into, and to cause our officers and directors to enter into, lock-up agreements in connection with any exercise of registration rights by the Fortress Entities.

Management Agreement and Other Incentive Allocation with Fortress

The Manager will be paid annual fees in exchange for advising us on various aspects of our business, formulating our investment strategies, arranging for the acquisition and disposition of assets, arranging for financing, monitoring performance, and managing our day-to-day operations, inclusive of all costs incidental thereto. In addition, the Manager may be reimbursed for various expenses incurred by the Manager on our behalf, including the costs of legal, accounting and other administrative activities.

Management Agreement

We will enter into a Management Agreement with our Manager, an affiliate of Fortress, effective upon completion of the spin-off, pursuant to which our Manager will provide a management team and other professionals who will be responsible for managing our business affairs in conformity with the policies and the strategy that are approved and monitored by our board of directors. There will be no limit on the amount our Manager may invest on our behalf without seeking the approval of our board of directors, and our investment mandate will be purposefully broad to allow us to opportunistically acquire assets that we believe offer the most attractive risk-adjusted return profile.

Our Manager's duties will include: (i) performing all of our day-to-day functions, (ii) determining acquisition criteria in conjunction with, and subject to the supervision of, our board of directors, (iii) sourcing, analyzing and executing on asset acquisitions and sales, (iv) performing ongoing commercial management of the portfolio, and (v) providing financial and accounting management services. Our Manager will be responsible for our day-to-day operations and will perform (or cause to be performed) such services and activities relating to our assets and operations as may be appropriate.

We will pay our Manager a management fee, which will be determined by taking the average value of total equity (excluding non-controlling interests) determined on a consolidated basis in accordance with GAAP at the end of the two most recently completed months *multiplied by* an annual rate of 1.50%, and will be payable monthly in arrears in cash.

The initial term of our Management Agreement will expire on the sixth anniversary of this spin-off transaction, and the Management Agreement will be renewed automatically each year for an additional one-year period unless (i) a majority consisting of at least two-thirds of our independent directors or a simple majority of the holders of our outstanding common stock, agree that there has been unsatisfactory performance that is materially detrimental to us or (ii) a simple majority of our independent directors agree that the management fee payable to our Manager is unfair; *provided* that we shall not have the right to terminate our Management Agreement under foregoing clause (ii) if the Manager agrees to continue to provide the services under the Management Agreement at a fee that a simple majority of our independent directors has reasonably determined to be fair.

If we elect not to renew our Management Agreement at the expiration of the original term or any such one-year extension term as set forth above, our Manager will be provided with notice of any such termination at least 60 days prior to the expiration of the then existing term. In the event of such termination or other termination as set forth above, we would be required to pay the termination fee in each case as described below. In addition, the Management Agreement may be terminated by us at any time for cause.

If FTAI Infrastructure terminates the Management Agreement, it will generally be required to pay the Manager a termination fee. The termination fee is equal to the amount of the management fee during the 12 months immediately preceding the date of the termination.

Upon the successful completion of an offering of FTAI Infrastructure's common stock or other equity securities (including securities issued as consideration in an acquisition), we will grant the Manager options to purchase common stock in an amount equal to 10% of the number of shares of common stock being sold in the offering (or

if the issuance relates to equity securities other than FTAI Infrastructure's common stock, options to purchase a number of shares of common stock equal to 10% of the gross capital raised in the equity issuance *divided by* the fair market value of a share of common stock as of the date of issuance), with an exercise price equal to the offering price per share paid by the public or other ultimate purchaser or attributed to such securities in connection with an acquisition (or the fair market value of a share of common stock as of the date of the equity issuance if it relates to equity securities other than our common stock). Any ultimate purchaser of shares of common stock for which such options are granted may be an affiliate of the Fortress Parties.

Separation and Distribution Agreement with FTAI

We will enter into a Separation and Distribution Agreement with FTAI to effect the spin-off and provide for the allocation between us and FTAI of FTAI's assets, liabilities and obligations (including tax-related assets and liabilities) attributable to periods prior to the respective spin-offs of the businesses from FTAI. The Separation and Distribution Agreement will be filed as an exhibit to the registration statement on Form 10, of which this Information Statement is a part, and the summary below is qualified in its entirety by reference to the full text of the agreement, which will be incorporated by reference into this Information Statement.

The Separation and Distribution Agreement will set forth our agreements with FTAI regarding the principal transactions necessary to separate us from FTAI. It also will set forth other agreements that govern certain aspects of our relationship with FTAI after the completion of the spin-off. For purposes of the Separation and Distribution Agreement: (i) the "FTAI Infrastructure" means FTAI Infrastructure and its subsidiaries and (ii) the "FTAI Group" means FTAI and its subsidiaries other than FTAI Infrastructure and the FTAI Infrastructure subsidiaries.

Transfer of Assets and Assumption of Liabilities

The Separation and Distribution Agreement will identify the assets and liabilities to be retained by, transferred to, assumed by, or assigned to, as the case may be, each of us and FTAI as part of the separation of FTAI into two companies, and describes when and how these transfers, assumptions and assignments will occur, although, many of the transfers, assumptions and assignments may have already occurred prior to the parties' entering into the Separation and Distribution Agreement. In particular, the Separation and Distribution Agreement will provide that, subject to the terms and conditions contained in the Separation and Distribution Agreement, immediately prior to the time of effectiveness of the Separation and Distribution Agreement, FTAI and FTAI Infrastructure will take all actions necessary so that the FTAI Infrastructure will:

(a) own, to the extent it does not already own, all of FTAI's investments in Jefferson Terminal, Repauno, Long Ridge, Transtar, Aleon and Gladieux, KRS, Clean Planet USA, FYX, CarbonFree and Containers; and

(b) assume, to the extent it is not already liable for:

  (i) any liabilities relating to or arising out of our initial portfolio of assets described under (a) above, whether arising prior to, at the time of, or after, the effectiveness of the Separation and Distribution Agreement;

  (ii) any liabilities arising out of claims by our directors, officers and affiliates arising after the time of effectiveness of the Separation and Distribution Agreement against either FTAI or us to the extent they relate to our initial portfolio of assets described under (a) above as of the date of the Separation and Distribution Agreement; and

  (iii) any other potential liabilities related to (A) recent FTAI equity offerings in certain specified percentages as disclosed in the Separation and Distribution Agreement; (B) FTAI's Exchange Act reports relating to disclosures about our initial portfolio of assets described under (a) above; and (C) indemnification obligations under the Management Agreement with respect to our initial portfolio of assets described under (a) above.

Except as otherwise provided in the Separation and Distribution Agreement, FTAI will retain all other assets and liabilities.

Except as may expressly be set forth in the Separation and Distribution Agreement or any ancillary agreement, all assets will be transferred on an "as is," "where is" basis without representation or warranty.

Information in this Information Statement with respect to the assets and liabilities of the parties following the spin-off is presented based on the allocation of such assets and liabilities as will be set forth in the Separation and

Distribution Agreement, unless the context otherwise requires. Certain of the liabilities and obligations to be assumed by one party or for which one party will have an indemnification obligation under the Separation and Distribution Agreement are, and following the spin-off may continue to be, the legal or contractual liabilities or obligations of another party. Each such party that continues to be subject to such legal or contractual liability or obligation will rely on the applicable party that assumed the liability or obligation or the applicable party that undertook an indemnification obligation with respect to the liability or obligation, as applicable, under the Separation and Distribution Agreement, to satisfy the performance and payment obligations or indemnification obligations with respect to such legal or contractual liability or obligation.

Further Assurances

Each party will cooperate with the other and use commercially reasonable efforts, prior to, on and after the distribution date, to take promptly, or cause to be taken promptly, all actions to do promptly, or cause to be done promptly, all things reasonably necessary, proper or advisable on its part to consummate and make effective the transactions contemplated by, and the intent and purposes of, the Separation and Distribution Agreement. In addition, neither party will, nor will either party allow its respective subsidiaries to, without the prior consent of the other party, take any action which would reasonably be expected to prevent or materially impede, interfere with or delay the transactions contemplated by the Separation and Distribution Agreement and the ancillary agreements thereto, if any. Both parties will also use commercially reasonable efforts to cause third parties, such as insurers or trustees, to fulfill any obligations they are required to fulfill under the Separation and Distribution Agreement.

The Distribution

The Separation and Distribution Agreement will also govern the rights and obligations of the parties regarding the proposed distribution. We expect to agree to distribute to FTAI, as a stock dividend, the number of shares of our common stock distributable in the distribution to effectuate the spin-off. In addition, FTAI is expected to agree to cause its agent to distribute to FTAI shareholders that hold FTAI common shares as of the applicable record date all the shares of common stock of the Company being separated from FTAI.

Additionally, the Separation and Distribution Agreement will provide that the distribution is subject to several conditions that must be satisfied or waived by FTAI in its sole discretion. For further information regarding our spin-off from FTAI, see “Our Spin-Off from FTAI—Conditions to the Distribution.”

Termination of Other Agreement Arrangements; Bank Accounts

The Separation and Distribution Agreement will provide that, other than the Separation and Distribution Agreement, the ancillary agreements to the Separation and Distribution Agreement (if any), certain confidentiality and non-disclosure agreements among any members of the FTAI Infrastructure, the FTAI Group or employees of our Manager, all prior agreements and arrangements, whether written or not, between any member of the FTAI Group on the one hand, and any member of the FTAI Infrastructure on the other hand (except to the extent any person that is not a member of the FTAI Infrastructure or FTAI Group is also a party to such agreements or arrangements), are terminated and will cease to be of further force and effect as of the time of effectiveness of the Separation and Distribution Agreement. At the time of such termination, all parties will be released from liability under such agreements and arrangements, other than with respect to the settlement of intercompany accounts, which will be satisfied and/or settled in full in cash or otherwise cancelled and terminated or extinguished by the relevant members of the FTAI Infrastructure or FTAI Group prior to the time of effectiveness of the Separation and Distribution Agreement.

Releases and Indemnification

Subject to certain exceptions, including with respect to liabilities assumed by, or allocated to, us or FTAI, the Separation and Distribution Agreement will provide that we and FTAI will generally agree to release each other from all liabilities existing or arising from acts or events prior to or on the distribution date.

In addition, the Separation and Distribution Agreement will provide that, except as otherwise provided for in other documents related to the spin-off, we will indemnify FTAI and its affiliates and representatives against losses arising from:

(a) any liabilities relating to our initial portfolio of assets, which shall include all of Jefferson Terminal, Repauno, Long Ridge, Transtar, Aleon and Gladieux, KRS, Clean Planet USA, FYX, CarbonFree and Containers, whether arising prior to, at the time of, or after, the effectiveness of the Separation and Distribution Agreement;

(b) any liabilities arising out of claims by our directors, officers and affiliates arising after the time of effectiveness of the Separation and Distribution Agreement against either FTAI or us to the extent they relate to the our initial portfolio of assets described under (a) above as of the date of the Separation and Distribution Agreement;

(c) any other potential liabilities related to (A) recent FTAI equity offerings in certain specified percentages as disclosed in the Separation and Distribution Agreement; (B) FTAI's Exchange Act reports relating to disclosures about our initial portfolio of assets described under (a) above; and (C) indemnification obligations under the Management Agreement with respect to the our initial portfolio of assets described under (a) above;

(d) any failure by any member of the FTAI Infrastructure or any other person to pay, perform or otherwise promptly discharge any liability listed under (a)-(c) above in accordance with their respective terms, whether prior to, at or after the time of effectiveness of the Separation and Distribution Agreement;

(e) any breach by any member of the FTAI Infrastructure of any provision of the Separation and Distribution Agreement and any agreements ancillary thereto (if any), subject to any limitations of liability provisions and other provisions applicable to any such breach set forth therein; and

(f) any untrue statement or alleged untrue statement of a material fact or omission or alleged omission to state a material fact required to be stated therein or necessary to make the statements therein not misleading, with respect to all information contained in this Information Statement or the registration statement of which this Information Statement is a part other than information that relates solely to any assets owned, directly or indirectly by FTAI, excluding the assets that will comprise our initial portfolio described under (a) above.

FTAI shall indemnify us and our affiliates and representatives against losses arising from:

(a) any other liability of FTAI or its subsidiaries (excluding any liabilities related to or allocated to FTAI Infrastructure);

(b) any failure of any member of the FTAI Group or any other person to pay, perform or otherwise promptly discharge any liability listed under (a) and (b) above in accordance with their respective terms, whether prior to, at or after the time of effectiveness of the Separation and Distribution Agreement;

(c) any breach by any member of the FTAI Group of any provision of the Separation and Distribution Agreement and any agreements ancillary thereto (if any), subject to any limitations of liability provisions and other provisions applicable to any such breach set forth therein; and

(d) any untrue statement or alleged untrue statement of a material fact or omission or alleged omission to state a material fact required to be stated therein or necessary to make the statements therein not misleading, with respect to all information contained in this Information Statement or the registration statement of which this Information Statement is a part that relates solely to any assets owned, directly or indirectly by FTAI, other than our initial portfolio of assets, which shall include all of Jefferson Terminal, Repauno, Long Ridge, Transtar, Aleon and Gladieux, KRS, Clean Planet USA, FYX, CarbonFree and Containers.

Indemnification obligations shall generally be net of any insurance proceeds actually received by the indemnified person. The Separation and Distribution Agreement will provide that we and FTAI will waive any right to special, indirect, punitive, exemplary, remote, speculative or similar damages in excess of compensatory damages; *provided* that any such liabilities with respect to third-party claims shall be considered direct damages.

Competition

The Separation and Distribution Agreement will not include any non-competition or other similar restrictive arrangements with respect to the range of business activities that may be conducted, or investments that may be made,

by either FTAI Group or FTAI Infrastructure. Each of the parties will agree that nothing set forth in the agreement shall be construed to create any restriction or other limitation on the ability of any of FTAI Group or FTAI Infrastructure to engage in any business or other activity that overlaps or competes with the business of any other party, including investing in residential mortgage related securities.

Insurance

Following the distribution date, FTAI shall maintain its currently existing insurance policies related to director and officer liability (the "FTAI D&O Policies"). Prior to the distribution date, FTAI and FTAI Infrastructure shall use commercially reasonable efforts to obtain separate insurance policies for FTAI Infrastructure on substantially similar terms as the FTAI D&O Policies. FTAI Infrastructure will be responsible for all premiums, costs and fees associated with any new insurance policies placed for the benefit of FTAI Infrastructure.

Dispute Resolution

In the event of any dispute arising out of the Separation and Distribution Agreement, the parties, each having designated a representative for such purpose, will negotiate in good faith for 30 days to resolve any disputes between the parties. If the parties are unable to resolve disputes in this manner within 30 days, the disputes will be resolved through binding arbitration.

Other Matters Governed by the Separation and Distribution Agreement

Other matters governed by the Separation and Distribution Agreement will include, among others, access to financial and other information, confidentiality, assignability and treatment of stock options.

DESCRIPTION OF OUR CAPITAL STOCK

The following descriptions are summaries of the material terms of our certificate of incorporation and bylaws to be in effect at the time of the distribution. These descriptions contain all information which we consider to be material, but may not contain all of the information that is important to you. To understand them fully, you should read our certificate of incorporation and bylaws, copies of which will be filed with the SEC as exhibits to the registration statement of which this Information Statement is a part.

Please note that, with respect to any of our shares held in book-entry form through The Depository Trust Company or any other share depository, the depository or its nominee will be the sole registered and legal owner of those shares, and references in this Information Statement to any "stockholder" or "holder" of those shares means only the depository or its nominee. Persons who hold beneficial interests in our shares through a depository will not be registered or legal owners of those shares and will not be recognized as such for any purpose. For example, only the depository or its nominee will be entitled to vote the shares held through it, and any dividends or other distributions to be paid, and any notices to be given, in respect of those shares will be paid or given only to the depository or its nominee. Owners of beneficial interests in those shares will have to look solely to the depository with respect to any benefits of share ownership, and any rights they may have with respect to those shares will be governed by the rules of the depository, which are subject to change from time to time. We have no responsibility for those rules or their application to any interests held through the depository.

Under our certificate of incorporation and bylaws to be in effect at the time of the distribution, our authorized capital stock will consist of:

- Two billion (2,000,000,000) shares of common stock, par value $0.01 per share; and
- Two hundred million (200,000,000) shares of preferred stock, par value $0.01 per share.

Upon completion of the distribution, there will be 99,188,696 outstanding shares of common stock based on FTAI common shares outstanding on April 1, 2022 and, assuming the issuance of the Series A Preferred Stock pursuant to the terms currently anticipated, 300,000 outstanding shares of Series A Preferred Stock.

Except with respect to ownership and transfer restrictions intended to preserve our ability to use net operating loss carryforwards and other tax attributes, and the exclusive forum provisions, there are no material changes in stockholder rights between the stockholder rights at FTAI and FTAI Infrastructure.

Common Stock

No holder of common stock is entitled to preemptive, preferential or similar rights or redemption or conversion rights. Holders of common stock are entitled to one vote per share on all matters submitted to a vote of holders of common stock. Unless a different majority is required by law or by our certificate of incorporation or bylaws, resolutions to be approved by holders of common stock required approval by a simple majority of votes cast at a meeting at which a quorum is present.

Each holder of shares of common stock is entitled to one vote for each share held on all matters submitted to a vote of stockholders. Except as provided with respect to any other class or series of shares, the holders of our shares of common stock will possess the exclusive right to vote for the election of directors and for all other purposes. Our certificate of incorporation and bylaws will not provide for cumulative voting in the election of directors, which means that the holders of a majority of the outstanding shares of common stock can elect all of the directors standing for election, and the holders of the remaining shares of common stock are not able to elect any directors.

Although we currently intend to pay regular quarterly dividends to holders of our shares of common stock, we may change our dividend policy at any time. Our net cash provided by operating activities has been less than the amount of distributions to our stockholders. The declaration and payment of dividends to holders of shares of our common stock will be at the discretion of our board of directors in accordance with applicable law after taking into account various factors, including actual results of operations, liquidity and financial condition, net cash provided by operating activities, restrictions imposed by applicable law, our taxable income, our operating expenses and other factors our board of directors deem relevant. Any rights of holders of our shares of common stock to receive dividends, if any, declared from time to time by our board of directors out of legally available funds will also be subject to any preferred rights of holders of any additional preferred shares that we may issue in the future.

Our long term goal is to maintain a payout ratio of between 50-60% of funds available for distribution, with remaining amounts used primarily to fund our future acquisitions and opportunities. There can be no assurance that

we will continue to pay dividends in amounts or on a basis consistent with prior distributions to our investors, if at all. Because we are a holding company and have no direct operations, we will only be able to pay dividends from our available cash on hand and any funds we receive from our subsidiaries and our ability to receive distributions from our subsidiaries may be limited by the financing agreements to which they are subject.

In the event of our liquidation, dissolution or winding up, the holders of our shares of common stock are entitled to share ratably in all assets remaining after the payment of liabilities, subject to any rights of holders of our Series A Preferred Stock prior to distribution.

Preferred Stock

Our board of directors has the authority, without action by our stockholders, to issue preferred stock and to fix voting powers for each class or series of preferred stock, and to provide that any class or series may be subject to redemption, entitled to receive dividends, entitled to rights upon dissolution, or convertible or exchangeable for shares of any other class or classes of capital stock. The rights with respect to a series or class of preferred stock may be greater than the rights attached to our common stock. It is not possible to state the actual effect of the issuance of any shares of our preferred stock on the rights of holders of our common stock until our board of directors determines the specific rights attached to that preferred stock. The effect of issuing preferred stock could include, among other things, one or more of the following:

- restricting dividends in respect of our common stock;
- diluting the voting power of our common stock or providing that holders of preferred stock have the right to vote on matters as a class;
- impairing the liquidation rights of our common stock; or
- delaying or preventing a change of control of us.

The following is a summary of certain provisions of our certificate of incorporation and bylaws to be in effect at the time of the distribution that may be deemed to have an anti-takeover effect and may delay, deter or prevent a tender offer or takeover attempt that a stockholder might consider to be in its best interest, including those attempts that might result in a premium over the market price for the shares held by stockholders.

Series A Preferred Stock

Upon consummation of the spin-off, the Company will have 300,000 issued and outstanding shares of Series A Preferred Stock. The Series A Preferred Stock will not be registered under Section 12 of the Exchange Act.

Each share of Series A Preferred Stock will have an initial stated value of $1,000.

The Series A Preferred Stock will rank senior to the Company's common stock and all other junior equity securities of the Company, and junior to the Company's existing or future indebtedness and other liabilities (including trade payables) of the Company, with respect to payment of dividends, distribution of assets and all other liquidation, winding up, dissolution, dividend and redemption rights.

We expect to pay dividends on the Series A Preferred Stock at a rate equal to 14.0% per annum subject to increase in accordance with the terms of the Series A Preferred Stock. Specifically, the rate would be increased by 2.0% per annum for any periods during the first two years following closing where the dividend is not paid in cash. Prior to the second anniversary of the issuance date, such dividends will automatically accrue and accumulate on each share of Series A Preferred Stock, whether or not declared and paid, or they may be paid in cash at our discretion. After the second anniversary of the issuance date, we are required to pay such dividends in cash. Failure to pay such dividends would result in a dividend rate equal to at least 18.0% per annum, and a failure to pay cash dividends for 12 monthly dividend periods (whether or not consecutive) following the second anniversary of the issuance date would constitute an Event of Noncompliance. The dividend rate on the Series A Preferred Stock will increase by 1.0% per annum beginning on the fifth anniversary of the issue date.

The Series A Preferred Stock will not be mandatorily redeemable at the option of the holders of the Series A Preferred Stock, except upon the occurrence certain Events of Noncompliance (as defined below) or a change of control (each a "Mandatory Redemption Event").

An "Event of Noncompliance" includes (i) failure to redeem such shares when we are required to do so, (ii) failure to pay cash dividends for 12 monthly dividend periods (whether or not consecutive) following the second anniversary of the issuance date, (iii) an event where any shares of Series A Preferred Stock remaining outstanding on the eighth anniversary of the issuance date, (iv) failure to have a board of directors comprised of a majority of independent directors at any time on or after December 31, 2022 (subject to the specified cure period), (v) any breach of a material term in the certificate of designations for our Series A Preferred Stock, (vi) certain debt acceleration events, (vii) certain bankruptcy events and (viii) a breach of a restrictive covenant set forth in the certificate of designations for our Series A Preferred Stock. Upon the occurrence of a Mandatory Redemption Event, to the extent not prohibited by law, the Company will be required to redeem all Series A Preferred Stock in cash at a certain redemption price. The redemption price per share of Series A Preferred Stock will be equal to the greater of (x) the stated value of the Series A preferred Stock plus declared, accumulated and unpaid dividends as of such time and (y) the amount of cash that would be required to be paid in respect of a share of Series A Preferred Stock (inclusive of any cash dividends previously paid on such share) such that the return on investment with respect to such share would be equal to 1.5 of initially invested capital. The Series A Preferred Stock may be required to be redeemed in cash without triggering any prepayment obligation on the Notes. Upon the occurrence of an Event of Noncompliance that has not been cured (to the extent curable), (i) the size of the board of directors shall increase to a number sufficient to constitute a majority of the board of directors, (ii) the majority of the holders of the Series A Preferred Stock shall have the right to designate and elect directors to serve as members of the board of directors constituting a majority, and (iii) other than with respect to the election of directors, the shares of Series A Preferred Stock will vote with our common stock as a single class (with the number of votes per share determined in accordance with the certificate of designations for our Series A Preferred Stock). Prior to an Event of Noncompliance, the Series A Preferred Stock will not vote with our common stock.

The certificate of designations for the Series A Preferred Stock also contains negative covenants limiting how the Company and certain subsidiaries can act. These covenants, among other things, limit the Company and certain subsidiaries' ability to (i) incur indebtedness, (ii) issue equity interests of the Company ranking *pari passu* with, or senior in priority to, the Series A Preferred Stock, (iii) issue equity interests of any subsidiary of the Company, (iv) amend or repeal the certificate of incorporation or bylaws in a manner that is adverse to the holders of the Series A Preferred Stock, (v) pay dividends or make other distributions, (vi) create liens, (vii) incur dividend or other payment restrictions affecting the Company and certain of its subsidiaries, (viii) undertake certain prohibited actions with respect to the Management Agreement, (ix) transfer or sell assets, including capital stock of subsidiaries, (x) consummate a change of control without concurrently redeeming the shares of Series A Preferred Stock, (xi) enter into transactions with affiliates, (xii) engage in certain prohibited business activities, (xiii) engage in certain intercompany transactions, and (xiv) take actions to cause the Company to cease to be treated as a domestic C corporation for U.S. tax purposes.

Investors' Rights Agreement

In connection with the issuance of the Series A Preferred Stock, the Company will enter into an Investors' Rights Agreement (the "Investors' Rights Agreement") with the Investors (as defined in the Investors' Rights Agreement). The Investors' Rights Agreement sets forth the Investors' right to receive certain quarterly and annual financial and other information of the Company. The Investors' Rights Agreement sets forth a standstill covenant by the Investors, "Key Person" and "Manager Event" consultation rights in favor of the Investors, registration rights in favor of the Investors, restrictions on transfer of shares of Series A Preferred Stock by the Investors and rights of first offer in favor of the Investors with respect to future issuances of preferred equity of the Company and, with respect to certain initial Investors and their affiliates, future debt for borrowed money of the Company or certain intermediate holding companies.

Warrants

Upon the consummation of the spin-off, the Company will have outstanding (i) Series I Warrants entitling the holders thereof to purchase 3,342,566 shares of common stock, at an exercise price equal to $10.00 per share (as adjusted in accordance with the Warrant Agreement), exercisable until the Expiration Time; and (ii) Series II Warrants entitling holders thereof to purchase 3,342,566 shares of common stock, at an exercise price equal to $0.01 per share, exercisable until the Expiration Time. Such number of shares of common stock purchasable pursuant to the Warrants

(the "Warrant Shares") may be adjusted from time to time to account for stock splits, dividends and similar items and, in the case of the Series I Warrants, for below-market issuances of common equity. The Series II Warrants will participate on an as-converted basis in any dividends with respect to the Company's common shares. The Warrants will expire at the Expiration Time.

Authorized but Unissued Shares

The authorized but unissued shares of our common stock and our Series A Preferred Stock will be available for future issuance without obtaining stockholder approval. These additional shares may be utilized for a variety of corporate purposes, including future public offerings to raise additional capital, corporate acquisitions, and employee benefit plans. The existence of authorized but unissued shares of our common stock and Series A Preferred Stock could render more difficult or discourage an attempt to obtain control over us by means of a proxy contest, tender offer, merger or otherwise.

Delaware Business Combination Statute

We are organized under Delaware law. Some provisions of Delaware law may delay or prevent a transaction that would cause a change in our control. Our certificate of incorporation will provide that Section 203 of the DGCL, as amended, an anti-takeover law, will not apply to us. In general, this statute prohibits a publicly held Delaware corporation from engaging in a business combination with an interested stockholder for a period of three years after the date of the transaction by which that person became an interested stockholder, unless the business combination is approved in a prescribed manner. For purposes of Section 203, a business combination includes a merger, asset sale or other transaction resulting in a financial benefit to the interested stockholder, and an interested stockholder is a person who, together with affiliates and associates, owns, or within three years prior, did own, 15% or more of voting stock.

Ownership Restrictions for Corporation Securities

Our certificate of incorporation will contain certain restrictions on the transfer of the Corporation Securities by holders who are, or who would become as a result of such transfer, direct or indirect holders of more than 4.8% of our Corporation Securities. Such restrictions will be put in place in order to preserve our net operating loss carryovers within the meaning of Section 382 of the Code. Any acquisition of Corporation Securities that results in a stockholder being in violation of these restrictions may not be valid. Subject to certain exceptions (including with respect to Initial Substantial Shareholders, as defined in our certificate of incorporation), the Ownership Restrictions will restrict (i) any person or entity (including certain groups of persons) from directly or indirectly acquiring 4.8% or more of the outstanding Corporation Securities and (ii) the ability of any person or entity (including certain groups of persons) already owning, directly or indirectly, 4.8% or more of the Corporation Securities to increase their proportionate interest in, or to sell, the Corporation Securities. Any transferee receiving Corporation Securities that would result in a violation of the Ownership Restrictions will not be recognized as an FTAI Infrastructure stockholder or entitled to any rights of stockholders, including, without limitation, the right to vote and receive dividends or distributions, whether liquidating or otherwise, in each case, with respect to the Corporation Securities causing the violation. FTAI Infrastructure stockholders whose ownership violates the Ownership Restrictions at the time of the spin-off will not be required to sell their FTAI Infrastructure common stock, but may be prevented from acquiring more FTAI Infrastructure Corporation Securities.

The Ownership Restrictions will remain in effect until the earlier of (i) the date on which Section 382 of the Code is repealed, amended, or modified in such a way as to render the restrictions imposed by Section 382 of the Code no longer applicable to us or (ii) a determination by the Board of Directors that (1) an ownership change would not result in a substantial limitation on our ability to use our available net operating loss carryforwards and other tax attributes; (2) no significant value attributable to our available net operating loss carryforwards and other tax attributes would be preserved by continuing the transfer restrictions; or (3) it is not in our best interests to continue the Ownership Restrictions. The Ownership Restrictions may also be waived by the FTAI board of directors on a case by case basis.

Other Provisions of Our Certificate of Incorporation and Bylaws

Our certificate of incorporation and bylaws will provide that our board shall consist of not fewer than three and not more than nine directors as the board of directors may from time to time determine. Each class of directors will be elected for a three-year term of office, but the terms are staggered so that the term of only one class of directors

expires at each annual general meeting. We believe that classification of our board of directors helps to assure the continuity and stability of our business strategies and policies as determined by our board of directors. Additionally, there is no cumulative voting in the election of directors. This classified board provision could have the effect of making the replacement of incumbent directors more time consuming and difficult. At least two annual meetings of stockholders, instead of one, are generally required to effect a change in a majority of our board of directors.

The classified board provision could increase the likelihood that incumbent directors will retain their positions. The staggered terms of directors may delay, defer or prevent a tender offer or an attempt to change control of us, even though a tender offer or change in control might be believed by our stockholders to be in their best interest.

In addition, our certificate of incorporation and bylaws will provide that a director may be removed, only for cause, and only by the affirmative vote of at least 80% of the then issued and outstanding shares of common stock entitled to vote in the election of directors.

In addition, our board of directors has the power to appoint a person as a director to fill a vacancy on our board occurring as a result of the death, removal or resignation of a director, or as a result of an increase in the size of our board of directors.

Pursuant to our certificate of incorporation and bylaws, preferred stock may be issued from time to time, and the board of directors is authorized to determine and alter all designations, preferences, rights, powers and duties without limitation. Our certificate of incorporation and bylaws will not provide our stockholders with the ability to call a special meeting of the stockholders.

Ability of Our Stockholders to Act

Our certificate of incorporation and bylaws will not permit our stockholders to call special stockholders meetings. Special meetings of stockholders may be called by the chairman of our board of directors, if there be one, the chief executive officer, if there be one, or a majority of the board of directors or a committee of the board of directors that has been duly designated by the board of directors and whose powers include the authority to call such meetings. Written notice of any special meeting so called shall be given to each stockholder of record entitled to vote at such meeting not less than 10 or more than 60 days before the date of such meeting, unless otherwise required by law.

Our certificate of incorporation and bylaws also will prohibit our stockholders from consenting in writing to take any action in lieu of taking such action at a duly called annual or special meeting of our stockholders.

Our certificate of incorporation and bylaws will provide that nominations of persons for election to our board of directors may be made at any annual meeting of our stockholders, or at any special meeting of our stockholders called for the purpose of electing directors, (a) by or at the direction of our board of directors or (b) by certain stockholders. In addition to any other applicable requirements, for business to be properly brought before an annual meeting by a stockholder, such stockholder must have given timely notice thereof in proper written form to our Secretary. To be timely, a stockholder's notice must be delivered to or mailed and received at our principal executive offices (i) in the case of an annual meeting, not less than 90 days nor more than 120 days prior to the anniversary date of the immediately preceding annual meeting of stockholders; *provided*, *however*, that in the event that the annual meeting is called for a date that is not within 25 days before or after such anniversary date, notice by a stockholder in order to be timely must be so received not later than the close of business on the tenth day following the day on which such notice of the date of the annual meeting was mailed or such public disclosure of the date of the annual meeting was made, whichever first occurs and (ii) in the case of a special meeting, not later than the tenth day following the day on which such notice of the date of the special meeting was mailed or such public disclosure of the date of the special meeting was made, whichever first occurs.

Forum Selection Clause

Our bylaws will provide that the Court of Chancery of the State of Delaware is the sole and exclusive forum for: (i) any derivative action or proceeding brought on behalf of us; (ii) any action asserting a claim of breach of a duty (including any fiduciary duty) owed by any of our current or former directors, officers, employees or agents to us or our stockholders; (iii) any action asserting a claim against us or any of our current or former directors, officers, stockholders, employees or agents arising out of or relating to any provision of the DGCL or our certificate of incorporation or our bylaws; or (iv) any action asserting a claim against us or any of our current or former directors, officers, stockholders, employees or agents governed by the internal affairs doctrine of the State of Delaware. Our

bylaws will also provide that the federal district courts of the United States of America will, to the fullest extent permitted by law, be the sole and exclusive forum for resolving any complaint asserting a cause of action arising under the Securities Act.

Moreover, Section 27 of the Exchange Act creates exclusive federal jurisdiction over all claims brought to enforce any duty or liability created by the Exchange Act or the rules and regulations thereunder and our bylaws will provide that the exclusive forum provision does not apply to suits brought to enforce any duty or liability created by the Exchange Act. Accordingly, actions by our stockholders to enforce any duty or liability created by the Exchange Act or the rules and regulations thereunder must be brought in federal court.

Our bylaws will also provide that any person or entity purchasing or otherwise acquiring any interest in shares of our common stock will be deemed to have notice of and to have consented to the foregoing provisions; provided, however, that stockholders will not be deemed to have waived our compliance with the federal securities laws and the rules and regulations thereunder. We recognize that the forum selection clause in our bylaws may impose additional litigation costs on stockholders in pursuing any such claims, particularly if the stockholders do not reside in or near the State of Delaware. Additionally, the forum selection clause in our bylaws may limit our stockholders' ability to bring a claim in a forum that they find favorable for disputes with us or our directors, officers, employees or agents, which may discourage such lawsuits against us and our directors, officers, employees and agents even though an action, if successful, might benefit our stockholders. The Court of Chancery of the State of Delaware may also reach different judgments or results than would other courts, including courts where a stockholder considering an action may be located or would otherwise choose to bring the action, and such judgments may be more or less favorable to us than our stockholders.

For more information on the risks associated with our choice of forum provision, see "Risk Factors — General Risks — Our bylaws will contain exclusive forum provisions for certain claims, which could limit our stockholders' ability to obtain a favorable judicial forum for disputes with us or our directors, officers or employees."

Limitations on Liability and Indemnification of Directors and Officers

Our certificate of incorporation and bylaws will provide that our directors will not be personally liable to us or our stockholders for monetary damages for breach of a fiduciary duty as a director, except to the extent such exemption is not permitted under the DGCL.

Our certificate of incorporation and bylaws will provide that we must indemnify our directors and officers to the fullest extent permitted by law. We are also expressly authorized to advance certain expenses (including attorneys' fees and disbursements and court costs) to our directors and officers and carry directors' and officers' insurance providing indemnification for our directors and officers for some liabilities. We believe that these indemnification provisions and insurance are useful to attract and retain qualified directors and officers.

We will enter into separate indemnification agreements with each of our directors and executive officers. Each indemnification agreement will provide, among other things, for indemnification to the fullest extent permitted by law and our certificate of incorporation and bylaws against (i) any and all expenses and liabilities, including judgments, fines, penalties and amounts paid in settlement of any claim with our approval and counsel fees and disbursements, (ii) any liability pursuant to a loan guarantee, or otherwise, for any of our indebtedness, and (iii) any liabilities incurred as a result of acting on our behalf (as a fiduciary or otherwise) in connection with an employee benefit plan. The indemnification agreements will provide for the advancement or payment of all expenses to the indemnitee and for reimbursement to us if it is found that such indemnitee is not entitled to such indemnification under applicable law and our certificate of incorporation and bylaws.

Corporate Opportunity

Under our certificate of incorporation to be in effect at the time of the distribution, to the extent permitted by law:

- the Fortress Parties and Ares and their affiliates (the "Ares Parties") have the right to, and have no duty to abstain from, exercising such right to, engage or invest in the same or similar business as us, do business with any of our clients, customers or vendors or employ or otherwise engage any of our officers, directors or employees;
- if the Fortress Parties or the Ares Parties, or any of each of their officers, directors or employees acquire knowledge of a potential transaction that could be a corporate opportunity, each has no duty to offer such corporate opportunity to us, our stockholders or affiliates;

- we have renounced any interest or expectancy in, or in being offered an opportunity to participate in, such corporate opportunities; and
- in the event that any of our directors and officers who is also a director, officer or employee of any of the Fortress Parties or the Ares Parties, acquire knowledge of a corporate opportunity or is offered a corporate opportunity, *provided* that this knowledge was not acquired solely in such person's capacity as our director or officer and such person acted in good faith, then such person is deemed to have fully satisfied such person's fiduciary duty and is not liable to us if any of the Fortress Parties or the Ares Parties pursues or acquires the corporate opportunity or if such person did not present the corporate opportunity to us.

Transfer Agent

The registrar and transfer agent for our common stock is AST.

Listing

We have applied to list our common stock on Nasdaq under the symbol "FIP."

DESCRIPTION OF INDEBTEDNESS

Series 2020 Bonds

On February 11, 2020, the Port of Beaumont Navigation District of Jefferson County, Texas (the "Port Issuer") issued Series 2020 Bonds in an aggregate principal amount of approximately $264.0 million. The Series 2020 Bonds are designated as $184.9 million of Series 2020A Dock and Wharf Facility Revenue Bonds (the "Tax Exempt Series 2020A Bonds"), and $79.1 million of Series 2020B Taxable Facility Revenue Bonds (the "Taxable Series 2020B Bonds and, together with the Tax Exempt Series 2020A Bonds, the "Series 2020 Bonds"). In connection therewith, Jefferson 2020 Bond Borrower LLC, a subsidiary of the Company after giving effect to the spin-off, and certain of its subsidiaries (the "Jefferson 2020 Parties") and the Port Issuer entered into certain contractual arrangements including an Indenture, Facilities Lease, Senior Loan Agreement, Collateral Agency, Intercreditor and Accounts Agreement, Security Agreement, Pledge Agreement and certain other financing documents (in each case, as amended and restated, as applicable), whereby the Port Issuer loaned the proceeds of the Series 2020 Bonds to the Jefferson 2020 Parties. These contractual arrangements that were entered into in connection with the offering of the Series 2020 Bonds provide that the Jefferson 2020 Parties bear the economic obligation to pay principal, interest and other amounts under the Series 2020 Bonds as and when due.

An aggregate principal amount of $53.5 million of the Tax Exempt Series 2020A Bonds mature on January 1, 2035 and bear interest at a fixed rate of 3.625%. An aggregate principal amount of $131.4 million of the Tax Exempt Series 2020A Bonds mature on January 1, 2050 and bear interest at a fixed rate of 4.00%. The Tax Exempt Series 2020A Bonds are subject to a mandatory sinking fund redemption prior to maturity, in part, at a redemption price equal to the principal amount redeemed, plus accrued and unpaid interest to, but not including, the redemption date, beginning on January 1, 2026. The Taxable Series 2020B Bonds will mature on January 1, 2025 and bear interest at a fixed rate of 6.00%.

The Jefferson 2020 Parties used a portion of the net proceeds from the Series 2020 Bonds to repay certain indebtedness and to pay for or reimburse the cost of development, construction and acquisition of certain facilities, to fund certain reserve and funded interest accounts related to the Series 2020 Bonds, and to pay for or reimburse certain costs of issuance of the Series 2020 Bonds.

The Jefferson 2020 Parties recognized a loss on extinguishment of debt of $4.7 million as a result of this transaction.

Series 2021 Bonds

On August 18, 2021, the Port Issuer issued Series 2021A bonds in an aggregate principal amount of $225.0 million (the "Series 2021A Bonds"). On August 18, 2021, the Port of Beaumont Industrial Development Authority (the "IDA Issuer") issued Taxable Series 2021B bonds in the aggregate principal amount of $200.0 million (the "Series 2021B Bonds, and together with the Series 2021A Bonds, the "Series 2021 Bonds"). In connection therewith, the Jefferson 2020 Parties, the Port Issuer and the IDA Issuer, as applicable, entered into certain contractual arrangements including an Indenture, a Supplemental Indenture, an amendment to Facilities Lease, an Amended and Restated Collateral Agency, Intercreditor and Accounts Agreement, Senior Loan Agreements, and certain other financing documents, whereby the Port Issuer loaned the proceeds of the Series 2021A Bonds and the IDA Issuer loaned the proceeds of the Series 2021B Bonds to the Jefferson 2020 Parties. These contractual arrangements that were entered into in connection with the offering of the Series 2021 Bonds provide that the Jefferson 2020 Parties bear the economic obligation to pay principal, interest and other amounts under the Series 2021 Bonds as and when due.

The Series 2021A Bonds consist of:

(i) $39.1 million aggregate principal amount of Serial Bonds maturing between January 1, 2026 and January 1, 2031, and bearing interest at specified fixed rates ranging from 1.875% to 2.625% per annum,

(ii) $38.2 million aggregate principal amount of Term Bonds maturing January 1, 2036, and bearing interest at a fixed rate of 2.750% per annum,

(iii) $44.9 million aggregate principal amount of Term Bonds maturing January 1, 2041, and bearing interest at a fixed rate of 2.875% per annum, and

(iv) $102.8 million aggregate principal amount of Term Bonds maturing January 1, 2050, and bearing interest at a fixed rate of 3.00% per annum.

The Series 2021B Bonds will mature on January 1, 2028, and bear interest at a fixed rate of 4.100% per annum.

The Jefferson 2020 Parties used a portion of the net proceeds from the Series 2021 Bonds to repay certain indebtedness, and intend to use a portion of the net proceeds to pay for or reimburse the cost of development, construction and acquisition of certain facilities, to fund certain reserve and funded interest accounts related to the Series 2021 Bonds, and to pay for or reimburse certain costs of issuance of the Series 2021 Bonds.

Repauno Revolving Credit Facility

On November 5, 2018, DRP, a subsidiary of the Company after giving effect to the spin-off, entered into a secured revolving credit facility (as amended prior to the date hereof, the "Repauno Revolver") with certain lenders. The Repauno Revolver provides for revolving loans in the aggregate principal amount of up to $25.0 million. The proceeds drawn on this facility will be used for working capital and general purposes. On November 5, 2021, the Repauno Revolver was amended and restated in its entirety to, among other things, extend the maturity date to November 5, 2024.

Borrowings outstanding under the Repauno Revolver bear interest at the Base Rate (determined in accordance with the Repauno Revolver) plus 2.750% per annum, or if DRP chooses to make Eurodollar Rate borrowings, at Adjusted LIBOR (determined in accordance with the Repauno Revolver) plus 3.750% per annum. DRP will also be required to pay a quarterly commitment fee at a rate per annum equal to 1.000% on the average daily unused portion of the Repauno Revolver, as well as customary letter of credit fees and agency fees.

The Repauno Revolver includes a financial covenant requiring the maintenance of (i) consolidated cash balance of at least $3.0 million at each quarter end date and (ii) consolidated tangible net worth of at least $180.0 million at each quarter end date in 2022, $190.0 million in 2023, and $200.0 million thereafter.

At March 31, 2022, there were $25.0 million of borrowings outstanding under the Repauno Revolver.

EB-5 Loan Agreements

On January 25, 2021, Jefferson 2020 Bond Borrower LLC (the "EB-5 Borrower"), entered into a secured loan agreement under the immigrant investor program (the "Program") administered by the U.S. Citizenship and Immigration Services ("USCIS") (the "2021 EB-5 Loan Agreement"). The proceeds advanced under this facility were used to pay for or reimburse the development, construction and acquisition of certain facilities for the transport, loading, unloading, and storage of petroleum products, including certain pipelines, storage tank and other related infrastructure enhancements at and adjacent to Jefferson Terminal at Port of Beaumont, Texas.

The maximum aggregate principal amount available under the 2021 EB-5 Loan Agreement is $61.2 million, of which $26.1 million is available under the first tranche and $35.1 million is available under the second tranche. The loans under the 2021 EB-5 Loan Agreement mature in five years from the funding of each individual tranche, with an option to extend the maturity for both tranches by two one-year periods. Borrowings outstanding under the 2021 EB-5 Loan Agreement bear interest at a rate of 5.75% per annum or, if the option to extend the maturity is exercised by the EB-5 Borrower, 6.25% per annum during such extended maturity period. FTAI Infrastructure is not a guarantor with respect to obligations under the 2021 EB-5 Loan Agreement.

The EB-5 Borrower will be obligated to repay the outstanding principal balance of the loans under the 2021 EB-5 Loan Agreement and all interest thereon to the extent permitted by certain other financing documents in the event that (i) USCIS issues a decision that the project is not eligible under the Program or (ii) legislative or regulatory changes occur to the Program which would be expected to result in the denial of certain applications or petitions. In addition, if one or more investors whose subscription funded the advances under the 2021 EB-5 Loan Agreement has its petition denied under the Program, then, subject to certain conditions, the EB-5 Borrower must repay an amount equal to $0.9 million for each such failed investor.

On March 11, 2022, the EB-5 Borrower entered into a secured revolving credit facility under the Program (the "2022 EB-5 Loan Agreement" and, together with the 2021 EB-5 Loan Agreement, the "EB-5 Loan Agreements"). The proceeds drawn on this facility will be used to pay for or reimburse the development, construction and acquisition of certain facilities for the transport, loading, unloading, and storage of petroleum products, including certain pipelines, storage tank and other related infrastructure enhancements at and adjacent to Jefferson Terminal at Port of Beaumont, Texas.

The 2022 EB-5 Loan Agreement provides for revolving loans in the aggregate principal amount of up to $9.7 million. The 2022 EB-5 Loan Agreement will mature, and commitments in respect to the 2022 EB-5 Loan

Agreement will terminate, on March 11, 2026. Borrowings outstanding under the 2022 EB-5 Loan Agreement bear interest at a rate of 5.75% per annum or, if the option to extend the maturity is exercised by the EB-5 Borrower, 6.25% per annum during such extended maturity period. FTAI Infrastructure is not a guarantor with respect to obligations under the 2022 EB-5 Loan Agreement.

If one or more investors whose subscription funded the advances under the 2022 EB-5 Loan Agreement has its petition denied under the Program, then, subject to certain conditions, the EB-5 Borrower must repay an amount equal to $0.9 million or $0.5 million, as applicable, for each such failed investor.

At March 31, 2022, there were $35.5 million of borrowings outstanding under the EB-5 Loan Agreements.

For additional information regarding our outstanding indebtedness, and for information regarding the indebtedness of our unconsolidated entities, please see our registration statement on Form 10, filed with the SEC on April 29, 2022, and our annual, quarterly and other reports we file with the SEC that are incorporated by reference in this offering memorandum. See "Where You Can Find More Information."

The Company and its subsidiaries, as applicable, were in compliance with all debt covenants as of March 31, 2022.

2027 Notes

On June 29, 2022, FTAI Infrastructure priced the offering of $450.0 million aggregate principal amount of its 10.5% senior secured notes due 2027 (the "2027 Notes"). The 2027 Notes will initially be issued through our subsidiary, FTAI Infra Escrow Holdings, LLC (the "Escrow Issuer"). Upon consummation of the spin-off, the Escrow Issuer will be merged with and into FTAI Infrastructure, and FTAI Infrastructure will become the issuer of the 2027 Notes. The 2027 Notes will be issued on July 7, 2022 pursuant to an indenture between the Escrow Issuer and U.S. Bank Trust Company, National Association, as trustee and collateral agent.

The 2027 Notes will bear interest at a rate of 10.5% per annum, payable semi-annually in arrears on June 1 and December 1 of each year, commencing on December 1, 2022, to persons who are registered holders of the 2027 Notes on the immediately preceding May 15 and November 15, respectively.

The 2027 Notes will mature on June 1, 2027. Prior to June 1, 2025, FTAI Infrastructure may redeem some or all of the 2027 Notes at a redemption price equal to 100.00% of the principal amount of the 2027 Notes redeemed, plus accrued and unpaid interest, if any, to, but not including, the applicable redemption date, plus a "make-whole" premium. On or after June 1, 2025, FTAI Infrastructure may redeem some or all of the 2027 Notes at any time at declining redemption prices equal to (i) 105.250% beginning on June 1, 2025 and (ii) 100.000% beginning on June 1, 2026 and thereafter, plus, in each case, accrued and unpaid interest, if any, to, but not including, the applicable redemption date. In addition, at any time on or prior to June 1, 2025, FTAI Infrastructure may at any time redeem up to 40% of the aggregate principal amount of the 2027 Notes using net proceeds from certain equity offerings at a redemption price equal to 110.500% of the principal amount of the 2027 Notes redeemed, plus accrued and unpaid interest, if any, to, but not including, the applicable redemption date.

Following the completion of the spin-off, the 2027 Notes (i) will be fully and unconditionally guaranteed on a joint and several basis by certain of FTAI Infrastructure's subsidiaries, which will initially be Transtar and its subsidiaries, and (ii) will be secured by a first-priority security interest in substantially all assets of FTAI Infrastructure and the subsidiaries of FTAI Infrastructure guaranteeing the 2027 Notes, subject to permitted liens and certain exceptions. The collateral securing the 2027 Notes will consist primarily of the assets held by Transtar and the stock of the direct subsidiaries of FTAI Infrastructure.

FTAI Infrastructure intends to distribute the net proceeds from the issuance of the 2027 Notes to FTAI in connection with the spin-off.

U.S. FEDERAL INCOME TAX CONSIDERATIONS

The following discussion is a summary of the U.S. federal income tax considerations generally applicable to an investment in FTAI Infrastructure common stock following the spin-off. This summary is based upon the Code, Treasury Regulations, rulings, and other administrative pronouncements issued by the IRS, and judicial decisions, all as currently in effect, and all of which are subject to differing interpretations or to change, possibly with retroactive effect.

This summary is for general information only and does not purport to discuss all aspects of U.S. federal income taxation that may be important to a particular investor, or to certain types of investors subject to special tax rules (including financial institutions; insurance companies; broker-dealers; regulated investment companies; partnerships and trusts; persons who hold FTAI Infrastructure common stock on behalf of other persons as nominees; holders that receive FTAI Infrastructure common stock through the exercise of stock options or otherwise as compensation; persons holding FTAI Infrastructure common stock as part of a "straddle," "hedge," "conversion transaction," "synthetic security," or other integrated investment; tax-exempt organizations; U.S. individuals, estates, or trusts whose income exceeds certain thresholds; persons that own (actually or constructively) more than 5% of our common shares; and, except to the extent discussed below, foreign investors (as determined for U.S. federal income tax purposes)). If a partnership, including for this purpose any entity or arrangement that is treated as a partnership for U.S. federal income tax purposes, holds FTAI Infrastructure common stock, the tax treatment of a partner in the partnership will generally depend upon the status of the partner and the activities of the partnership. An investor that is a partnership and the partners in such partnership should consult their tax advisors about the U.S. federal income tax consequences of the acquisition, ownership, or disposition of FTAI Infrastructure common stock.

This summary assumes that investors will hold FTAI Infrastructure common stock as a capital asset (generally, property held for investment). No advance ruling from the IRS has been or will be sought regarding any matter discussed in this information statement. No assurance can be given that the IRS would not assert, or that a court would not sustain, a position contrary to any of the tax aspects set forth below. For purposes of this discussion under this heading "U.S. Federal Income Tax Considerations," a U.S. Holder is a holder of FTAI Infrastructure common stock that is for U.S. federal income tax purposes:

- a citizen or resident of the United States;
- a corporation created or organized in the United States or under the laws of the United States, or of any state thereof, or the District of Columbia;
- an estate, the income of which is includable in gross income for U.S. federal income tax purposes regardless of its source; or
- a trust if (i) a U.S. court is able to exercise primary supervision over the administration of such trust and one or more U.S. fiduciaries have the authority to control all substantial decisions of the trust or (ii) the trust has a valid election in effect to be treated as a U.S. person.

A "Non-U.S. Holder" is a holder of FTAI Infrastructure common stock that is neither a U.S. Holder nor a partnership (or other entity or arrangement treated as a partnership) for U.S. federal income tax purposes. If a partnership, including for this purpose any entity or arrangement that is treated as a partnership for U.S. federal income tax purposes, holds FTAI shares the tax treatment of a partner in the partnership will generally depend upon the status of the partner and the activities of the partnership. An investor that is a partnership and the partners in such partnership should consult their tax advisors about the U.S. federal income tax consequences of the spin-off.

The U.S. federal income tax treatment of a particular holder depends upon determinations of fact and interpretations of complex provisions of U.S. federal income tax law for which no clear precedent or authority may be available. In addition, the tax consequences to any holder of FTAI Infrastructure common stock will depend on the holder's particular tax circumstances. Accordingly, each holder is urged to consult its tax advisor regarding the federal, state, local, and foreign tax consequences of acquiring, holding, exchanging, or otherwise disposing of FTAI Infrastructure common stock.

Taxation of FTAI Infrastructure

FTAI Infrastructure will be taxed as a corporation for U.S. federal income tax purposes. Accordingly, unlike FTAI, FTAI Infrastructure will be subject to U.S. federal income tax on its taxable income at regular corporate rates.

U.S. Holders

Distributions

Distributions of cash or property in respect of FTAI Infrastructure common stock will constitute dividends for U.S. federal income tax purposes to the extent paid out of FTAI Infrastructure's current or accumulated earnings and profits (as determined for U.S. federal income tax purposes) and will be includible in your gross income upon receipt. Distributions to holders in excess of FTAI Infrastructure's earnings and profits will be treated first as a return of capital (with a corresponding reduction in each holder's tax basis in the common shares) to the extent of such holder's tax basis in the common shares on which the distribution was made, and then as capital gain from the sale or exchange of such common shares. Distributions should be eligible for the dividends-received deduction for corporate U.S. Holders and should be treated as "qualified dividend income" (which is taxable at the rates generally applicable to long-term capital gains) for U.S. Holders taxed as individuals, provided that certain holding period and other requirements are satisfied.

Sale, Exchange or Other Taxable Disposition of Common Shares

Upon the sale, exchange or other taxable disposition of common shares, U.S. Holders will recognize capital gain or loss equal to the difference between the amount realized on such sale, exchange or taxable disposition and each such holder's tax basis in the common shares sold. Such gain or loss generally will be long-term capital gain or loss if the applicable holding period with respect to such common shares is more than one year at the time of its disposition. The deductibility of capital losses is subject to limitations.

Non-U.S. Holders

Distributions

Distributions with respect to FTAI Infrastructure common stock will be treated as dividends to the extent paid from FTAI Infrastructure's current or accumulated earnings and profits as determined for U.S. federal income tax purposes. If a distribution exceeds FTAI Infrastructure's current and accumulated earnings and profits, then subject to the next sentence, the excess will be treated first as a return of capital to the extent of a holder's adjusted tax basis in FTAI Infrastructure common stock (reducing that basis accordingly) and thereafter as capital gain from the sale or exchange of such common stock, which would be subject to the tax treatment described below in "—Dispositions." Because FTAI Infrastructure is expected to be a U.S. real property holding corporation (as described below), withholding may be required equal to 15% of any distribution to a Non-U.S. Holder that exceeds FTAI Infrastructure's current and accumulated earnings and profits if FTAI Infrastructure common stock is not then treated as regularly traded on an established securities market.

Generally, distributions treated as dividends paid to a Non-U.S. Holder with respect to FTAI Infrastructure common stock will be subject to a 30% U.S. withholding tax, or such lower rate as may be specified by an applicable income tax treaty. Distributions treated as dividends that are effectively connected with such Non-U.S. Holder's conduct of a trade or business within the United States (and, if required by an applicable tax treaty, are attributable to a U.S. permanent establishment of such Non-U.S. Holder) are, however, generally subject to U.S. federal income tax on a net income basis in the same manner as if the Non-U.S. Holder were a U.S. person and (assuming compliance with certain certification requirements) are exempt from the 30% withholding tax. Any such effectively connected distributions received by a Non-U.S. Holder that is a corporation may also, under certain circumstances, be subject to an additional "branch profits tax" at a rate of 30% (or lower applicable treaty rate).

To claim the benefit of an applicable tax treaty or an exemption from withholding because the income is effectively connected with the Non-U.S. Holder's conduct of a trade or business in the United States, a Non-U.S. Holder will generally be required to provide a properly executed Internal Revenue Service Form W-8BEN or W-8BEN-E (if the holder is claiming the benefits of an income tax treaty) or Form W-8ECI (for income effectively connected with a trade or business in the United States) or other suitable form. Non-U.S. holders should consult their tax advisors regarding their entitlement to benefits under a relevant tax treaty.

Dispositions of Common Shares

A Non-U.S. Holder generally will not be subject to U.S. federal income or withholding tax with respect to gain realized on the sale, exchange or other disposition of FTAI Infrastructure common stock unless:

- the gain is effectively connected with such Non-U.S. Holder's conduct of a trade or business within the United States (and, if required by an applicable tax treaty, is attributable to a U.S. permanent establishment of such Non-U.S. Holder);
- in the case of a Non-U.S. Holder that is a non-resident alien individual, such Non-U.S. Holder is present in the United States for 183 or more days in the taxable year of disposition and certain other requirements are met; or
- FTAI Infrastructure is or has been a "United States real property holding corporation" ("USRPHC") at any time within the shorter of the five-year period ending on the date of such sale, exchange, or other taxable disposition or the period that such Non-U.S. Holder held FTAI Infrastructure common stock and either (a) FTAI Infrastructure common stock is not treated as regularly traded on an established securities market at the time of the sale, or (b) such Non-U.S. Holder owns or owned (actually or constructively) more than 5% of FTAI Infrastructure common stock at any time during the shorter of the two periods mentioned above.

If gain or loss on the disposition of FTAI Infrastructure common stock is effectively connected with a Non-U.S. Holder's conduct of a trade or business within the United States (and, if required by an applicable tax treaty, is attributable to a U.S. permanent establishment of such non-U.S. Holder), such gain or loss will be subject to U.S. federal income tax on a net income basis in the same manner as if the Non-U.S. Holder were a U.S. person, and in the case of a Non-U.S. Holder that is a foreign corporation, such gain may also be subject to an additional branch profits tax at a rate of 30% (or a lower applicable treaty rate). If a Non-U.S. Holder is an individual that is present in the United States for 183 or more days in the taxable year of disposition and certain other requirements are met, the Non-U.S. Holder generally will be subject to a flat income tax at a rate of 30% (or lower applicable treaty rate) on any capital gain recognized on the disposition of FTAI Infrastructure common stock, which may be offset by certain U.S. source capital losses.

With respect to the third bullet above, a corporation generally is a USRPHC if the fair market value of its U.S. real property interests, as defined in the Code and applicable Treasury regulations, equals or exceeds 50% of the aggregate fair market value of its worldwide real property interests and its other assets used or held for use in a trade or business. We believe that FTAI Infrastructure is likely to be a USRPHC. In addition, although we anticipate that FTAI Infrastructure common stock will be treated as "regularly traded on an established securities market," no assurance can be given that FTAI Infrastructure common stock will continue to be so treated in the future. If the third bullet above applies to a Non-U.S. Holder, gain recognized on the disposition of FTAI Infrastructure common stock generally will be subject to U.S. federal income tax under FIRPTA on a net income basis in the same manner as if the Non-U.S. Holder were a U.S. person. In addition, if FTAI Infrastructure's stock ceased to be "regularly traded," the transferee in any disposition would generally be required to withhold 15% of the amount realized on the disposition under FIRPTA. Non-U.S. holders should consult their tax advisors regarding the foregoing rules.

Foreign Account Tax Compliance Act

Legislation enacted in 2010 and existing guidance issued thereunder require withholding at a rate of 30% on dividends in respect of FTAI Infrastructure common stock held by or through certain foreign financial institutions (including investment funds), unless such institution enters into an agreement with the United States Department of the Treasury to report, on an annual basis, information with respect to interests in, and accounts maintained by, the institution to the extent such interests or accounts are held by certain U.S. persons and by certain non-U.S. entities that are wholly or partially owned by U.S. persons and to withhold on certain payments. Accordingly, the entity through which FTAI Infrastructure common stock is held will affect the determination of whether such withholding is required. Similarly, dividends in respect of FTAI Infrastructure common stock held by an investor that is a non-financial non-U.S. entity that does not qualify under certain exemptions will be subject to withholding at a rate of 30%, unless such entity either (i) certifies that such entity does not have any "substantial United States owners" or (ii) provides certain information regarding the entity's "substantial United States owners," which we or the applicable withholding agent will in turn provide to the Internal Revenue Service. An intergovernmental agreement between the United States and an applicable foreign country, or future Treasury regulations or other guidance, may modify the foregoing requirements. We will not pay any additional amounts to stockholders in respect of any amounts withheld. Stockholders are encouraged to consult their tax advisors regarding the possible implications of the legislation on their investment in FTAI Infrastructure common stock.

WHERE YOU CAN FIND MORE INFORMATION

We have filed a registration statement on Form 10 with the SEC with respect to the shares of our common stock being distributed in the distribution as contemplated by this Information Statement. This Information Statement is a part of, and does not contain all of the information set forth in, the registration statement and the exhibits to the registration statement. For further information with respect to our company and our common stock, please refer to the registration statement, including its exhibits. Statements made in this Information Statement relating to any contract or other document are not necessarily complete, and you should refer to the exhibits attached to the registration statement for the full text of the actual contract or document. You may review a copy of the registration statement, including its exhibits, at the Internet website maintained by the SEC at *www.sec.gov.* Information contained on any website referenced in this Information Statement is not incorporated by reference into this Information Statement or the registration statement of which this Information Statement forms a part.

As a result of the distribution, we will become subject to the information and reporting requirements of the Exchange Act, and, in accordance with the Exchange Act, we will file periodic reports, proxy statements and other information with the SEC. Our future filings will be available from the SEC as described above.

You should rely only on the information contained in this Information Statement or to which we have referred you. We have not authorized any person to provide you with different information or to make any representation not contained in this Information Statement.

INDEX TO COMBINED CONSOLIDATED FINANCIAL STATEMENTS

REPORT OF INDEPENDENT REGISTERED PUBLIC ACCOUNTING FIRM

To the Shareholders and the Board of Directors of Fortress Transportation and Infrastructure Investors LLC

Opinion on the Financial Statement

We have audited the accompanying balance sheet of FTAI Infrastructure LLC (the Company) as of December 31, 2021 and the related notes (collectively referred to as the "financial statement"). In our opinion, the financial statement presents fairly, in all material respects, the financial position of the Company at December 31, 2021 in conformity with U.S. generally accepted accounting principles.

Basis for Opinion

This financial statement is the responsibility of the Company's management. Our responsibility is to express an opinion on the Company's financial statement based on our audit. We are a public accounting firm registered with the Public Company Accounting Oversight Board (United States) (PCAOB) and are required to be independent with respect to the Company in accordance with the U.S. federal securities laws and the applicable rules and regulations of the Securities and Exchange Commission and the PCAOB.

We conducted our audit in accordance with the standards of the PCAOB and in accordance with auditing standards generally accepted in the United States of America. Those standards require that we plan and perform the audit to obtain reasonable assurance about whether the financial statement is free of material misstatement, whether due to error or fraud. The Company is not required to have, nor were we engaged to perform, an audit of its internal control over financial reporting. As part of our audit, we are required to obtain an understanding of internal control over financial reporting but not for the purpose of expressing an opinion on the effectiveness of the Company's internal control over financial reporting. Accordingly, we express no such opinion.

Our audit included performing procedures to assess the risks of material misstatement of the financial statement, whether due to error or fraud, and performing procedures that respond to those risks. Such procedures included examining, on a test basis, evidence regarding the amounts and disclosures in the financial statement. Our audit also included evaluating the accounting principles used and significant estimates made by management, as well as evaluating the overall presentation of the financial statement. We believe that our audit provides a reasonable basis for our opinion.

/s/ Ernst & Young LLP

We have served as the Company's auditor since 2021.

New York, New York
March 22, 2022

FTAI INFRASTRUCTURE LLC

BALANCE SHEET

	As of March 31, 2022 (Unaudited)	As of December 31, 2021
Assets		
Cash	$1,000	$—
Total assets:	1,000	—
Liabilities and Member's Equity		
Liabilities	—	—
Total liabilities	—	—
Commitments and contingencies	—	—
Member's equity:		
Membership interest	1,000	—
Total Member's equity	1,000	—
Total liabilities and Member's equity:	$1,000	$—

See accompanying notes to the balance sheet

FTAI INFRASTRUCTURE LLC

NOTES TO THE BALANCE SHEET

Note 1. Business

FTAI Infrastructure LLC (the "Company") was incorporated in Delaware as limited liability company on December 13, 2021. The Company was formed in connection with the separation of the infrastructure business from Fortress Transportation & Infrastructure Investors LLC ("FTAI"). The Company will hold all of the material assets, liabilities and investments that comprise FTAI's infrastructure business, and will convert to FTAI Infrastructure Inc., a Delaware corporation, in connection with the spin-off.

Note 2. Summary of Significant Accounting Policies

Basis of Presentation

The accompanying balance sheet is presented on the accrual basis of accounting and in conformity with accounting principles generally accepted in the United States of America ("U.S. GAAP"). Separate statements of income, changes in equity, and cash flows have not been included with the balance sheet because the Company had not begun its principal operations and had no revenue, expenses, changes in equity, or changes in cash flows to report.

Cash

The Company maintains its cash with high-credit quality financial institutions, which are insured by the U.S. Federal Deposit Insurance Corporation.

Use of Estimates

The preparation of the balance sheet in conformity with U.S. GAAP requires management to make estimates and assumptions that affect the reported amounts of assets and liabilities and disclosures of contingent assets and liabilities as of the date of the balance sheet. Actual results could differ from those estimates.

Note 3. Commitments and Contingencies

From time to time, the Company may be subject to various legal proceedings and claims that arise in the ordinary course of business. As of March 31, 2022 the Company is not subject to any material litigation nor is the Company aware of any material litigation threatened against it.

Note 4. Subsequent Events

Management has evaluated subsequent events through April 29, 2022, the date the accompanying balance sheet was available to be issued, and has determined that there that there were no events that required recognition or disclosure in FTAI Infrastructure LLC's balance sheet.

Report of Independent Registered Public Accounting Firm

To the Shareholders and the Board of Directors of Fortress Transportation and Infrastructure Investors LLC

Opinion on the Financial Statements

We have audited the accompanying combined consolidated balance sheets of the Infrastructure business of Fortress Transportation and Infrastructure Investors LLC (the Company) as of December 31, 2021 and 2020, the related combined consolidated statements of operations, comprehensive (loss) income, changes in equity and cash flows for each of the three years in the period ended December 31, 2021, and the related notes (collectively referred to as the "combined consolidated financial statements"). In our opinion, the combined consolidated financial statements present fairly, in all material respects, the financial position of the Company at December 31, 2021 and 2020, and the results of its operations and its cash flows for the years then ended in conformity with U.S. generally accepted accounting principles.

Basis for Opinion

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

We conducted our audits in accordance with the standards of the PCAOB and in accordance with auditing standards generally accepted in the United States of America. Those standards require that we plan and perform the audit to obtain reasonable assurance about whether the financial statements are free of material misstatement, whether due to error or fraud. The Company is not required to have, nor were we engaged to perform, an audit of its internal control over financial reporting. As part of our audits, we are required to obtain an understanding of internal control over financial reporting but not for the purpose of expressing an opinion on the effectiveness of the Company's internal control over financial reporting. Accordingly, we express no such opinion.

Our audits included performing procedures to assess the risks of material misstatement of the financial statements, whether due to error or fraud, and performing procedures that respond to those risks. Such procedures included examining, on a test basis, evidence regarding the amounts and disclosures in the financial statements. Our audits also included evaluating the accounting principles used and significant estimates made by management, as well as evaluating the overall presentation of the financial statements. We believe that our audits provide a reasonable basis for our opinion.

/s/ Ernst & Young LLP

We have served as the Company's auditor since 2021.

New York, New York
March 22, 2022

FTAI INFRASTRUCTURE
COMBINED CONSOLIDATED BALANCE SHEETS
(Dollars in thousands)

	Notes	March 31, 2022 (Unaudited)	December 31, 2021	December 31, 2020
Assets				
Current assets:				
Cash and cash equivalents	2	$ 65,475	$ 49,872	$ 15,706
Restricted cash	2	214,401	251,983	39,715
Accounts receivable, net	2	36,532	50,301	4,952
Other current assets	2	61,583	60,828	24,142
Total current assets		377,991	412,984	84,515
Leasing equipment, net	4	35,736	36,012	37,116
Operating lease right-of-use assets, net	12	70,913	71,547	60,561
Property, plant, and equipment, net	5	1,547,374	1,517,594	940,258
Investments	6	55,383	54,408	123,794
Intangible assets, net	7	65,863	67,737	13,028
Goodwill	2	257,968	257,137	122,735
Other assets	2	26,468	24,882	17,003
Total assets		$2,437,696	$2,442,301	$1,399,010
Liabilities				
Current liabilities:				
Accounts payable and accrued liabilities		$ 91,967	$ 115,634	$ 52,276
Debt, net	8	—	—	25,000
Operating lease liabilities	12	2,921	2,899	892
Other current liabilities		8,340	10,934	4,189
Total current liabilities		103,228	129,467	82,357
Debt, net	8	728,601	718,624	253,473
Operating lease liabilities	12	66,912	67,505	60,011
Other liabilities		189,166	64,659	7,772
Total liabilities		$1,087,907	$ 980,255	$ 403,613
Commitments and contingencies	18			
Equity				
Net Parent investment		$1,609,049	$1,617,601	$ 999,291
Accumulated other comprehensive loss		(252,412)	(155,464)	(26,237)
Parent company equity		1,356,637	1,462,137	973,054
Non-controlling interests in equity of consolidated subsidiaries		(6,848)	(91)	22,343
Total equity		$1,349,789	$1,462,046	$ 995,397
Total liabilities and equity		$2,437,696	$2,442,301	$1,399,010

See accompanying notes to combined consolidated financial statements.

FTAI INFRASTRUCTURE
COMBINED CONSOLIDATED STATEMENTS OF OPERATIONS
(Dollars in thousands)

	Notes	Three Months Ended March 31, (Unaudited)		Year Ended December 31,		
		2022	2021	2021	2020	2019
Revenues						
Total revenues	11	$ 46,148	$ 20,542	$ 120,219	$ 68,562	$229,452
Expenses						
Operating expenses		38,068	16,809	98,541	69,391	260,909
General and administrative		2,430	2,034	8,737	8,522	7,469
Acquisition and transaction expenses		4,236	958	14,826	1,658	9,134
Management fees and incentive allocation to affiliate	16	4,161	3,598	15,638	13,073	16,541
Depreciation and amortization	4, 5, 7	16,996	10,083	54,016	31,114	33,128
Asset impairment		—	—	—	—	4,726
Total expenses		65,891	33,482	191,758	123,758	331,907
Other (expense) income						
Equity in losses of unconsolidated entities	6	(22,043)	(454)	(13,499)	(3,107)	(546)
Gain (loss) on sale of assets, net	6	—	—	16	(8)	121,296
Loss on extinguishment of debt		—	—	—	(4,724)	—
Interest expense		(6,459)	(1,483)	(16,019)	(10,764)	(17,907)
Other (expense) income		(459)	181	(8,930)	92	2,857
Total other (expense) income		(28,961)	(1,756)	(38,432)	(18,511)	105,700
(Loss) income before income taxes		(48,704)	(14,696)	(109,971)	(73,707)	3,245
Provision for (benefit from) income taxes	15	1,584	(406)	(3,630)	(1,984)	14,384
Net loss		(50,288)	(14,290)	(106,341)	(71,723)	(11,139)
Less: Net loss attributable to non-controlling interests in consolidated subsidiaries		(7,466)	(4,961)	(26,472)	(16,522)	(17,571)
Net (loss) income attributable to Parent		$(42,822)	$ (9,329)	$ (79,869)	$ (55,201)	$ 6,432

See accompanying notes to combined consolidated financial statements.

FTAI INFRASTRUCTURE
COMBINED CONSOLIDATED STATEMENTS OF COMPREHENSIVE (LOSS) INCOME
(Dollars in thousands)

	Three Months Ended March 31, (Unaudited)		Year Ended December 31,		
	2022	2021	2021	2020	2019
Net loss	$ (50,288)	$(14,290)	$(106,341)	$(71,723)	$(11,139)
Other comprehensive (loss) income:					
Other comprehensive (loss) income related to equity method investees, net[1]	(96,948)	11,667	(128,990)	(26,609)	372
Changes in pension and other employee benefit accounts	—	—	(237)	—	—
Total other comprehensive (loss) income	(96,948)	11,667	(129,227)	(26,609)	372
Comprehensive loss	(147,236)	(2,623)	(235,568)	(98,332)	(10,767)
Comprehensive loss attributable to non-controlling interests	(7,466)	(4,961)	(26,472)	(16,522)	(17,571)
Comprehensive (loss) income attributable to Parent	$(139,770)	$ 2,338	$(209,096)	$(81,810)	$ 6,804

(1) Net of deferred tax expense of $— and $3,101 for the three months ended March 31, 2022 and 2021 (unaudited), respectively. Net of deferred tax (benefit) expense of $(936), $(7,075) and $99 for the years ended December 31, 2021, 2020 and 2019, respectively.

See accompanying notes to combined consolidated financial statements.

FTAI INFRASTRUCTURE
COMBINED CONSOLIDATED STATEMENTS OF CHANGES IN EQUITY
(Dollars in thousands)

	Net Parent Investment	Accumulated Other Comprehensive Income (Loss)	Non-Controlling Interests in Equity of Consolidated Subsidiaries	Total Equity
Equity - December 31, 2018	**$ 600,455**	**$ —**	**$ 52,602**	**$ 653,057**
Net income (loss)	6,432	—	(17,571)	(11,139)
Other comprehensive income	—	372	—	372
Net transfers from Parent	122,170	—	—	122,170
Equity-based compensation	—	—	1,509	1,509
Equity - December 31, 2019	$ 729,057	$ 372	$ 36,540	$ 765,969
Net loss	(55,201)	—	(16,522)	(71,723)
Other comprehensive loss	—	(26,609)	—	(26,609)
Net transfers from Parent	325,435	—	—	325,435
Equity-based compensation	—	—	2,325	2,325
Equity - December 31, 2020	$ 999,291	$ (26,237)	$ 22,343	$ 995,397
Net loss	(79,869)	—	(26,472)	(106,341)
Other comprehensive loss	—	(129,227)	—	(129,227)
Net transfers from Parent	698,179	—	—	698,179
Equity-based compensation	—	—	4,038	4,038
Equity - December 31, 2021	$1,617,601	$(155,464)	$ (91)	$1,462,046
Net loss	(42,822)	—	(7,466)	(50,288)
Other comprehensive loss	—	(96,948)	—	(96,948)
Net transfers from Parent	34,270	—	—	34,270
Equity-based compensation	—	—	709	709
Equity - March 31, 2022 (unaudited)	**$1,609,049**	**$(252,412)**	**$ (6,848)**	**$1,349,789**

	Net Parent Investment	Accumulated Other Comprehensive Income (Loss)	Non-Controlling Interests in Equity of Consolidated Subsidiaries	Total Equity
Equity - December 31, 2020	**$ 999,291**	**$ (26,237)**	**$ 22,343**	**$ 995,397**
Net loss	(9,329)	—	(4,961)	(14,290)
Other comprehensive income	—	11,667	—	11,667
Net transfers from Parent	30,997	—	—	30,997
Equity-based compensation	—	—	1,114	1,114
Equity - March 31, 2021 (unaudited)	**$1,020,959**	**$ (14,570)**	**$ 18,496**	**$1,024,885**

See accompanying notes to combined consolidated financial statements.

FTAI INFRASTRUCTURE
COMBINED CONSOLIDATED STATEMENTS OF CASH FLOWS
(Dollars in thousands)

	Three Months Ended March 31, (Unaudited)		Year Ended December 31,		
	2022	2021	2021	2020	2019
Cash flows from operating activities:					
Net loss	$(50,288)	$(14,290)	$(106,341)	$ (71,723)	$ (11,139)
Adjustments to reconcile net loss to cash used in operating activities:					
Equity in losses of unconsolidated entities	22,043	454	13,499	3,107	546
(Gain) loss on sale of assets	—	—	(16)	8	(121,296)
Loss on extinguishment of debt	—	—	—	4,724	—
Equity-based compensation	709	1,114	4,038	2,325	1,509
Depreciation and amortization	16,996	10,083	54,016	31,114	33,128
Asset impairment	—	—	—	—	4,726
Change in deferred income taxes	1,512	(466)	(3,867)	(2,276)	14,096
Change in fair value of non-hedge derivatives	766	(7,964)	(2,220)	181	4,555
Amortization of deferred financing costs	841	522	2,599	1,542	3,690
Bad debt expense (recoveries)	25	8	74	(1)	440
Change in:					
Accounts receivable	13,744	(855)	(26,798)	9,998	4,123
Other assets	(2,315)	(12,019)	(18,414)	(12,670)	133
Accounts payable and accrued liabilities	(19,488)	(13,005)	15,494	(14,225)	21,339
Management fees payable to affiliate	—	(19)	(19)	—	—
Other liabilities	1,306	2,809	6,239	1,036	(8,522)
Net cash used in operating activities	(14,149)	(33,628)	(61,716)	(46,860)	(52,672)
Cash flows from investing activities:					
Investment in unconsolidated entities	(1,637)	(1,996)	(55,223)	(4,692)	—
Acquisition of business, net of cash acquired	—	—	(627,090)	—	—
Acquisition of property, plant and equipment	(51,728)	(31,773)	(140,897)	(247,524)	(323,037)
Investment in convertible promissory notes	—	(650)	(10,000)	—	—
Acquisition of remaining interest in JV investment	—	—	—	—	(28,828)
Proceeds from sale of subsidiary, net of cash transferred	—	—	—	—	91,732
Proceeds from sale of property, plant and equipment	2,092	—	4,494	—	—
Return of capital distributions from unconsolidated entities	—	—	—	—	1,555
Net cash used in investing activities	$(51,273)	$(34,419)	$(828,716)	$(252,216)	$(258,578)

See accompanying notes to combined consolidated financial statements.

FTAI INFRASTRUCTURE
COMBINED CONSOLIDATED STATEMENTS OF CASH FLOWS
(Dollars in thousands)

	Three Months Ended March 31, (Unaudited)		Year Ended December 31,		
	2022	2021	2021	2020	2019
Cash flows from financing activities:					
Proceeds from debt	$ 9,450	$ 21,600	$ 451,100	$ 263,980	$221,835
Repayment of debt	—	—	—	(239,983)	(24,878)
Payment of deferred financing costs	(277)	(559)	(12,413)	(11,804)	(25,480)
Net transfers from Parent	34,270	30,997	698,179	325,435	122,170
Net cash provided by financing activities	43,443	52,038	1,136,866	337,628	293,647
Net increase (decrease) in cash and cash equivalents and restricted cash	(21,979)	(16,009)	246,434	38,552	(17,603)
Cash and cash equivalents and restricted cash, beginning of period	301,855	55,421	55,421	16,869	34,472
Cash and cash equivalents and restricted cash, end of period	$279,876	$ 39,412	$ 301,855	$ 55,421	$ 16,869
Supplemental disclosure of cash flow information:					
Cash paid for interest, net of capitalized interest	$ 9,684	$ 3,613	$ 7,302	$ 8,586	$ 13,112
Cash paid for taxes	1	6	334	329	162
Supplemental disclosure of non-cash investing and financing activities:					
Acquisition of property, plant and equipment	—	(8,490)	(581)	(10,817)	(47,078)
Investment in Long Ridge JV	—	—	—	—	155,589
Change in fair value of pension/OPEB liabilities	—	—	(237)	—	—
Non-cash change in equity method investment	(96,948)	11,667	(128,990)	(26,609)	372

See accompanying notes to combined consolidated financial statements.

FTAI INFRASTRUCTURE
NOTES TO COMBINED CONSOLIDATED FINANCIAL STATEMENTS
(Dollars in tables in thousands, unless otherwise noted)

1. BACKGROUND AND BASIS OF PRESENTATION

Background

Fortress Transportation and Infrastructure Investors LLC (the "Parent") consists of an equipment leasing business that owns and leases aviation and offshore equipment and an infrastructure business that owns and operates multiple infrastructure assets further described below. During the third quarter of 2021, the Parent announced that it was proceeding with a plan to spin off its infrastructure business and separate into two distinct, publicly traded companies (the "Separation") comprising the infrastructure business ("we", "us", "our" or "FTAI Infrastructure") and the aviation business. As part of the spin off, the Parent has established a new holding company, and the infrastructure business will be contributed to or merged into the new holding company, which will result in the infrastructure business being considered the predecessor of the newly formed FTAI Infrastructure Inc. Under the plan, the Parent will execute a spin-off, of its infrastructure business by way of a pro-rata distribution of common stock of our company to Parent common shareholders of record as of the close of business on the spin-off transaction Record Date. In connection with the spin-off transaction, the Parent is being treated as the accounting spinnor, consistent with the legal form of the transaction. The Separation will be subject to, among other things, the effectiveness of a registration statement on Form 10 filed with the Securities and Exchange Commission ("SEC") and final approval from Parent's Board of Directors. Following the Separation, we will be an independent, publicly traded company operating under the name FTAI Infrastructure Inc.

FTAI Infrastructure will own and operate (i) a multi-modal crude oil and refined products terminal in Beaumont, Texas ("Jefferson Terminal"), (ii) five freight railroads and one switching company that provide rail service to certain manufacturing and production facilities ("Transtar") (iii) a deep-water port located along the Delaware River with an underground storage cavern, a multipurpose dock, a rail-to-ship transloading system and multiple industrial development opportunities ("Repauno"), (iv) an equity method investment in a multi-modal terminal located along the Ohio River with multiple industrial development opportunities, including a power plant ("Long Ridge"), and (v) an equity method investment in two ventures developing battery and metal recycling technology ("Aleon" and "Gladieux"). Additionally, we own and lease shipping containers ("Containers") and operate a railcar cleaning business ("KRS"). We have three reportable segments, (i) Jefferson Terminal, (ii) Ports and Terminals and (iii) Transtar, which operate in the infrastructure sector (see Note 17).

Basis of Presentation

The accompanying combined consolidated financial statements were prepared on a standalone basis and have been derived from the consolidated financial statements and accounting records of the Parent. These financial statements reflect the combined consolidated historical results of operations, financial position and cash flows of FTAI Infrastructure in accordance with U.S. generally accepted accounting principles ("U.S. GAAP").

Historically, separate financial statements have not been prepared for FTAI Infrastructure and it has not operated as a standalone business separate from the Parent. The accompanying combined consolidated financial statements have been prepared from Parent's historical accounting records and are presented on a standalone basis as if the operations had been conducted independently from Parent. Accordingly, Parent's net investment in our operations (Parent Company Equity) is shown in lieu of stockholders' equity in the accompanying combined consolidated financial statements, which include the historical operations, assets, and liabilities comprising FTAI Infrastructure. The historical results of operations, financial position, and cash flows of FTAI Infrastructure represented in the combined consolidated financial statements may not be indicative of what they would have been had FTAI Infrastructure actually been a separate standalone entity during such periods, nor are they necessarily indicative of our future results of operations, financial position, and cash flows.

The combined consolidated financial statements include certain assets and liabilities that have historically been held by the Parent but are specifically identifiable or otherwise attributable to FTAI Infrastructure. All significant intercompany transactions between Parent and FTAI Infrastructure have been included as components of net parent investment in the combined consolidated financial statements, as they are to be considered effectively settled upon effectiveness of the Separation.

The combined consolidated financial statements are presented as if our businesses had been combined for all periods presented. The assets and liabilities in the combined consolidated financial statements have been reflected on a historical cost basis, as immediately prior to the Separation, all of the assets and liabilities presented are owned by the Parent and are being transferred to us at a carry-over basis.

Cash and Cash Equivalents

The Cash and Cash Equivalents reflected in the financial statements of FTAI Infrastructure are Cash and Cash Equivalents that were legally held by FTAI Infrastructure during the periods presented in the financial statements and are directly attributed to and used in the operations of the Infrastructure business.

Debt and the Corresponding Interest Expense

The Debt reflected in the financial statements of FTAI Infrastructure is debt that is directly attributable to, and legally incurred by, FTAI Infrastructure's business. The corresponding interest expense presented in the financial statements is derived solely from the Debt directly attributed to FTAI Infrastructure.

Corporate Function

The combined consolidated financial statements include all revenues and costs directly attributable to FTAI Infrastructure and an allocation of certain expenses. The Parent is externally managed by Fortress Investment Group LLC (the "Manager"), which performs the Parent's corporate function ("Corporate"), and incurs a variety of expenses including, but not limited to, information technology, accounting, treasury, tax, legal, corporate finance and communications. For purposes of the Combined Consolidated Statements of Operations, an allocation of these expenses is included to reflect our portion of such corporate overhead from the Parent. The charges reflected have either been specifically identified or allocated based on an estimate of time spent on FTAI Infrastructure's businesses. These allocated costs are recorded in general and administrative, and acquisition and transaction expenses in the Combined Consolidated Statements of Operations. We believe the assumptions regarding allocations of the Parent's Corporate expenses are reasonable. Nevertheless, the allocations may not be indicative of the actual expense that would have been incurred had FTAI Infrastructure operated as an independent, standalone public entity, nor are they indicative of FTAI Infrastructure's future expenses. Actual costs that may have been incurred if we had been a standalone company would depend on a number of factors, including the organizational structure, what functions were outsourced or performed by employees and strategic decisions made in areas such as information technology and infrastructure. We will enter into an arrangement with the Manager in connection with the Separation which is expected to have a term of longer than one year. The Parent funded our operating and investing activities as needed. Cash transfers to and from the Parent are reflected in the Combined Consolidated Statements of Cash Flows as "Net transfers from Parent". Refer to Note 16 for additional discussion on corporate costs allocated from the Parent that are included in these combined consolidated financial statements.

Unaudited interim financial information

The accompanying interim combined consolidated balance sheet as of March 31, 2022, and the combined consolidated statements of operations, comprehensive (loss) income, changes in equity and cash flows for the three months ended March 31, 2022 and 2021 are unaudited. These unaudited interim combined consolidated financial statements have been prepared in accordance with U.S. GAAP. In the opinion of our management, the unaudited interim combined consolidated financial statements have been prepared on the same basis as the audited combined consolidated financial statements and include all adjustments necessary for the fair presentation of our financial position as of March 31, 2022, the results of operations, comprehensive (loss) income, changes in equity and cash flows for the three months ended March 31, 2022 and 2021. The results of operations for the three months ended March 31, 2022 are not necessarily indicative of the results to be expected for the year ending December 31, 2022 or for any other period.

2. SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES

Principles of Combination—FTAI Infrastructure has elected the principles of combined consolidated financial statements as basis of presentation due to common ownership and management of the entities, which includes the financial results of the Jefferson Terminal, Transtar, and Ports and Terminals segments, and KRS, which is included in the Corporate and Other segment.

Principles of Consolidation—FTAI Infrastructure consolidates all entities in which its subsidiaries have a controlling financial interest and control over significant operating decisions, as well as variable interest entities ("VIEs") in which we are the primary beneficiary. The ownership interest of other investors in consolidated subsidiaries is recorded as non-controlling interest.

All significant intercompany transactions and balances have been eliminated.

We use the equity method of accounting for investments in entities in which we exercise significant influence, but which do not meet the requirements for consolidation. Under the equity method, we record our proportionate share of the underlying net income (loss) of these entities as well as the proportionate interest in adjustments to other comprehensive income (loss).

Use of Estimates—The preparation of financial statements in conformity with U.S. GAAP requires management to make estimates and assumptions that affect the reported amounts of assets and liabilities, the disclosure of contingent assets and liabilities at the date of the combined consolidated financial statements and the reported amounts of revenues and expenses during the reporting period, including allocations from the Parent. Actual results could differ from those estimates.

Risks and Uncertainties—In the normal course of business, we encounter several significant types of economic risk including credit, market, and capital market risks. Credit risk is the risk of the inability or unwillingness of a lessee, customer, or derivative counterparty to make contractually required payments or to fulfill its other contractual obligations. Market risk reflects the risk of a downturn or volatility in the underlying industry segments in which we operate, which could adversely impact the pricing of the services offered by us or a lessee's or customer's ability to make payments. Capital market risk is the risk that we are unable to obtain capital at reasonable rates to fund the growth of our business or to refinance existing debt facilities. We do not have significant exposure to foreign currency risk as all of our leasing and revenue arrangements are denominated in U.S. dollars.

Variable Interest Entities—The assessment of whether an entity is a VIE and the determination of whether to consolidate a VIE requires judgment. VIEs are defined as entities in which equity investors do not have the characteristics of a controlling financial interest or do not have sufficient equity at risk for the entity to finance its activities without additional subordinated financial support from other parties. A VIE is required to be consolidated by its primary beneficiary, and only by its primary beneficiary, which is defined as the party who has the power to direct the activities of a VIE that most significantly impact its economic performance and who has the obligation to absorb losses or the right to receive benefits from the VIE that could potentially be significant to the VIE.

Delaware River Partners LLC

During 2016, through Delaware River Partners LLC ("DRP"), a consolidated subsidiary, we purchased the assets of Repauno, which consisted primarily of land, a storage cavern, and riparian rights for the acquired land, site improvements and rights. Upon acquisition there were no operational processes that could be applied to these assets that would result in outputs without significant green field development. We currently hold an approximately 98% economic interest, and a 100% voting interest in DRP. DRP is solely reliant on us to finance its activities and therefore is a VIE. We concluded that we are the primary beneficiary and, accordingly, DRP has been presented on a consolidated basis in the accompanying combined consolidated financial statements. Total VIE assets of DRP were $307.8 million, $316.5 million and $273.6 million, and total VIE liabilities of DRP were $55.8 million, $32.6 million and $32.2 million as of March 31, 2022 (unaudited), December 31, 2021 and 2020, respectively.

Cash and Cash Equivalents—We consider all highly liquid short-term investments with a maturity of 90 days or less when purchased to be cash equivalents.

Restricted Cash—Restricted cash consists of prepaid interest and principal pursuant to the requirements of certain of our debt agreements (see Note 8) and other qualifying construction projects at Jefferson Terminal.

Inventory—Commodities inventory is carried at the lower of cost or net realizable value on our balance sheet. Commodities are removed from inventory based on the average cost at the time of sale. We had commodities inventory of $6.8 million, $6.8 million, and $0.1 million as of March 31, 2022 (unaudited), December 31, 2021 and 2020, respectively, which is included in Other current assets in the Combined Consolidated Balance Sheets.

(Dollars in tables in thousands, unless otherwise noted) (continued)

Property, Plant and Equipment, Leasing Equipment and Depreciation—Property, plant and equipment and leasing equipment are stated at cost (inclusive of capitalized acquisition costs, where applicable) and depreciated using the straight-line method, over estimated useful lives, to estimated residual values which are summarized as follows:

Asset	Range of Estimated Useful Lives	Residual Value Estimates
Railcars and locomotives	40 - 50 years from date of manufacture	Scrap value at end of useful life
Track and track related assets	15 - 50 years from date of manufacture	Scrap value at end of useful life
Land, site improvements and rights	N/A	N/A
Bridges and tunnels	15 - 55 years	Scrap value at end of useful life
Buildings and site improvements	20 - 30 years	Scrap value at end of useful life
Railroad equipment	3 - 15 years from date of manufacture	Scrap value at end of useful life
Terminal machinery and equipment	15 - 25 years from date of manufacture	Scrap value at end of useful life
Vehicles	5 - 7 years from date of manufacture	Scrap value at end of useful life
Furniture and fixtures	3 - 6 years from date of purchase	None
Computer hardware and software	2 - 5 years from date of purchase	None
Construction in progress	N/A	N/A

Major improvements and modifications incurred in connection with the acquisition of property, plant and equipment and leasing equipment that are required to get the asset ready for initial service are capitalized and depreciated over the remaining life of the asset. Project costs of major additions and betterments, including capitalizable engineering costs and other costs directly related to the development or construction of project, are capitalized and depreciation commences once it is placed into service. Interest costs directly related to and incurred during the construction period of property, plant and equipment are capitalized. Significant spare parts are depreciated in conjunction with the underlying property, plant and equipment asset when placed in service.

We review our depreciation policies on a regular basis to determine whether changes have taken place that would suggest that a change in our depreciation policies, useful lives of our equipment or the assigned residual values is warranted.

We, through our equity method investment in Long Ridge, have a working interest in various natural gas reserves located in southeastern Ohio. Prior to the deconsolidation of Long Ridge in the fourth quarter of 2019, our interest in this natural gas joint venture was consolidated on a proportionate basis in accordance with Accounting Standards Codification ("ASC") Topic 932 *Extractive Activities – Oil and Gas*. We followed the successful efforts method of accounting for costs incurred in oil and gas producing activities. Capitalized costs were amortized using the unit-of-production method based on total proved reserves. See Note 6 for additional details.

Capitalized Interest—The interest cost associated with major development and construction projects is capitalized and included in the cost of the project. Interest capitalization ceases once a project is substantially complete or no longer undergoing construction activities to prepare it for its intended use. We capitalized interest of $2.1 million, $2.8 million, $8.2 million, $20.0 million and $11.8 million during the three months ended March 31, 2022 and 2021 (unaudited), and years ended December 31, 2021, 2020 and 2019, respectively.

Repairs and Maintenance—Repair and maintenance costs that do not extend the lives of the assets are expensed as incurred. Our repairs and maintenance expense were $1.3 million, $0.9 million, $5.9 million, $2.9 million, and $4.8 million during the three months ended March 31, 2022 and 2021 (unaudited) and years ended December 31, 2021, 2020 and 2019, respectively, and are included in Operating expenses in the Combined Consolidated Statements of Operations.

Impairment of Long-Lived Assets—We perform a recoverability assessment of each of our long-lived assets whenever events or changes in circumstances, or indicators, indicate that the carrying amount or net book value of an asset may not be recoverable. Indicators may include, but are not limited to, a significant change in market conditions; or the introduction of newer technology. When performing a recoverability assessment, we measure whether the estimated future undiscounted net cash flows expected to be generated by the asset exceeds its net book

value. The undiscounted cash flows consist of cash flows from currently contracted leases and terminal services contracts, future projected leases, terminal service and freight rail rates, transition costs, and estimated residual or scrap values. In the event that an asset does not meet the recoverability test, the carrying value of the asset will be adjusted to fair value resulting in an impairment charge.

Management develops the assumptions used in the recoverability analysis based on its knowledge of active contracts, current and future expectations of the demand for a particular asset and historical experience, as well as information received from third party industry sources. The factors considered in estimating the undiscounted cash flows are impacted by changes in future periods due to changes in contracted lease rates, terminal service, and freight rail rates, residual values, economic conditions, technology, demand for a particular asset type and other factors.

Goodwill—Goodwill includes the excess of the purchase price over the fair value of the net tangible and intangible assets associated with the acquisition of Jefferson Terminal and Transtar. The carrying amount of goodwill was approximately $258.0 million, $257.1 million and $122.7 million as of March 31, 2022 (unaudited), December 31, 2021 and 2020, respectively. The goodwill amounts as of December 31, 2020 related to the Jefferson reporting unit. The increase in 2021 and 2022 reflect our acquisition of Transtar in 2021. See Note 3 for additional information.

We review the carrying values of goodwill at least annually to assess impairment since these assets are not amortized. An annual impairment review is conducted as of October 1st of each year. Additionally, we review the carrying value of goodwill whenever events or changes in circumstances indicate that its carrying amount may not be recoverable. The determination of fair value involves significant management judgment.

For an annual goodwill impairment assessment, an optional qualitative analysis may be performed. If the option is not elected or if it is more likely than not that the fair value of a reporting unit is less than its carrying amount, then a goodwill impairment test is performed to identify potential goodwill impairment and measure an impairment loss. A qualitative analysis was not elected for the years ended December 31, 2021 or 2020.

Beginning in 2020, we adopted new guidance regarding the testing and recognition of a goodwill impairment, which prior to 2020 required two steps. A goodwill impairment assessment compares the fair value of the respective reporting unit with its carrying amount, including goodwill. The estimate of fair value of the respective reporting unit is based on the best information available as of the date of assessment, which primarily incorporates certain factors including our assumptions about operating results, business plans, income projections, anticipated future cash flows and market data. If the estimated fair value of the reporting unit is less than the carrying amount, a goodwill impairment is recorded to the extent that the carrying value of the reporting unit exceeds its fair value.

We estimate the fair value of the Jefferson and Transtar reporting units using an income approach, specifically a discounted cash flow analysis. This analysis requires us to make significant assumptions and estimates about the forecasted revenue growth rates, EBITDA margins, capital expenditures, the timing of future cash flows, and discount rates. The estimates and assumptions used consider historical performance if indicative of future performance and are consistent with the assumptions used in determining future profit plans for the reporting units.

In connection with our impairment analysis, although we believe the estimates of fair value are reasonable, the determination of certain valuation inputs is subject to management's judgment. Changes in these inputs, including as a result of events beyond our control, could materially affect the results of the impairment review. If the forecasted cash flows or other key inputs are negatively revised in the future, the estimated fair value of the reporting unit could be adversely impacted, potentially leading to an impairment in the future that could materially affect our operating results. Due to the acquisition of Transtar in the current year, the estimated fair value of that reporting unit approximates the book value. The Jefferson reporting unit had an estimated fair value that exceeded its carrying value by more than 10% but less than 20%. The Jefferson Terminal segment forecasted revenue is dependent on the ramp up of volumes under current and expected future contracts for storage and throughput of heavy and light crude and refined products and is subject to obtaining rail capacity for crude, expansion of refined product distribution to Mexico and movements in future oil spreads. At October 1, 2021, approximately 4.3 million barrels of storage was currently operational with 1.9 million barrels currently under construction for new contracts which will complete our storage development for our main terminal. Our discount rate for our 2021 goodwill impairment analysis was 9.0% and our assumed terminal growth rate was 2.0%. If our strategy changes from planned capacity downward due to an inability to source contracts or expand volumes, the fair value of the reporting unit would be negatively affected,

which could lead to an impairment. The expansion of refineries in the Beaumont/Port Arthur area, as well as growing crude oil production in the U.S. and Canada, are expected to result in increased demand for storage on the U.S. Gulf Coast. Although we do not have significant direct exposure to volatility of crude oil prices, changes in crude oil pricing that affect long term refining planned output could impact Jefferson Terminal operations.

We expect the Jefferson Terminal segment to continue to generate positive Adjusted EBITDA in future years. Although certain of our anticipated contracts or expected volumes from existing contracts for Jefferson Terminal have been delayed, we continue to believe our projected revenues are achievable. Further delays in executing these contracts or achieving our projections could adversely affect the fair value of the reporting unit. The impact of the COVID-19 global pandemic during 2020 and 2021 negatively affected refining volumes and therefore Jefferson Terminal crude throughput but we have seen the activity starting to normalize and are expected to ramp back to normal during 2022. Furthermore, we anticipate strengthening macroeconomic demand for storage and the increasing spread between Western Canadian Crude and Western Texas Intermediate as Canadian crude pipeline apportionment increases. Also, as our pipeline connections became fully operational during 2021, we remain positive for the outlook of Jefferson Terminal's earnings potential.

There were no impairments of goodwill for the three months ended March 31, 2022 and 2021 (unaudited) or for the years ended December 31, 2021, 2020, and 2019.

Intangibles and amortization—Intangible assets include the value of existing customer relationships acquired in connection with the acquisition of Jefferson Terminal and Transtar.

Customer relationship intangible assets are amortized on a straight-line basis over their useful lives as the pattern in which the asset's economic benefits are consumed cannot reliably be determined. Customer relationship intangible assets have useful lives ranging from 5 to 15 years, no estimated residual value, and amortization is recorded as a component of Depreciation and amortization in the Combined Consolidated Statements of Operations. The weighted-average remaining amortization period for customer relationships was 152 months and 154 months as of March 31, 2022 (unaudited) and December 31, 2021, respectively.

Deferred Financing Costs—Costs incurred in connection with obtaining long-term financing are capitalized and amortized to interest expense over the term of the underlying loans. Unamortized deferred financing costs of $25.2 million, $21.5 million and $10.5 million as of March 31, 2022 (unaudited) and as of December 31, 2021 and 2020, respectively, are included in Debt, net in the Combined Consolidated Balance Sheets.

Amortization expense was $0.8 million, $0.5 million, $2.6 million, $1.5 million and $3.7 million for the three months ended March 31, 2022 and 2021 (unaudited) and for the years ended December 31, 2021, 2020 and 2019, respectively, and is included in Interest expense in the Combined Consolidated Statements of Operations.

Terminal Services Revenues—Terminal services are provided to customers for the receipt and redelivery of various commodities. These revenues relate to performance obligations that are recognized over time using the right to invoice practical expedient, i.e., invoiced as the services are rendered and the customer simultaneously receives and consumes the benefit over the contract term. The Company's performance of service and right to invoice corresponds with the value delivered to our customers. Revenues are typically invoiced and paid on a monthly basis.

Rail Revenues—Rail revenues generally consist of the following performance obligations: industrial switching, interline services, demurrage and storage. Switching revenues are derived from the performance of switching services, which involve the movement of cars from one point to another within the limits of an individual plant, industrial area, or a rail yard. Switching revenues are recognized as the services are performed, and the services are generally completed on the same day they are initiated.

Interline revenues are derived from transportation services for railcars that originate or terminate at our railroads and involve one or more other carriers. For interline traffic, one railroad typically invoices a customer on behalf of all railroads participating in the route directed by the customer. The invoicing railroad then pays the other railroads its portion of the total amount invoiced on a monthly basis. We record revenue related to interline traffic for transportation service segments provided by carriers along railroads that are not owned or controlled by us on a net basis. Interline revenues are recognized as the transportation movements occur.

Our ancillary services revenue primarily relates to demurrage and storage services. Demurrage represents charges assessed by railroads for the detention of cars by shippers or receivers of freight beyond a specified free time and is recognized on a per day basis. Storage services revenue is earned for the provision of storage of shippers' railcars and is generally recognized on a per day, per car basis, as the storage services are provided.

Lease Income—Lease income consists of rental income from tenants for storage space. Lease income is recognized on a straight-line basis over the terms of the relevant lease agreement.

Crude Marketing Revenues—Crude marketing revenues consist of marketing revenue related to Canadian crude oil. Contracts to sell crude products to customers contain performance obligations to deliver the product over the term of the contract. The revenues are recognized when the control of the product is transferred to the customer, based on the volume delivered and the price within the contract. Revenues are typically invoiced and paid on a monthly basis. All activities related to crude marketing revenues were terminated in 2019. For the years ended December 31, 2020 and 2019, crude marketing revenues were $8.2 million and $166.1 million, respectively, and associated costs of sale were $8.2 million and $173.0 million, respectively. All crude marketing revenues in 2020 include contracts executed in 2019 but delivered in 2020.

Other Revenue—Other revenue primarily consists of revenue related to the handling, storage and sale of raw materials. Revenues for the handling and storage of raw materials relate to performance obligations that are recognized over time using the right to invoice practical expedient, i.e., invoiced as the services are rendered and the customer simultaneously receives and consumes the benefit over the contract term. Our performance of service and right to invoice corresponds with the value delivered to our customers. Revenues for the sale of raw materials relate to contracts that contain performance obligations to deliver the product over the term of the contract. The revenues are recognized when the control of the product is transferred to the customer, based on the volume delivered and the price within the contract. Other revenues are typically invoiced and paid on a monthly basis.

Additionally, other revenue includes revenue related to derivative trading activities. See Commodity Derivatives below for additional information.

Payment terms for these revenues are generally short term in nature.

Leasing Arrangements—At contract inception, we evaluate whether an arrangement is or contains a lease for which we are the lessee (that is, arrangements which provide us with the right to control a physical asset for a period of time). Operating lease right-of-use ("ROU") assets and lease liabilities are recognized in Operating lease right-of-use assets, net and Operating lease liabilities in our Combined Consolidated Balance Sheets, respectively. Finance lease ROU assets are recognized in Property, plant and equipment, net and lease liabilities are recognized in Other current liabilities and Other liabilities in our Combined Consolidated Balance Sheets.

All lease liabilities are measured at the present value of the unpaid lease payments, discounted using our incremental borrowing rate based on the information available at commencement date of the lease. ROU assets, for both operating and finance leases, are initially measured based on the lease liability, adjusted for prepaid rent and lease incentives. ROU assets are subsequently measured at the carrying amount of the lease liability adjusted for prepaid or accrued lease payments and lease incentives. The finance lease ROU assets are subsequently amortized using the straight-line method.

Operating lease expenses are recognized on a straight-line basis over the lease term. With respect to finance leases, amortization of the ROU asset is presented separately from interest expense related to the finance lease liability. Variable lease payments, which are primarily based on usage, are recognized when the associated activity occurs.

We have elected to combine lease and non-lease components for all lease contracts where we are the lessee. Additionally, for arrangements with lease terms of 12 months or less, we do not recognize ROU assets, and lease liabilities and lease payments are recognized on a straight-line basis over the lease term with variable lease payments recognized in the period in which the obligation is incurred.

Concentration of Credit Risk—We are subject to concentrations of credit risk with respect to amounts due from customers. We attempt to limit our credit risk by performing ongoing credit evaluations. We earned approximately

12%, 21%, 15%, 40% and 48% of our revenue from one customer in the Jefferson Terminal segment during the three months ended March 31, 2022 and 2021 (unaudited) and years ended December 31, 2021, 2020 and 2019, respectively, and 70% and 45% from one customer in the Transtar segment during the three months ended March 31, 2022 (unaudited) and year ended December 31, 2021, respectively.

As of March 31, 2022 (unaudited), accounts receivable from two customers from the Jefferson Terminal and Transtar segments represented 47% of total accounts receivable, net. As of December 31, 2021, accounts receivable from two customers from the Jefferson Terminal and Transtar segments represented 48% of total accounts receivable, net. As of December 31, 2020, accounts receivable from two customers in the Jefferson Terminal segment represented 63% of total accounts receivable, net.

We maintain cash and restricted cash balances, which generally exceed federally insured limits, and subject us to credit risk, in high credit quality financial institutions. We monitor the financial condition of these institutions and have not experienced any losses associated with these accounts.

Allowance for Doubtful Accounts—We determine the allowance for doubtful accounts based on our assessment of the collectability of our receivables on a customer-by-customer basis. We also consider current and future economic conditions over the expected lives of the receivables, the amount of receivables in dispute, and the current receivables aging.

Expense Recognition—Expenses are recognized on an accrual basis as incurred.

Acquisition and Transaction expenses—Acquisition and transaction expense is comprised of costs related to business combinations, dispositions and terminated deal costs related to asset acquisitions, including advisory, legal, accounting, valuation and other professional or consulting fees.

Comprehensive Income (Loss)—Comprehensive income (loss) is defined as the change in equity of a business enterprise during a period from transactions and other events and circumstances, excluding those resulting from investments by and distributions to owners. Our comprehensive income (loss) represents net income (loss), as presented in the Combined Consolidated Statements of Comprehensive (Loss)/Income, adjusted for fair value changes recorded in other comprehensive income related to cash flow hedges of our equity method investees and pension and other employee benefit accounts.

Derivative Financial Instruments

Electricity Derivatives—Our equity method investee Long Ridge enters into derivative contracts as part of a risk management program to mitigate price risk associated with certain electricity price exposures. Long Ridge primarily uses swap derivative contracts, which are agreements to buy or sell a quantity of electricity at a predetermined future date and at a predetermined price.

Cash Flow Hedges

Certain of these derivative instruments are designated and qualify as cash flow hedges. Our share of the derivative's gain or loss is reported as Other comprehensive income related to equity method investees in our Combined Consolidated Statements of Comprehensive (Loss) Income and recorded in Accumulated other comprehensive (loss) income in our Combined Consolidated Balance Sheets. The change in our equity method investment balance related to derivative gains or losses on cash flow hedges is disclosed as a Non-cash change in equity method investment in our Combined Consolidated Statements of Cash Flows.

Derivatives Not Designated as Hedging Instruments

Certain of these derivative instruments are not designated as hedging instruments for accounting purposes. Our share of change in fair value of these contracts is recognized in Equity in earnings (losses) of unconsolidated entities in the Combined Consolidated Statements of Operations. The cash flow impact of derivative contracts that are not designated as hedging instruments is recognized in Equity in earnings (losses) of unconsolidated entities in our Combined Consolidated Statements of Cash Flows.

Commodity Derivatives—We also enter into short-term and long-term crude forward contracts. Gains and losses related to our crude sales and purchase derivatives are recorded on a gross basis and are included in Crude marketing

revenues and Operating expenses, respectively, in our Combined Consolidated Statements of Operations. See Note 11 for additional details. The cash flow impact of these derivatives is recognized in Change in fair value of non-hedge derivatives in our Combined Consolidated Statements of Cash Flows.

These derivatives are not used for speculative purposes. We record all derivative assets and liabilities on a gross basis at fair value and are included in Other current assets and Other current liabilities, respectively, in our Combined Consolidated Balance Sheets. See Note 11 for additional details.

Income Taxes—The income tax provision in the combined consolidated financial statements was prepared on a separate return method. Income earned by our corporate subsidiaries for the infrastructure businesses is subject to U.S. federal and state income taxation and is taxed at the currently enacted rates. The remainder of our income is allocated directly to our partners and is not subject to a corporate level of taxation. Following the spin-off, all of our income will be subject to a corporate level of taxation, and none of it will be allocated directly to our partners.

We account for these taxes using the asset and liability method under which deferred tax assets and liabilities are recognized for the future tax consequences attributable to differences between the financial statement carrying amounts of existing assets and liabilities and their respective tax bases. A valuation allowance is established when management believes it is more likely than not that a deferred tax asset will not be realized.

Each of our combined entities files income tax returns in the U.S. federal jurisdiction, various state jurisdictions and in certain foreign jurisdictions. The income tax returns filed by us and our subsidiaries are subject to examination by the U.S. federal, state and foreign tax authorities. We recognize tax benefits for uncertain tax positions only if it is more likely than not that the position is sustainable based on its technical merits. Interest and penalties on uncertain tax positions are included as a component of the provision for income taxes in the Combined Consolidated Statements of Operations.

Other Current Assets—Other current assets is primarily comprised of commodities inventory of $6.8 million, $6.8 million and $0.1 million, deposits of $17.2 million, $17.2 million and $18.2 million, note receivable of $20.5 million, $7.5 million and $0.7 million, prepaid expenses of $8.7 million $17.4 million and $4.2 million and other assets of $8.3 million, $11.9 million and $0.9 million as of March 31, 2022 (unaudited), and December 31, 2021 and 2020, respectively.

Other Assets—Other Assets primarily consists of $10.0 million of note receivable as of both March 31, 2022 (unaudited) and December 31, 2021 from CarbonFree, a business that develops technologies to capture carbon dioxide from industrial emissions sources.

Accounts Payable and Accrued Liabilities—Accounts payable and accrued liabilities primarily include payables relating to construction projects, interline payables to other railroads, accrued compensation and interest.

Other Current Liabilities—Other current liabilities primarily include environmental liabilities of $4.1 million, $4.1 million and $0.0 million, and insurance premium liabilities of $1.6 million, $1.7 million and $1.5 million as of March 31, 2022 (unaudited), December 31, 2021 and 2020, respectively.

Pension and Other Postretirement Benefits—We have obligations for a pension and a postretirement benefit plan in connection with the acquisition of Transtar for certain eligible Transtar employees. The pension and other postretirement obligations and the related net periodic costs are based on, among other things, assumptions regarding the discount rate, salary increases, the projected mortality of participants and the current level and future escalation of health care costs. Actuarial gains and losses occur when actual experience differs from any of the many assumptions used to value the benefit plans, or when assumptions change. We will recognize into income on an annual basis a portion of unrecognized actuarial net gains or losses that exceed 10 percent of the greater of the projected benefit obligations or the market-related value of plan assets (the corridor). This excess is amortized over the average remaining service period of active employees expected to receive benefits under the plan. Refer to Note 14 for additional discussion on the pension and postretirement plans.

Recent Accounting Pronouncements—In March 2020 and January 2021, the FASB issued ASU 2020-04, *Reference Rate Reform (Topic 848): Facilitation of the Effects of Reference Rate Reform on Financial Reporting* and ASU 2021-01, *Reference Rate Reform: Scope,* respectively. Together, the ASUs temporarily simplify the accounting

for contract modifications, including hedging relationships, due to the transition from LIBOR and other interbank offered rates to alternative reference interest rates. For example, entities can elect not to remeasure the contracts at the modification date or reassess a previous accounting determination if certain conditions are met. Additionally, entities can elect to continue applying hedge accounting for hedging relationships affected by reference rate reform if certain conditions are met. The new standard was effective upon issuance and generally can be applied to applicable contract modifications through December 31, 2022. Adoption did not have a material impact on our combined consolidated financial statements.

In December 2019, the FASB issued ASU 2019-12, *Simplifying the Accounting for Income Taxes (Topic 740)*. This standard simplifies the accounting for income taxes by eliminating certain exceptions to the guidance in ASC 740 related to the approach for intraperiod tax allocation, the methodology for calculating income taxes in an interim period and the recognition of deferred tax liabilities for outside basis differences. The standard also simplifies aspects of the accounting for franchise taxes and enacted changes in tax laws or rates and clarifies the accounting for transactions that result in a step-up in the tax basis of goodwill. The standard is effective for public companies for fiscal years, and interim periods within those fiscal years, beginning after December 15, 2020 and early adoption is permitted. We adopted this guidance in the first quarter of 2021, which did not have a material impact on our combined consolidated financial statements.

In July 2021, the FASB issued ASU 2021-05, *Leases (Topic 842): Lessors—Certain Leases with Variable Lease Payments*. This ASU requires lessors to classify and account for a lease with variable lease payments that do not depend on a reference index or a rate as an operating lease if (i) the lease would have been classified as a sales-type lease or a direct financing lease under Topic 842 and (ii) the lessor would have otherwise recognized a day-one loss. This standard is effective for all reporting periods beginning after December 15, 2021. This did not have a material impact on our combined consolidated financial statements.

3. ACQUISITION OF TRANSTAR, LLC

On July 28, 2021, we completed the acquisition for 100% of the equity interests of Transtar, LLC ("Transtar") from United States Steel Corporation ("USS") for total cash consideration of $636 million. Transtar is comprised of five freight railroads and one switching company, of which two railroads are connected to USS's largest production facilities. We also entered into an exclusive rail partnership with USS, under which we will provide rail service to USS for an initial term of 15 years with minimum volume commitments for the first five years. Transtar operates as a separate reportable segment. See Note 17 for additional information. The results of operations at Transtar have been included in the Combined Consolidated Statements of Operations as of the effective date of the acquisition. In connection with the acquisition, we recorded $9.8 million of acquisition and transaction expense during the year ended December 31, 2021.

The Parent funded the transaction with bridge loans in an aggregate principal amount of $650 million. In September 2021, the Parent issued new equity and debt and repaid in full the bridge loans.

In accordance with ASC 805, *Business Combinations*, the following fair values were assigned to assets acquired and liabilities assumed based on management's estimates and assumptions and are preliminary. The significant assumptions used to estimate the fair value of the property, plant and equipment included replacement cost estimates, salvage values and market data for similar assets where available. The significant assumptions used to estimate the value of the customer relationship intangible assets included discount rate and future revenues and operating expenses. The final valuation and related allocation of the purchase price is subject to change as additional information is received and will be completed no later than 12 months after the closing date. The final acquisition accounting adjustments may be materially different and may include (i) changes in fair values of Property, plant and equipment and associated salvage values; (ii) changes in allocations to Intangible assets, as well as goodwill; and, (iii) other changes to assets and liabilities, such as working capital accounts and inventory.

(Dollars in tables in thousands, unless otherwise noted) (continued)

The following table summarizes the preliminary allocation of the purchase price, as presented in our Combined Consolidated Balance Sheets:

Fair value of assets acquired:	
Cash and cash equivalents	$ 8,918
Accounts receivable	18,625
Operating lease right-of-use assets	12,231
Property, plant and equipment	490,561
Intangible assets	60,000
Other assets	15,008
Total assets	605,343
Fair value of liabilities assumed:	
Accounts payable and accrued liabilities	47,010
Operating lease liabilities	10,689
Pension and other postretirement benefits(1)	37,552
Other liabilities	8,487
Total liabilities	103,738
Goodwill(2)	134,402
Total purchase consideration	$636,007

(1) Included in Other liabilities in the Combined Consolidated Balance Sheets.

(2) Goodwill is primarily attributable to the assembled workforce of Transtar and the synergies expected to be achieved. This goodwill is assigned to the new Transtar segment and is tax deductible for income tax purposes.

The following table presents the identifiable intangible assets and their estimated useful lives:

	Estimated useful life in years	Fair value
Customer relationships	15	60,000

The following table presents the property, plant and equipment and their estimated remaining useful lives:

	Estimated remaining useful life in years	Fair value
Railcars	1 - 40	$112,981
Track and track related assets	1 - 40	90,904
Land, site improvements and rights	N/A	87,450
Bridges and tunnels	15 - 55	174,889
Buildings and improvements	3 - 25	12,448
Railroad equipment	2 - 15	2,725
Terminal machinery and equipment	2 - 15	3,325
Vehicles	2 - 5	3,740
Construction in progress	N/A	1,928
Computer hardware and software	2 - 5	171
Total		$490,561

The unaudited financial information in the table below summarizes the combined results of operations of FTAI Infrastructure and Transtar on a pro forma basis, as though the companies had been combined as of January 1, 2020. These pro forma results were based on estimates and assumptions which we believe are reasonable. The pro forma adjustments are primarily comprised of the following:

- The allocation of the purchase price and related adjustments, including adjustments to depreciation and amortization expense related to the fair value of property, plant and equipment and intangible assets acquired;

(Dollars in tables in thousands, unless otherwise noted) (continued)

- The exclusion of acquisition-related costs incurred during the year ended December 31, 2021 and allocation of substantially all acquisition-related costs to the year ended December 31, 2020; and
- Associated tax-related impacts of adjustments.

The unaudited pro forma financial information is presented for informational purposes only and is not indicative of the results of operations that would have been achieved if the acquisition had taken place as of January 1, 2020.

	Year Ended December 31,	
	2021	2020
Total revenue	$199,762	$183,744
Net loss attributable to Parent	$(56,717)	$(39,349)

4. LEASING EQUIPMENT, NET

Leasing equipment, net is summarized as follows:

	March 31, 2022 (Unaudited)	December 31,	
		2021	2020
Leasing equipment	$44,179	$44,179	$44,179
Less: Accumulated depreciation	(8,443)	(8,167)	(7,063)
Leasing equipment, net	$35,736	$36,012	$37,116

Depreciation expense for leasing equipment is summarized as follows:

	Three Months Ended March 31, (Unaudited)		Year Ended December 31,		
	2022	2021	2021	2020	2019
Depreciation expense for leasing equipment	$276	$276	$1,103	$1,106	$1,108

5. PROPERTY, PLANT AND EQUIPMENT, NET

Property, plant and equipment, net is summarized as follows:

	March 31, 2022 (Unaudited)	December 31,	
		2021	2020
Land, site improvements and rights	150,001	$ 149,914	$ 52,047
Construction in progress	157,186	118,081	401,729
Buildings and improvements	19,165	19,164	4,491
Bridges and tunnels	174,889	174,889	—
Terminal machinery and equipment	970,519	962,552	557,788
Track and track related assets	100,054	100,014	2,349
Railroad equipment	8,347	8,331	5,560
Railcars and locomotives	108,007	111,574	—
Computer hardware and software	6,083	5,335	5,101
Furniture and fixtures	1,745	1,745	1,750
Other	10,245	10,016	5,870
	1,706,241	1,661,615	1,036,685
Less: Accumulated depreciation	(158,867)	(144,021)	(96,427)
Property, plant and equipment, net	1,547,374	$1,517,594	$ 940,258

We added property, plant and equipment of $44.6 million, $624.9 million and $239.8 million during the three-months ended March 31, 2022 (unaudited) and years ended December 31, 2021 and 2020, respectively, which primarily consist of assets acquired in our acquisition of Transtar and terminal machinery and equipment placed in service or under development at Jefferson Terminal and Repauno.

(Dollars in tables in thousands, unless otherwise noted) (continued)

Depreciation expense for property, plant and equipment is $14.8 million, $8.9 million, $47.6 million, $26.5 million, and $28.5 million during the three months ended March 31, 2022 and 2021 (unaudited) and years ended December 31, 2021, 2020 and 2019, respectively.

6. INVESTMENTS

The following table presents the ownership interests and carrying values of our investments:

			Carrying Value		
	Investment	Ownership Percentage	March 31, 2022 (Unaudited)	December 31, 2021	December 31, 2020
Long Ridge Terminal LLC[1]	Equity method	50%	$ —	$ —	$122,539
FYX Trust Holdco LLC	Equity	14%	1,256	1,255	1,255
GM-FTAI Holdco LLC	Equity method	See below	51,861	52,295	—
Clean Planet Energy USA LLC	Equity method	50%	2,266	858	—
			$55,383	$54,408	$123,794

(1) The carrying value of $135.6 million and $17.5 million as of March 31, 2022 (unaudited) and December 31, 2021, respectively, is included in Other Liabilities in the Combined Consolidated Balance Sheets

We did not recognize any other-than-temporary impairments for the three months ended March 31, 2022 and 2021 (unaudited), and the year ended December 31, 2021, 2020, and 2019.

The following table presents our proportionate share of equity in (losses) earnings:

	Three Months Ended March 31, (Unaudited)		Year Ended December 31,		
	2022	2021	2021	2020	2019
JGP Energy Partners LLC	$ —	$ —	$ —	$ —	$(292)
Intermodal Finance I, Ltd.	43	172	470	115	(62)
Long Ridge Terminal LLC	(21,381)	(626)	(13,597)	(3,222)	(192)
GM-FTAI Holdco LLC	(433)	—	(205)	—	—
Clean Planet Energy USA LLC	(272)	—	(167)	—	—
Total	$(22,043)	$(454)	$(13,499)	$(3,107)	$(546)

Equity Method Investments

Clean Planet Energy USA LLC

In November 2021, we acquired 50% of the Class A shares of Clean Planet Energy USA LLC (“CPE” or “Clean Planet USA”) for $1.0 million. CPE intends on building waste plastic-to-fuel plants in the United States. The plants will convert various grades of non-recyclable waste plastic to renewable diesel in the form of jet fuel, diesel, naphtha, and low sulfur fuel oil. We account for our investment in Clean Planet USA as an equity method investment as we have significant influence through our ownership of Class A shares.

GM-FTAI Holdco LLC

In September 2021, we acquired 1% of the Class A shares and 50% of the Class B shares of GM-FTAI Holdco LLC for $52.5 million. GM-FTAI Holdco LLC owns 100% interest in Gladieux Metals Recycling (“GMR” or “Gladieux”) and Aleon Renewable Metals LLC (“Aleon”). GMR specializes in recycling spent catalyst produced in the petroleum refining industry.

Aleon plans to develop a lithium-ion battery recycling business across the United States. Each planned location will collect, discharge and disassemble lithium-ion batteries to extract various metals in high-purity form for resale into the lithium-ion battery production market. Aleon and GMR are governed by separate boards of directors. Our

ownership of Class A and B shares in GM-FTAI Holdco LLC provides us with 1% and 50% economic interest in GMR and Aleon, respectively. We account for our investment in GM-FTAI Holdco LLC as an equity method investment as we have significant influence through our ownership of Class A and Class B shares of GM-FTAI Holdco LLC.

Long Ridge Terminal LLC

On June 16, 2017, we, through Ohio River Partners Shareholders LLC ("ORP"), a consolidated subsidiary, purchased the assets of Long Ridge Energy Terminal ("Long Ridge"), which consisted primarily of land, buildings, railroad track, docks, water rights, site improvements and other rights. Long Ridge was being developed as a 485-megawatt natural gas fired, combined cycle power plant, which was completed and became operational in October 2021. Long Ridge also entered into cash flow hedges related to power generation capacity, as described in Note 2.

In December 2019, ORP contributed its equity interests in Long Ridge into Long Ridge Terminal LLC and sold a 49.9% interest (the "Long Ridge Transaction") for $150 million in cash, plus an earn out. We recognized a gain of $116.7 million in relation to the Long Ridge Transaction. We no longer have a controlling interest in Long Ridge but still maintain significant influence through our retained interest and, therefore, now account for this investment in accordance with the equity method. Following the sale, we deconsolidated ORP, which held the assets of Long Ridge. The initial equity method investment balance of $155.6 million represents the fair value of our 50.1% ownership and the earn out.

JGP Energy Partners LLC

In 2016, we initiated activities in a 50% non-controlling interest in JGP Energy Partners LLC ("JGP"), a joint venture. JGP was governed by a designated operating committee selected by the members in proportion to their equity interests. JGP was solely reliant on its members to finance its activities and therefore was a VIE. Initially, we concluded that we were not the primary beneficiary of JGP as the members shared equally in the risks and rewards and decision making authority of the entity and, therefore, we did not consolidate JGP and instead accounted for this investment in accordance with the equity method.

In December 2019, we purchased the remaining 50% interest in JGP from the joint venture partner for a purchase price of approximately $30 million, consolidated JGP and no longer account for this as an equity method investment. As a result of this transaction, we recorded additional goodwill of $6.6 million and a gain of $4.6 million during the year ended December 31, 2019.

Intermodal Finance I, Ltd.

In 2012, we acquired a 51% non-controlling interest in Intermodal Finance I, Ltd. ("Intermodal"). Intermodal is governed by a board of directors, and its shareholders have voting rights through their equity interests. As such, Intermodal is not within the scope of ASC 810-20 and should be evaluated for consolidation under the voting interest model. Due to the existence of substantive participating rights of the 49% equity investor, including the joint approval of material operating and capital decisions, such as material contracts and capital expenditures consistent with ASC 810-10-25-11, we do not have unilateral rights over this investment and, therefore, we do not consolidate Intermodal but account for this investment in accordance with the equity method. We do not have a variable interest in this investment as none of the criteria of ASC 810-10-15-14 were met.

As of December 31, 2021, Intermodal owns a portfolio of approximately 500 shipping containers subject to multiple operating leases.

Equity Investment

FYX Trust Holdco LLC

In July 2020, we invested $1.3 million for a 14% interest in an operating company that provides roadside assistance services for the intermodal and over-the-road trucking industries. FYX Trust Holdco LLC ("FYX") has developed a mobile and web-based application that connects fleet managers, owner-operators, and drivers with repair vendors to efficiently and reliably quote, dispatch, monitor, and bill roadside repair services.

(Dollars in tables in thousands, unless otherwise noted) (continued)

The tables below present summarized financial information for Long Ridge Terminal LLC:

Balance Sheet	March 31, 2022 (Unaudited)	December 31, 2021	December 31, 2020
Assets			
Current assets			
Cash and cash equivalents	$ 6,014	$ 2,932	$ 3,057
Restricted cash	19,728	32,469	26,920
Accounts receivable, net	16,309	17,896	5,711
Other current assets	9,762	8,857	787
Total current assets	51,813	62,154	36,475
Property, plant, and equipment, net	771,076	764,607	612,234
Intangible assets, net	4,845	4,940	5,320
Goodwill	89,390	89,390	89,390
Other assets	8,040	5,584	8,597
Total assets	$ 925,164	$926,675	$752,016
Liabilities			
Current liabilities			
Accounts payable and accrued liabilities	$ 23,005	$ 16,121	$ 25,173
Other current liabilities	136,225	47,626	253
Total current liabilities	159,230	63,747	25,426
Debt, net	606,174	604,261	445,733
Other liabilities	428,928	293,653	36,262
Total liabilities	1,194,332	961,661	507,421
Equity			
Total equity	(269,168)	(34,986)	244,595
Total liabilities and equity	$ 925,164	$926,675	$752,016

Statement of Operations	Three Months Ended March 31, (Unaudited) 2022	Three Months Ended March 31, (Unaudited) 2021	Year Ended December 31, 2021	Year Ended December 31, 2020
Revenue	$ 24,411	$8,422	$ 85,638	$24,917
Total revenue	24,411	8,422	85,638	24,917
Expenses				
Operating expenses	12,448	4,272	28,310	16,339
Depreciation and amortization	12,544	3,752	24,836	11,004
Interest expense	12,861	320	11,005	2,037
Total expenses	37,853	8,344	64,151	29,380
Other (expense) income	(29,234)	2,999	(44,302)	(1,967)
(Loss) Income before income taxes	(42,676)	3,077	(22,815)	(6,430)
Provision for income taxes	—	—	—	—
Net (Loss) Income	$(42,676)	$3,077	$(22,815)	$ (6,430)

(Dollars in tables in thousands, unless otherwise noted) (continued)

7. INTANGIBLE ASSETS AND LIABILITIES, NET

Our intangible assets and liabilities, net are summarized as follows:

	March 31, 2022 (Unaudited)		
	Jefferson Terminal	Transtar	Total
Intangible assets			
Customer relationships	35,513	60,000	95,513
Less: Accumulated amortization	(26,926)	(2,724)	(29,650)
Acquired customer relationships, net	8,587	57,276	65,863

	December 31, 2021		
	Jefferson Terminal	Transtar	Total
Intangible assets			
Customer relationships	35,513	60,000	95,513
Less: Accumulated amortization	(26,038)	(1,738)	(27,776)
Acquired customer relationships, net	9,475	58,262	67,737

	December 31, 2020		
	Jefferson Terminal	Transtar	Total
Customer relationships	$ 35,513	$—	$ 35,513
Less: Accumulated amortization	(22,485)	—	(22,485)
Total intangible assets, net	$ 13,028	$—	$ 13,028

Amortization of intangible assets is recorded as follows:

	Classification in Combined Consolidated Statements of Operations	Three Months Ended March 31, (Unaudited)		Year Ended December 31,		
		2022	2021	2021	2020	2019
Customer relationships	Depreciation and amortization	1,875	888	5,292	3,553	3,553
Total		$1,875	$888	$5,292	$3,553	$3,553

Estimated net annual amortization of intangibles is as follows:

	March 31, 2022 (Unaudited)	December 31, 2021
Remainder of 2022 and 2022, respectively	$ 5,693	$ 7,551
2023	7,551	7,551
2024	6,131	6,373
2025	4,000	4,000
2026	4,000	4,000
Thereafter	38,488	38,262
Total	$65,863	$67,737

(Dollars in tables in thousands, unless otherwise noted) (continued)

8. DEBT, NET

Our debt, net is summarized as follows:

	March 31, 2022 (Unaudited)			December 31, 2021	December 31, 2020
	Outstanding Borrowings	Stated Interest Rate	Maturity Date	Outstanding Borrowings	Outstanding Borrowings
Loans payable					
DRP Revolver[1]	25,000	(i) Base Rate + 2.75%; or (ii) Base Rate + 3.75% (Eurodollar)	11/5/24	25,000	25,000
EB-5 Loan Agreement	35,550	5.75%	1/25/26	26,100	—
Total loans payable	60,550			51,100	25,000
Bonds payable					
Series 2020 Bonds	263,980	(i) Tax Exempt Series 2020A Bonds: 3.625% (ii) Tax Exempt Series 2020A Bonds: 4.00% (iii) Taxable Series 2020B Bonds: 6.00%	(i) 1/1/35 ii) 1/1/50 (iii) 1/1/25	263,980	263,980
Series 2021 Bonds	425,000	(i) Series 2021A Bonds: 1.875% to 3.00% (ii) Series 2021B Bonds: 4.10%	(i) 1/1/26 to 1/1/50 (ii) 1/1/28	425,000	—
Total bonds payable	688,980			688,980	263,980
Debt	749,530			740,080	288,980
Less: Debt issuance costs	(20,929)			(21,456)	(10,507)
Total debt, net	$728,601			$718,624	$278,473
Total debt due within one year	$ —			$ —	$ 25,000

(1) Requires a quarterly commitment fee at a rate of 0.875% on the average daily unused portion, as well as customary letter of credit fees and agency fees.

DRP Revolver—On November 5, 2018, our subsidiary entered into a revolving credit facility (the "DRP Revolver") that provides for revolving loans in the aggregate amount of $25.0 million. The DRP Revolver is secured by the capital stock of certain of the Parent's direct subsidiaries as defined in the related credit agreement.

In the event of a credit agreement default by DRP, including bankruptcy or insolvency, financial covenant default, or the failure to make a capital call under the relevant agreement, the Parent has agreed to contribute capital to satisfy up to 120% of the aggregate outstanding obligations.

On November 5, 2021, we entered into an amendment to the DRP Revolver, which extends the maturity date under the DRP Revolver to November 5, 2024. In connection with this extension, the obligations of the Parent to contribute capital in the event of an event of default under the DRP Revolver were terminated.

The DRP Revolver includes financial covenants requiring the maintenance of (i) a maximum ratio of debt to total equity of 3.00 to 1.00 per the terms of the credit agreement, (ii) consolidated cash balance of at least $3.0 million at each quarter end date, and (iii) consolidated tangible net worth of at least $180.0 million at each quarter end date in 2022, $190.0 million in 2023, and $200.0 million thereafter.

EB-5 Loan Agreement—On January 25, 2021, Jefferson entered into a non-recourse loan agreement under the U.S. Citizenship and Immigration Services EB-5 Program ("EB-5 Loan Agreement") to pay for the development, construction and acquisition of certain facilities at Jefferson Terminal. The maximum aggregate principal amount available under the EB-5 Loan Agreement is $61.2 million, of which $26.1 million is available under the first tranche and $35.1 million is available under the second tranche. The loans mature in 5 years from the funding of each individual tranche with an option to extend the maturity for both tranches by two one-year periods. If the option to extend the maturity is exercised, the interest rate will increase to 6.25% from 5.75% for the extension period.

Series 2020 Bonds—On February 11, 2020, Jefferson issued Series 2020 Bonds in an aggregate principal amount of $264.0 million ("Jefferson Refinancing"). The Series 2020 Bonds are designated as $184.9 million of Series 2020A Dock and Wharf Facility Revenue Bonds (the "Tax Exempt Series 2020A Bonds"), and $79.1 million of Series 2020B Taxable Facility Revenue Bonds (the "Taxable Series 2020B Bonds").

The Tax Exempt Series 2020A Bonds maturing on January 1, 2035 ($53.5 million aggregate principal amount) bear interest at a fixed rate of 3.625%.

The Tax Exempt Series 2020A Bonds maturing on January 1, 2050 ($131.4 million aggregate principal amount) bear interest at a fixed rate of 4.00%.

The Taxable Series 2020B Bonds will mature on January 1, 2025 and bear interest at a fixed rate of 6.00%.

Jefferson used a portion of the net proceeds from this offering to refund, redeem and defease certain indebtedness, and used a portion of the net proceeds to pay for or reimburse the cost of development, construction and acquisition of certain facilities, to fund certain reserve and funded interest accounts related to the Series 2020 Bonds, and to pay for or reimburse certain costs of issuance of the Series 2020 Bonds.

Jefferson recognized a loss on extinguishment of debt of $4.7 million as a result of this transaction.

Series 2021 Bonds—On August 18, 2021, Jefferson issued $425.0 million aggregate principal amount of Series 2021 Bonds, which are designated as $225.0 million of Series 2021A Dock and Wharf Facility Revenue Bonds (the "Series 2021A Bonds") and $200.0 million of Series 2021B Taxable Facility Revenue Bonds (the "Taxable Series 2021B Bonds").

The Series 2021A Bonds consist of:

i) $39.1 million aggregate principal amount of Serial Bonds maturing between January 1, 2026 and January 1, 2031, and bearing interest at specified fixed rates ranging from 1.875% to 2.625% per annum,

ii) $38.2 million aggregate principal amount of Term Bonds maturing January 1, 2036, and bearing interest at a fixed rate of 2.750% per annum,

iii) $44.9 million aggregate principal amount of Term Bonds maturing January 1, 2041, and bearing interest at a fixed rate of 2.875% per annum, and

iv) $102.8 million aggregate principal amount of Term Bonds maturing January 1, 2050, and bearing interest at a fixed rate of 3.00% per annum.

The Taxable Series 2021B Bonds will mature on January 1, 2028, and bear interest at a fixed rate of 4.100% per annum.

Jefferson intends to use a portion of the net proceeds to pay for or reimburse the cost of development, construction and acquisition of certain facilities.

We were in compliance with all debt covenants as of March 31, 2022 (unaudited), December 31, 2021, and 2020.

(Dollars in tables in thousands, unless otherwise noted) (continued)

As of December 31, 2021, scheduled principal repayments under our debt agreements for the next five years and thereafter are summarized as follows:

	2022	2023	2024	2025	2026	Thereafter	Total
DRP Revolver	$—	$—	$25,000	$ —	$ —	$ —	$ 25,000
EB-5 Loan Agreement	—	—	—	—	26,100	—	26,100
Series 2020 Bonds	—	—	—	79,060	—	184,920	263,980
Series 2021 Bonds	—	—	—	—	9,025	415,975	425,000
Total principal payments on loans and bonds payable	$—	$—	$25,000	$79,060	$35,125	$600,895	$740,080

9. FAIR VALUE MEASUREMENTS

Fair value measurements and disclosures require the use of valuation techniques to measure fair value that maximize the use of observable inputs and minimize use of unobservable inputs. These inputs are prioritized as follows:

- Level 1: Observable inputs such as quoted prices in active markets for identical assets or liabilities.
- Level 2: Inputs other than quoted prices included within Level 1 that are observable, either directly or indirectly, such as quoted prices for similar assets or liabilities or market corroborated inputs.
- Level 3: Unobservable inputs for which there is little or no market data and which require us to develop our own assumptions about how market participants price the asset or liability.

The valuation techniques that may be used to measure fair value are as follows:

- Market approach—Uses prices and other relevant information generated by market transactions involving identical or comparable assets or liabilities.
- Income approach—Uses valuation techniques to convert future amounts to a single present amount based on current market expectations about those future amounts.
- Cost approach—Based on the amount that currently would be required to replace the service capacity of an asset (replacement cost).

The following tables set forth our financial assets measured at fair value on a recurring basis by level within the fair value hierarchy. Assets measured at fair value are classified in their entirety based on the lowest level of input that is significant to their fair value measurement.

	Fair Value as of March 31, 2022 (Unaudited)	Fair Value Measurements Using Fair Value Hierarchy as of March 31, 2022 (Unaudited)			
	Total	Level 1	Level 2	Level 3	Valuation Technique
Assets					
Cash and cash equivalents	$ 65,475	$ 65,475	$—	$—	Market
Restricted cash	214,401	214,401	—	—	Market
Total assets	$279,876	$279,876	$—	$—	

	Fair Value as of March 31, 2022 (Unaudited)	Fair Value Measurements Using Fair Value Hierarchy as of March 31, 2022 (Unaudited)			
	Total	Level 1	Level 2	Level 3	Valuation Technique
Liabilities					
Derivative liabilities	766	—	766	—	Income
Total assets	$766	$—	$766	$—	

(Dollars in tables in thousands, unless otherwise noted) (continued)

	Fair Value as of December 31, 2021	Fair Value Measurements Using Fair Value Hierarchy as of December 31, 2021			
	Total	Level 1	Level 2	Level 3	Valuation Technique
Assets					
Cash and cash equivalents	$ 49,872	$ 49,872	$ —	$—	Market
Restricted cash	251,983	251,983	—	—	Market
Derivative assets	2,220	—	2,220	—	Income
Total assets	$304,075	$301,855	$2,220	$—	

	Fair Value as of December 31, 2020	Fair Value Measurements Using Fair Value Hierarchy as of December 31, 2020			
	Total	Level 1	Level 2	Level 3	Valuation Technique
Assets					
Cash and cash equivalents	$15,706	$15,706	$—	$—	Market
Restricted cash	39,715	39,715	—	—	Market
Total assets	$55,421	$55,421	$—	$—	

Our cash and cash equivalents and restricted cash consist largely of demand deposit accounts with maturities of 90 days or less when purchased that are considered to be highly liquid. These instruments are valued using inputs observable in active markets for identical instruments and are therefore classified as Level 1 within the fair value hierarchy.

The fair value of our commodity derivative assets classified as Level 2 measurements are estimated by applying the income and market approaches, based on quotes of observable market transactions, and adjusted for estimated differential factors based on quality and delivery locations.

Except as discussed below, our financial instruments other than cash and cash equivalents and restricted cash consist principally of accounts receivable, notes receivable, accounts payable and accrued liabilities, and loans payable, whose fair value approximates their carrying value based on an evaluation of pricing data, vendor quotes, and historical trading activity or due to their short maturity profiles.

The fair value of our bonds and notes payable reported as debt, net in the Combined Consolidated Balance Sheets are presented in the table below:

	March 31, 2022 (Unaudited)	December 31,	
		2021	2020
Series 2020 A Bonds[(1)]	171,071	$189,773	$186,306
Series 2020 B Bonds[(1)]	81,487	81,637	79,723
Series 2021 A Bonds[(1)]	184,411	222,023	—
Series 2021 B Bonds[(1)]	185,052	194,278	—

(1) Fair value is based upon market prices for similar municipal securities.

The fair value of items reported as debt, net in the Combined Consolidated Balance Sheet approximate their carrying values due to their bearing market rates of interest and are classified as Level 2 within the fair value hierarchy.

We measure the fair value of certain assets and liabilities on a non-recurring basis when U.S. GAAP requires the application of fair value, including events or changes in circumstances that indicate that the carrying amounts of assets may not be recoverable. Assets subject to these measurements include goodwill, intangible assets, property,

plant and equipment and leasing equipment. We record such assets at fair value when it is determined the carrying value may not be recoverable. Fair value measurements for assets subject to impairment tests are based on an income approach which uses Level 3 inputs, which include our assumptions as to future cash flows from operation of the underlying businesses.

10. DERIVATIVE FINANCIAL INSTRUMENTS

Commodity Derivatives

Crude Oil

Depending on market conditions, we sourced crude oil from producers in Canada, arranging logistics to Jefferson Terminal and marketing crude oil to third parties. We exited this strategy in the fourth quarter of 2019. These crude oil forward purchase and sales contracts were not designated in hedging relationships.

Butane

Depending on market conditions, Repauno enters into forward purchase and sales contracts for butane. These derivatives are short-term in nature and are used for trading purposes and classified as Level 2 derivatives.

The following table presents information related to our butane derivative contracts:

	March 31, 2022 (Unaudited)	December 31, 2021	December 31, 2020
Notional Amount *(Barrel of crude oil or butane ("BBL") in thousands)*	1,608	244	N/A
Fair Value of Assets (Liabilities)(1)	$ (766)	$2,220	$ —
Term	6 to 12 months	1 to 3 months	N/A

(1) Included in Other current liabilities and Other current assets in the Combined Consolidated Balance Sheets as of March 31, 2022 and December 31, 2021, respectively.

The following table presents a summary of the changes in fair value for all Level 3 derivatives:

	March 31, 2022 (Unaudited)	Year Ended December 31, 2021	2020	2019
Beginning Balance	$—	$—	$ 181	$ 6,545
Net losses recognized in earnings	—	—	(181)	(6,364)
Purchases	—	—	—	314
Sales	—	—	—	(674)
Settlements	—	—	—	360
Ending Balance	$—	$—	$ —	$ 181

There were no transfers into or out of Level 3 during the periods presented.

FTAI INFRASTRUCTURE
NOTES TO COMBINED CONSOLIDATED FINANCIAL STATEMENTS
(Dollars in tables in thousands, unless otherwise noted) (continued)

11. REVENUES

We disaggregate our revenue from contracts with customers by products and services provided for each of our segments, as we believe it best depicts the nature, amount, timing and uncertainty of our revenue. Revenues are within the scope of ASC 606, *Revenue from Contracts with Customers*, unless otherwise noted. We have elected to exclude sales and other similar taxes from revenues.

	Three Months Ended March 31, 2022 (Unaudited)				
	Jefferson Terminal	Ports and Terminals	Transtar	Corporate and Other	Total
Lease income	$ 352	$ —	$ 488	$ —	$ 840
Rail revenues	—	86	33,582	—	33,668
Terminal services revenues	12,694	90	—	—	12,784
Other revenue	—	(2,162)	—	1,018	(1,144)
Total revenues	$13,046	$(1,986)	$34,070	$1,018	$46,148

	Three Months Ended March 31, 2021 (Unaudited)				
	Jefferson Terminal	Ports and Terminals	Transtar	Corporate and Other	Total
Lease income	$ 430	$ —	$—	$ —	$ 430
Rail revenues	—	—	—	—	—
Terminal services revenues	10,289	132	—	—	10,421
Other revenue	—	7,964	—	1,727	9,691
Total revenues	$10,719	$8,096	$—	$1,727	$20,542

	Year Ended December 31, 2021				
	Jefferson Terminal	Ports and Terminals	Transtar	Corporate and Other	Total
Lease income	$ 1,688	$ —	$ 736	$ —	$ 2,424
Rail revenues	—	—	56,803	—	56,803
Terminal services revenues	44,664	374	—	—	45,038
Other revenue	—	11,243	—	4,711	15,954
Total revenues	$46,352	$11,617	$57,539	$4,711	$120,219

	Year Ended December 31, 2020				
	Jefferson Terminal	Ports and Terminals	Transtar	Corporate and Other	Total
Lease income	$ 1,186	$ —	$—	$ —	$ 1,186
Terminal services revenues	50,887	—	—	—	50,887
Crude marketing revenues	8,210	—	—	—	8,210
Other revenue	—	3,855	—	4,424	8,279
Total revenues	$60,283	$3,855	$—	$4,424	$68,562

	Year Ended December 31, 2019				
	Jefferson Terminal	Ports and Terminals	Transtar	Corporate and Other	Total
Lease income	$ 2,306	$ 1,056	$—	$ —	$ 3,362
Terminal services revenues	35,908	7,057	—	—	42,965
Crude marketing revenues	166,134	—	—	—	166,134
Other revenue	—	14,074	—	2,917	16,991

(Dollars in tables in thousands, unless otherwise noted) (continued)

	Year Ended December 31, 2019				
	Jefferson Terminal	Ports and Terminals	Transtar	Corporate and Other	Total
Total revenues	$204,348	$22,187	$—	$2,917	$229,452

Presented below are the contracted minimum future annual revenues to be received under existing operating leases across several market sectors:

	March 31, 2022 (Unaudited)	December 31, 2021
Remainder of 2022 and 2022, respectively	$ 8,785	$11,969
2023	4,125	4,125
2024	459	459
2025	459	459
2026	421	421
Thereafter	—	—
Total	$14,249	$17,433

12. LEASES

We have commitments as lessees under lease agreements primarily for real estate, equipment and vehicles. Our leases have remaining lease terms ranging from approximately two months to 41 years.

The following table presents lease related costs:

	Year Ended December 31,		
	2021	2020	2019
Finance leases			
Amortization of right-of-use assets	$ 380	$ —	$ —
Interest on lease liabilities	27	—	—
Finance lease expense	407	—	—
Operating lease expense	5,682	$4,587	$ 5,846
Short-term lease expense	587	315	3,088
Variable lease expense	1,590	1,379	3,263
Sublease income	—	—	(1,032)
Total lease expense	8,266	$6,281	$11,165

The following table presents information related to our operating leases:

	December 31,	
	2021	2020
Right-of-use assets, net	$71,547	$60,561
Lease liabilities	$70,404	$60,903
Weighted average remaining lease term	34.8 years	40.7 years
Weighted average incremental borrowing rate	5.7%	6.2%
Cash paid for amounts included in the measurement of operating lease liabilities	$ 5,602	$ 4,591

(Dollars in tables in thousands, unless otherwise noted) (continued)

The following table presents future minimum lease payments under non-cancellable operating leases as of December 31, 2021:

2022	$ 9,055
2023	7,178
2024	6,176
2025	5,854
2026	5,256
Thereafter	142,878
Total undiscounted lease payments	176,397
Less: Imputed interest	105,993
Total lease liabilities	$ 70,404

In July 2021, in connection with our acquisition of Transtar, we assumed ROU assets of approximately $12.2 million with a weighted average remaining term of 5.5 years.

During the year ended December 31, 2020, we amended a lease agreement for real estate in connection with the Jefferson Refinancing. The amended lease had a ROU asset value of $59.8 million and a lease term of approximately 43 years at commencement.

13. EQUITY-BASED COMPENSATION

Some of our subsidiaries provide an equity-based incentive plan for eligible employees. The following table presents our stock-based compensation expense recognized in the Combined Consolidated Statement of Operations:

	Three Months Ended March 31, (Unaudited)		Year Ended December 31,			Remaining Expense To Be Recognized, If All Vesting Conditions Are Met as of March 31, 2022 (Unaudited)
	2022	2021	2021	2020	2019	
Restricted shares	$538	$ 841	$3,215	$1,676	1,054	$3,193
Common units	171	273	823	649	455	877
Total	$709	$1,114	$4,038	$2,325	$1,509	$4,070

Restricted Shares

We issued restricted shares of our subsidiary to certain employees during the three-months ended March 31, 2022 and 2021 (unaudited) and years ended December 31, 2021, 2020 and 2019, that had grant date fair values of $0 million, $5.3 million, $5.6 million, $4.0 million and $1.5 million, respectively, and generally vest over three years. These awards are subject to continued employment, and the compensation expense is recognized ratably over the vesting periods. The fair value of these awards was based on the fair value of the operating subsidiary on each grant date, which was estimated using a discounted cash flow analysis that requires the application of discount factors and terminal multiples to projected cash flows. Discount factors and terminal multiples were based on market-based inputs and transactions, as available at the measurement date.

Common Units

We issued 0, 1,052,632, 1,052,632, 1,883,772, and 1,110,000 common units of our subsidiary to certain employees during the three months ended March 31, 2022 and 2021 (unaudited), and for the years ended December 31, 2021, 2020 and 2019, respectively, that had grant date fair values of $0 million, $1.2 million, $1.2 million, $2.1 million, and $3.4 million, respectively, and vest over three years. These awards are subject to continued employment and compensation expense is recognized ratably over the vesting periods. The fair value was based on the fair value of the operating subsidiary on the grant date, which is estimated using a discounted cash flow analysis that requires the application of discount factors and terminal multiples to projected cash flows. Discount factors and terminal multiples were based on market-based inputs and transactions, as available at the measurement date.

(Dollars in tables in thousands, unless otherwise noted) (continued)

14. RETIREMENT BENEFIT PLANS

In connection with the acquisition of Transtar (see Note 3), we established a defined benefit pension plan as well as a postretirement benefit plan to assume certain retirement benefit obligations related to eligible Transtar employees.

Defined Benefit Pensions

Our unfunded pension plan is a tax qualified plan. Our pension plan covers certain eligible Transtar employees. These plans are noncontributory. Pension benefits earned are generally based on years of service and compensation during active employment. The accumulated benefit obligation at December 31, 2021 is $1.4 million.

Postretirement Benefits

Our unfunded postretirement plan provides healthcare and life insurance benefits for eligible retirees and dependents of Transtar. Depending on retirement date and employee classification, certain healthcare plans contain contribution and cost-sharing features such as deductibles and co-insurance. The remaining healthcare and life insurance plans are non-contributory.

The following table summarizes our estimated benefit obligation as of December 31, 2021. Service costs are recorded in Operating expenses, and interest costs are recorded in Other (expense) income in the Combined Consolidated Statements of Operations.

	Pension Benefits	Postretirement Benefits
Benefit obligation as of January 1, 2021	$ —	$ —
Transtar acquisition	9,055	28,488
Service costs	712	864
Interest costs	108	337
Actuarial (gains) losses	(20)	344
Benefit paid	(50)	—
Benefit obligation as of December 31, 2021	$9,805	$30,033

The pension and postretirement benefits are unfunded and recorded in Other liabilities on the Combined Consolidated Balance Sheets. Our retirement plan costs for the three months ended March 31, 2022 (unaudited) and for the year ended December 31, 2021 are $0.5 million and $0.8 million for pension benefits and $0.7 million and $1.2 million for post-retirement benefits, respectively.

Weighted-average assumptions used to determine the estimated benefit obligation and period costs as of and for the year ended December 31, 2021 are as follows:

	Pension Benefits	Postretirement Benefits
Weighted-average assumptions used to determine pension benefit obligation:		
Discount rate	3.02%	3.00%
Rate of compensation increase	3.50%	N/A
Average future working lifetime (years)	N/A	11.34
Initial healthcare cost trend rate - Pre-Medicare	N/A	10.00%
Initial healthcare cost trend rate - Medicare eligible	N/A	3.00%
Ultimate healthcare cost trend rate	N/A	3.94%
Year ultimate healthcare cost trend rate is reached	N/A	2075

	Pension Benefits	Postretirement Benefits
Weighted-average assumptions used to determine net periodic pension and postretirement costs:		
Discount rate	2.88%	2.86%
Rate of compensation increases	3.50%	N/A
Average future working lifetime (years)	10.93	11.34
Initial healthcare cost trend rate	N/A	6.00%
Ultimate healthcare cost trend rate	N/A	3.80%
Year ultimate healthcare cost trend rate is reached	N/A	2075

The following benefit payments, which reflect expected future service and compensation increases, as appropriate, are expected to be made from the Transtar defined benefit plans:

	Pension Benefits	Postretirement Benefits
2022	$ 51	$ 102
2023	143	173
2024	261	251
2025	390	354
2026	496	451
Years 2027-2031	4,501	3,252

15. INCOME TAXES

The current and deferred components of the income tax (benefit) provision included in the Combined Consolidated Statements of Operations are as follows:

	Year Ended December 31,		
	2021	2020	2019
Current:			
Federal	$ 13	$ 4	$ (9)
State and local	224	329	243
Foreign	—	(41)	54
Total current provision	237	292	288
Deferred:			
Federal	(3,820)	(2,272)	14,097
State and local	(44)	—	(1)
Foreign	(3)	(4)	—
Total deferred (benefit) provision	(3,867)	(2,276)	14,096
Total	$(3,630)	$(1,984)	$14,384

Prior to the spin-off, we are taxed as a disregarded entity for U.S. federal income tax purposes and our taxable income or loss generated was the responsibility of our parent, except as related to certain wholly owned corporate subsidiaries of the infrastructure business. Taxable income or loss generated by our corporate subsidiaries is subject to U.S. federal, state and foreign corporate income tax in locations where they conduct business.

(Dollars in tables in thousands, unless otherwise noted) (continued)

The difference between our reported total provision for income taxes and the U.S. federal statutory rate of 21% is as follows:

	Year Ended December 31,		
	2021	2020	2019
U.S. federal tax at statutory rate	21.00%	21.00%	21.00%
Income not subject to tax at statutory rate	4.77%	4.15%	(212.63)%
State and local taxes	(0.22)%	(0.45)%	7.44%
Foreign taxes	— %	0.06%	1.67%
Other	(4.43)%	0.06%	10.99%
Change in valuation allowance	(17.75)%	(22.13)%	614.62%
Provision for income taxes	3.37%	2.69%	443.09%

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

	December 31,	
	2021	2020
Deferred tax assets:		
Net operating loss carryforwards	$ 112,999	$ 85,174
Accrued expenses	2,275	469
Interest expense	23,483	25,488
Operating lease liabilities	23,503	10,119
Investment in partnerships	15,524	—
Other	803	2,619
Total deferred tax assets	178,587	123,869
Less valuation allowance	(137,771)	(94,139)
Net deferred tax assets	40,816	29,730
Deferred tax liabilities:		
Investment in partnerships	—	(14,982)
Fixed assets and goodwill	(16,900)	(9,550)
Operating lease right-of-use assets	(23,772)	(10,062)
Net deferred tax assets (liabilities)	$ 144	$ (4,864)

The net operating losses include the tax benefits from expense allocations from the Parent to certain taxable subsidiaries within the Company, for all periods presented. These tax benefits are not compensated by the Parent and will not be included in the Company's net operating losses after Separation.

Deferred tax assets and liabilities are reported net in Other assets or Other liabilities in the Combined Consolidated Balance Sheets. In assessing the realizability of deferred tax assets, management considers whether it is more likely than not that some portion or all of the deferred tax assets will not be realized. The ultimate realization of deferred tax assets is dependent upon the generation of future taxable income during the periods in which temporary differences become deductible. We have analyzed our deferred tax assets and have determined, based on the weight of available evidence, that it is more likely than not that a significant portion will not be realized. Accordingly, valuation allowances have been recognized as of December 31, 2021 and 2020 of $137.7 million and $94.1 million, respectively, related to certain deductible temporary differences and net operating loss carryforwards.

A summary of the changes in the valuation allowance is as follows:

	December 31,	
	2021	2020
Valuation allowance at beginning of period	$ 94,139	$81,313
Change due to current year losses	43,632	12,826
Valuation allowance at end of period	$137,771	$94,139

As of December 31, 2021, certain of our corporate subsidiaries had U.S. federal net operating loss carryforwards of approximately $520.3 million that are available to offset future taxable income. If not utilized, $169.1 million of these carryforwards will begin to expire in the year 2034, with $351.2 million of these carryforwards having no expiration date. The utilization of the net operating loss carryforwards to reduce future income taxes will depend on the relevant corporate subsidiary's ability to generate sufficient taxable income prior to the expiration of the carryforward period, if any. In addition, the maximum annual use of net operating loss carryforwards may be limited after certain changes in stock ownership.

As of and for the year ended December 31, 2021, we had not established a liability for uncertain tax positions as no such positions existed. In general, our tax returns and the tax returns of our corporate subsidiaries are subject to U.S. federal, state, local and foreign income tax examinations by tax authorities. Generally, we are not subject to examination by taxing authorities for tax years prior to 2018. We do not believe that it is reasonably possible that the total amount of unrecognized tax benefits will significantly change within 12 months of the reporting date.

16. MANAGEMENT AGREEMENT AND AFFILIATE TRANSACTIONS

The Parent, and FTAI Infrastructure as a part of the Parent, are externally managed by the Manager. The Manager is paid annual fees in exchange for advising us on various aspects of our business, formulating our investment strategies, arranging for the acquisition and disposition of assets, arranging for financing, monitoring performance, and managing our day-to-day operations, inclusive of all costs incidental thereto. In addition, the Manager may be reimbursed for various expenses incurred by the Manager on our behalf, including the costs of legal, accounting and other administrative activities. In May 2015, in connection with the Parent's initial public offering ("IPO"), the Parent and the Manager entered into the Management Agreement. Additionally, the Parent has entered into certain incentive allocation arrangements with Fortress Worldwide Transportation and Infrastructure Master GP LLC (the "Master GP").

The Manager is entitled to a management fee, incentive allocations (comprised of Income Incentive Allocation and Capital Gains Incentive Allocation described below) and reimbursement of certain expenses. The management fee is determined by taking the average value of total equity (excluding non-controlling interests) of the Parent determined on a consolidated basis in accordance with U.S. GAAP at the end of the two most recently completed months multiplied by an annual rate of 1.50%, and is payable monthly in arrears in cash.

The income incentive allocation is calculated and distributable quarterly in arrears based on the pre-incentive allocation net income for the immediately preceding calendar quarter (the "Income Incentive Allocation"). For this purpose, pre-incentive allocation net income means, with respect to a calendar quarter, net income attributable to shareholders during such quarter calculated in accordance with U.S. GAAP excluding the Parent's pro rata share of (1) realized or unrealized gains and losses, and (2) certain non-cash or one-time items, and (3) any other adjustments as may be approved by the independent directors. Pre-incentive allocation net income does not include any Income Incentive Allocation or Capital Gains Incentive Allocation (described below) paid to the Master GP during the relevant quarter.

The Master GP is entitled to an Income Incentive Allocation with respect to its pre-incentive allocation net income in each calendar quarter as follows: (1) no Income Incentive Allocation in any calendar quarter in which pre-incentive allocation net income, expressed as a rate of return on the average value of the Parent's net equity capital (excluding non-controlling interests) at the end of the two most recently completed calendar quarters, does not exceed 2% for such quarter (8% annualized); (2) 100% of pre-incentive allocation net income of the Parent with respect to that portion of such pre-incentive allocation net income, if any, that is equal to or exceeds 2% but does not exceed 2.2223% for such quarter; and (3) 10% of the amount of pre-incentive allocation net income of the Parent, if any, that exceeds 2.2223% for such quarter. These calculations will be prorated for any period of less than three months.

Capital Gains Incentive Allocation is calculated and distributable in arrears as of the end of each calendar year and is equal to 10% of the Parent's pro rata share of cumulative realized gains from the date of the Parent's IPO through the end of the applicable calendar year, net of the Parent's pro rata share of cumulative realized or unrealized losses, the cumulative non-cash portion of equity-based compensation expenses and all realized gains upon which prior performance-based Capital Gains Incentive Allocation payments were made to the Master GP.

(Dollars in tables in thousands, unless otherwise noted) (continued)

A portion of the management fee, income incentive allocation, and capital gains incentive allocation that are attributable to the operations of FTAI Infrastructure is recorded in the Management fees and incentive allocation to affiliate on the Combined Consolidated Statement of Operations. These amounts are allocated on the following basis:

Management fee—Management fee is allocated to FTAI Infrastructure by applying the calculation methodology described above to the equity of FTAI Infrastructure included in these combined consolidated financial statements.

Income Incentive Allocation and Capital Gains Incentive Allocation—The Income Incentive Allocation and Capital Gains Incentive Allocation are allocated to FTAI Infrastructure by applying the allocation calculation methodology described above to FTAI Infrastructure's financial results in each respective period.

The following table summarizes the management fees, income incentive allocation and capital gains incentive allocation included in these combined consolidated financial statements:

	Three Months Ended March 31, (Unaudited)		Year Ended December 31,		
	2022	2021	2021	2020	2019
Management fees	$4,161	$3,598	$15,638	$13,073	$10,722
Capital gains incentive allocation	—	—	—	—	5,819
Total	$4,161	$3,598	$15,638	$13,073	$16,541

The Parent pays all of its operating expenses, except those specifically required to be borne by the Manager under the Management Agreement. The expenses required to be paid by the Parent include, but are not limited to, issuance and transaction costs incident to the acquisition, disposition and financing of its assets, legal and auditing fees and expenses, the compensation and expenses of the Parent's independent directors, the costs associated with the establishment and maintenance of any credit facilities and other indebtedness of the Parent (including commitment fees, legal fees, closing costs, etc.), expenses associated with other securities offerings of the Parent, costs and expenses incurred in contracting with third parties (including affiliates of the Manager), the costs of printing and mailing proxies and reports to the Parent's shareholders, costs incurred by the Manager or its affiliates for travel on the Parent's behalf, costs associated with any computer software or hardware that is used by the Parent, costs to obtain liability insurance to indemnify the Parent's directors and officers and the compensation and expenses of the Parent's transfer agent.

The Parent will pay or reimburse the Manager and its affiliates for performing certain legal, accounting, due diligence tasks and other services that outside professionals or outside consultants otherwise would perform, provided that such costs and reimbursements are no greater than those which would be paid to outside professionals or consultants. The Manager is responsible for all of its other costs incident to the performance of its duties under the Management Agreement, including compensation of the Manager's employees, rent for facilities and other "overhead" expenses. A portion of the Parent's reimbursement to the Manager is allocated to FTAI Infrastructure based on an estimate of time incurred by the Manager's employees on activities related to our operations.

A portion of these reimbursable expenses that the Parent paid to the Manager and are attributable to FTAI Infrastructure are included in the combined consolidated financial statements as follows:

	Three Months Ended March 31, (Unaudited)		Year Ended December 31,		
	2022	2021	2021	2020	2019
Classification in the Combined Consolidated Statements of Operations:					
General and administrative expenses	$1,130	$ 960	$3,937	$4,053	$3,747
Acquisition and transaction expenses	412	238	1,105	682	714
Total	$1,542	$1,198	$5,042	$4,735	$4,461

(Dollars in tables in thousands, unless otherwise noted) (continued)

In addition to the above, the following corporate expenses, which were allocated from the Parent, are also included in the combined consolidated financial statements:

	Three Months Ended March 31, (Unaudited)		Year Ended December 31,		
	2022	2021	2021	2020	2019
Classification in the Combined Consolidated Statements of Operations:					
General and administrative expenses	$1,299	$1,074	$ 4,776	$4,469	$3,722
Acquisition and transaction expenses	3,618	28	10,880	69	3,412
Total	$4,917	$1,102	$15,656	$4,538	$7,134

As of March 31, 2022 (unaudited), and December 31, 2021 and 2020, no amounts were recorded as a payable to the Manager or a receivable from the Manager.

Other Affiliate Transactions

As of March 31, 2022 (unaudited), and December 31, 2021 and 2020 an affiliate of our Manager owns an approximately 20% interest in Jefferson Terminal which has been accounted for as a component of non-controlling interest in consolidated subsidiaries in the accompanying combined consolidated financial statements. The carrying amount of this non-controlling interest as of March 31, 2022 (unaudited), and December 31, 2021 and 2020 was $(16.2) million, $(9.1) million and $17.2 million, respectively.

The following table presents the amount of this non-controlling interest share of net loss:

	Three Months Ended March 31, (Unaudited)		Year Ended December 31,		
	2022	2021	2021	2020	2019
Non-controlling interest share of net loss	$(7,466)	$(4,961)	$(26,472)	$(16,522)	$(17,571)

In July 2020, we purchased a 14% interest in FYX from an affiliate of our Manager, which retained a non-controlling interest in FYX subsequent to the transaction. Additionally, other investors in FYX are also affiliates of our Manager. See Note 6 for additional information related to FYX.

In connection with the Capital Call Agreement related to the Series 2016 Bonds, we entered into a Fee and Support Agreement with an affiliate of our Manager. The Fee and Support Agreement provides that the affiliate of the Manager is compensated for its guarantee of a portion of the obligations under the Standby Bond Purchase Agreement. This affiliate of the Manager received fees of $1.7 million, was amortized as interest expense to the earlier of the redemption date or February 13, 2020.

In connection with the amendment to the Jefferson Revolver, on December 20, 2018, our subsidiary and an affiliate of our Manager entered into an amended and restated Fee and Support Agreement, and our subsidiary issued a $0.3 million promissory note to the affiliate of our Manager, as consideration for the fee payable pursuant to the amended and restated Fee and Support Agreement.

In February 2020, the Fee and Support Agreement was terminated in connection with the Jefferson Refinancing.

17. SEGMENT INFORMATION

Our reportable segments represent strategic business units comprised of investments in different types of transportation and infrastructure assets. We have three reportable segments which operate in infrastructure businesses across several market sectors, all in North America. Our reportable segments are (i) Jefferson Terminal, (ii) Ports and Terminals and (iii) Transtar. The Jefferson Terminal segment consists of a multi-modal crude oil and refined products terminal and other related assets. The Ports and Terminals segment consists of Repauno, which is a 1,630 acre deep-water port located along the Delaware River with an underground storage cavern, a multipurpose dock, a rail-to-ship transloading system and multiple industrial development opportunities, and an equity method investment

(Dollars in tables in thousands, unless otherwise noted) (continued)

in Long Ridge, which is a 1,660 acre multi-modal port located along the Ohio River with rail, dock, and multiple industrial development opportunities, including a power plant under construction. The Transtar segment consists of five freight railroads and one switching company, of which two railroads are connected to US Steel's largest production facilities.

Corporate and Other primarily consists of corporate general and administrative expenses, and management fees, all allocated from the Parent. Additionally, Corporate and Other currently includes (i) Containers, (ii) investments in Aleon, GMR, and CPE, (iii) a note receivable from CarbonFree, and (iv) KRS.

The accounting policies of the segments are the same as those described in the summary of significant accounting policies. The chief operating decision maker evaluates investment performance for each reportable segment primarily based on Adjusted EBITDA.

Adjusted EBITDA is defined as net income (loss) attributable to Parent from continuing operations, adjusted (a) to exclude the impact of provision for (benefit from) income taxes, equity-based compensation expense, acquisition and transaction expenses, losses on the modification or extinguishment of debt and capital lease obligations, changes in fair value of non-hedge derivative instruments, asset impairment charges, incentive allocations, depreciation and amortization expense, and interest expense, (b) to include the impact of our pro-rata share of Adjusted EBITDA from unconsolidated entities, and (c) to exclude the impact of equity in earnings (losses) of unconsolidated entities and the non-controlling share of Adjusted EBITDA.

We believe that net income (loss) attributable to Parent, as defined by U.S. GAAP, is the most appropriate earnings measurement with which to reconcile Adjusted EBITDA. Adjusted EBITDA should not be considered as an alternative to net income (loss) attributable to shareholders as determined in accordance with U.S. GAAP.

The following tables set forth certain information for each reportable segment:

I. For the three months ended March 31, 2022 (Unaudited):

	Three months ended March 31, 2022 (Unaudited)				
	Jefferson Terminal	Ports and Terminals	Transtar	Corporate and Other	Total
Revenues					
Total revenues	$ 13,046	$ (1,986)	$34,070	$ 1,018	$ 46,148
Expenses					
Operating expenses	13,123	3,883	19,063	1,999	38,068
General and administrative	—	—	—	2,430	2,430
Acquisition and transaction expenses	—	—	206	4,030	4,236
Management fees and incentive allocation to affiliate	—	—	—	4,161	4,161
Depreciation and amortization	9,700	2,369	4,759	168	16,996
Total expenses	22,823	6,252	24,028	12,788	65,891
Other expense					
Equity in losses of unconsolidated entities	—	(21,381)	—	(662)	(22,043)
Interest expense	(6,110)	(287)	(60)	(2)	(6,459)
Other expense	(99)	—	(360)	—	(459)
Total other expense	(6,209)	(21,668)	(420)	(664)	(28,961)
(Loss) income before income taxes	(15,986)	(29,906)	9,622	(12,434)	(48,704)
Provision for (benefit from) income taxes	69	—	1,515	—	1,584
Net (loss) income	(16,055)	(29,906)	8,107	(12,434)	(50,288)
Less: Net loss attributable to non-controlling interests in consolidated subsidiaries	(7,136)	(330)	—	—	(7,466)
Net (loss) income attributable to Parent	$ (8,919)	$(29,576)	$ 8,107	$(12,434)	$(42,822)

(Dollars in tables in thousands, unless otherwise noted) (continued)

The following table sets forth a reconciliation of Adjusted EBITDA to net loss attributable to Parent:

	Three months ended March 31, 2022 (Unaudited)				
	Jefferson Terminal	Ports and Terminals	Transtar	Corporate and Other	Total
Adjusted EBITDA	$3,806	$1,369	$14,647	$(8,260)	$ 11,562
Add: Non-controlling share of Adjusted EBITDA					3,816
Add: Equity in losses of unconsolidated entities					(22,043)
Less: Pro-rata share of Adjusted EBITDA from unconsolidated entities					(5,407)
Less: Interest expense					(6,459)
Less: Depreciation and amortization expense					(16,996)
Less: Incentive allocations					—
Less: Asset impairment charges					—
Less: Changes in fair value of non-hedge derivative instruments					(766)
Less: Losses on the modification or extinguishment of debt and capital lease obligations					—
Less: Acquisition and transaction expenses					(4,236)
Less: Equity-based compensation expense					(709)
Less: Benefit from income taxes					
Net loss attributable to Parent					$(42,822)

II. For the Three months ended March 31, 2021 (Unaudited)

	Three months ended March 31, 2021 (Unaudited)				
	Jefferson Terminal	Ports and Terminals	Transtar	Corporate and Other	Total
Revenues					
Total revenues	$10,719	$8,096	$—	$ 1,727	$ 20,542
Expenses					
Operating expenses	11,721	3,102	—	1,986	16,809
General and administrative	—	—	—	2,034	2,034
Acquisition and transaction expenses	—	—	—	958	958
Management fees and incentive allocation to affiliate	—	—	—	3,598	3,598
Depreciation and amortization	7,718	2,211	—	154	10,083
Total expenses	19,439	5,313	—	8,730	33,482
Other (expense) income					
Equity in (losses) earnings of unconsolidated entities	—	1,542	—	(1,996)	(454)
Interest expense	(1,203)	(279)	—	(1)	(1,483)
Other income	181	—	—	—	181
Total other (expense) income	(1,022)	1,263	—	(1,997)	(1,756)
(Loss) income before income taxes	(9,742)	4,046	—	(9,000)	(14,696)
Provision for (benefit from) income taxes	57	(462)	—	(1)	(406)
Net (loss) income	(9,799)	4,508	—	(8,999)	(14,290)
Less: Net (loss) earnings attributable to non-controlling interests in consolidated subsidiaries	(5,016)	55	—	—	(4,961)
Net (loss) income attributable to Parent	$ (4,783)	$4,453	$—	$(8,999)	$ (9,329)

FTAI INFRASTRUCTURE
NOTES TO COMBINED CONSOLIDATED FINANCIAL STATEMENTS
(Dollars in tables in thousands, unless otherwise noted) (continued)

The following table sets forth a reconciliation of Adjusted EBITDA to net loss attributable to Parent:

	Three months ended March 31, 2021 (Unaudited)				
	Jefferson Terminal	Ports and Terminals	Transtar	Corporate and Other	Total
Adjusted EBITDA	$2,828	$132	$—	$(5,836)	$ (2,876)
Add: Non-controlling share of Adjusted EBITDA					2,029
Add: Equity in losses of unconsolidated entities					(454)
Less: Pro-rata share of Adjusted EBITDA from unconsolidated entities					(2,760)
Less: Interest expense					(1,483)
Less: Depreciation and amortization expense					(10,083)
Less: Incentive allocations					—
Less: Asset impairment charges					—
Less: Changes in fair value of non-hedge derivative instruments					7,964
Less: Losses on the modification or extinguishment of debt and capital lease obligations					—
Less: Acquisition and transaction expenses					(958)
Less: Equity-based compensation expense					(1,114)
Less: Benefit from income taxes					406
Net loss attributable to Parent					$ (9,329)

III. For the Year Ended December 31, 2021

	Year Ended December 31, 2021				
	Jefferson Terminal	Ports and Terminals	Transtar	Corporate and Other	Total
Revenues					
Total revenues	$ 46,352	$ 11,617	$57,539	$ 4,711	$ 120,219
Expenses					
Operating expenses	48,255	14,403	28,987	6,896	98,541
General and administrative	—	—	—	8,737	8,737
Acquisition and transaction expenses	—	—	2,841	11,985	14,826
Management fees and incentive allocation to affiliate	—	—	—	15,638	15,638
Depreciation and amortization	36,013	9,052	8,320	631	54,016
Total expenses	84,268	23,455	40,148	43,887	191,758
Other (expense) income					
Equity in (losses) earnings of unconsolidated entities	—	(13,597)	—	98	(13,499)
Gain on sale of assets, net	—	16	—	—	16
Interest expense	(14,812)	(1,147)	(53)	(7)	(16,019)
Other (expense) income	(4,726)	(3,782)	(423)	1	(8,930)
Total other (expense) income	(19,538)	(18,510)	(476)	92	(38,432)
(Loss) income before income taxes	(57,454)	(30,348)	16,915	(39,084)	(109,971)
Provision for (benefit from) income taxes	229	(3,930)	64	7	(3,630)
Net (loss) income	(57,683)	(26,418)	16,851	(39,091)	(106,341)
Less: Net loss attributable to non-controlling interests in consolidated subsidiaries	(26,250)	(222)	—		(26,472)
Net (loss) income attributable to Parent	$(31,433)	$(26,196)	$16,851	$(39,091)	$ (79,869)

(Dollars in tables in thousands, unless otherwise noted) (continued)

The following table sets forth a reconciliation of Adjusted EBITDA to net loss attributable to Parent:

	Year Ended December 31, 2021				
	Jefferson Terminal	Ports and Terminals	Transtar	Corporate and Other	Total
Adjusted EBITDA	$10,631	$21,375	$28,129	$(26,869)	$ 33,266
Add: Non-controlling share of Adjusted EBITDA					12,508
Add: Equity in losses of unconsolidated entities					(13,499)
Less: Pro-rata share of Adjusted EBITDA from unconsolidated entities					(29,095)
Less: Interest expense					(16,019)
Less: Depreciation and amortization expense					(54,016)
Less: Incentive allocations					—
Less: Asset impairment charges					—
Less: Changes in fair value of non-hedge derivative instruments					2,220
Less: Losses on the modification or extinguishment of debt and capital lease obligations					—
Less: Acquisition and transaction expenses					(14,826)
Less: Equity-based compensation expense					(4,038)
Less: Benefit from income taxes					3,630
Net loss attributable to Parent					$(79,869)

IV. For the Year Ended December 31, 2020

	Year Ended December 31, 2020				
	Jefferson Terminal	Ports and Terminals	Transtar	Corporate and Other	Total
Revenues					
Total revenues	$ 60,283	$ 3,855	$—	$ 4,424	$ 68,562
Expenses					
Operating expenses	53,072	10,327	—	5,992	69,391
General and administrative	—	—	—	8,522	8,522
Acquisition and transaction expenses	—	907	—	751	1,658
Management fees and incentive allocation to affiliate	—	—	—	13,073	13,073
Depreciation and amortization	29,034	1,497	—	583	31,114
Total expenses	82,106	12,731	—	28,921	123,758
Other (expense) income					
Equity in (losses) earnings of unconsolidated entities	—	(3,222)	—	115	(3,107)
Loss on sale of assets, net	(8)	—	—	—	(8)
Loss on extinguishment of debt	(4,724)	—	—	—	(4,724)
Interest expense	(9,426)	(1,335)	—	(3)	(10,764)
Other income	92	—	—	—	92
Total other (expense) income	(14,066)	(4,557)	—	112	(18,511)
Loss before income taxes	(35,889)	(13,433)	—	(24,385)	(73,707)
Provision for (benefit from) income taxes	278	(2,265)	—	3	(1,984)
Net loss	(36,167)	(11,168)	—	(24,388)	(71,723)
Less: Net loss attributable to non-controlling interests in consolidated subsidiaries	(16,483)	(39)	—	—	(16,522)
Net loss attributable to Parent	$(19,684)	$(11,129)	$—	$(24,388)	$ (55,201)

(Dollars in tables in thousands, unless otherwise noted) (continued)

The following table sets forth a reconciliation of Adjusted EBITDA to net loss attributable to Parent:

	Year Ended December 31, 2020				
	Jefferson Terminal	Ports and Terminals	Transtar	Corporate and Other	Total
Adjusted EBITDA	$16,118	$(2,600)	$—	$(23,327)	$ (9,809)
Add: Non-controlling share of Adjusted EBITDA					9,637
Add: Equity in losses of unconsolidated entities					(3,107)
Less: Pro-rata share of Adjusted EBITDA from unconsolidated entities					(3,140)
Less: Interest expense					(10,764)
Less: Depreciation and amortization expense					(31,114)
Less: Incentive allocations					—
Less: Asset impairment charges					—
Less: Changes in fair value of non-hedge derivative instruments					(181)
Less: Losses on the modification or extinguishment of debt and capital lease obligations					(4,724)
Less: Acquisition and transaction expenses					(1,658)
Less: Equity-based compensation expense					(2,325)
Less: Benefit from income taxes					1,984
Net loss attributable to Parent					$(55,201)

V. For the Year Ended December 31, 2019

	Year Ended December 31, 2019				
	Jefferson Terminal	Ports and Terminals	Transtar	Corporate and Other	Total
Revenues					
Total revenues	$204,348	$ 22,187	$—	$ 2,917	$229,452
Expenses					
Operating expenses	231,506	24,854	—	4,549	260,909
General and administrative	—	—	—	7,469	7,469
Acquisition and transaction expenses	—	5,008	—	4,126	9,134
Management fees and incentive allocation to affiliate	—	—	—	16,541	16,541
Depreciation and amortization	22,873	9,849	—	406	33,128
Asset impairment	—	4,726	—	—	4,726
Total expenses	254,379	44,437	—	33,091	331,907
Other income (expense)					
Equity in losses of unconsolidated entities	(292)	(192)	—	(62)	(546)
Gain on sale of assets, net	4,636	116,660	—	—	121,296
Interest expense	(16,189)	(1,712)	—	(6)	(17,907)
Other income	752	2,098	—	7	2,857
Total other (expense) income	(11,093)	116,854	—	(61)	105,700
(Loss) income before income taxes	(61,124)	94,604	—	(30,235)	3,245
Provision for (benefit from) income taxes	284	14,106	—	(6)	14,384
Net (loss) income	(61,408)	80,498	—	(30,229)	(11,139)
Less: Net loss attributable to non-controlling interests in consolidated subsidiaries	(17,356)	(215)	—	—	(17,571)
Net (loss) income attributable to Parent	$ (44,052)	$ 80,713	$—	$(30,229)	$ 6,432

(Dollars in tables in thousands, unless otherwise noted) (continued)

The following table sets forth a reconciliation of Adjusted EBITDA to net income attributable to Parent:

	Year Ended December 31, 2019				
	Jefferson Terminal	Ports and Terminals	Transtar	Corporate and Other	Total
Adjusted EBITDA	$(6,160)	$114,760	$—	$(19,877)	$ 88,723
Add: Non-controlling share of Adjusted EBITDA					9,859
Add: Equity in losses of unconsolidated entities					(546)
Less: Pro-rata share of Adjusted EBITDA from unconsolidated entities					(442)
Less: Interest expense					(17,907)
Less: Depreciation and amortization expense					(33,128)
Less: Incentive allocations					(5,819)
Less: Asset impairment charges					(4,726)
Less: Changes in fair value of non-hedge derivative instruments					(4,555)
Less: Losses on the modification or extinguishment of debt and capital lease obligations					—
Less: Acquisition and transaction expenses					(9,134)
Less: Equity-based compensation expense					(1,509)
Less: Provision for income taxes					(14,384)
Net income attributable to Parent					$ 6,432

VI. Balance Sheet

The following tables sets forth the summarized balance sheet. All property, plant and equipment and leasing equipment are located in North America.

	March 31, 2022 (Unaudited)				
	Jefferson Terminal	Ports and Terminals	Transtar	Corporate and Other	Total
Current assets	$ 245,554	$ 23,332	$ 86,227	$22,878	$ 377,991
Non-current assets	1,017,976	284,744	686,624	70,361	2,059,705
Total assets	1,263,530	308,076	772,851	93,239	2,437,696
Debt, net	703,601	25,000	—	—	728,601
Current liabilities	46,255	3,468	52,145	1,360	103,228
Non-current liabilities	762,882	163,684	57,769	344	984,679
Total liabilities	809,137	167,152	109,914	1,704	1,087,907
Non-controlling interests in equity of consolidated subsidiaries	(9,202)	1,729	—	625	(6,848)
Total equity	454,393	140,924	662,937	91,535	1,349,789
Total liabilities and equity	$1,263,530	$308,076	$772,851	$93,239	$2,437,696

(Dollars in tables in thousands, unless otherwise noted) (continued)

	December 31, 2021				
	Jefferson Terminal	Ports and Terminals	Transtar	Corporate and Other	Total
Current assets	$ 296,753	$ 35,300	$ 71,946	$ 8,985	$ 412,984
Non-current assets	987,678	281,599	690,492	69,548	2,029,317
Total assets	1,284,431	316,899	762,438	78,533	2,442,301
Debt, net	693,624	25,000	—	—	718,624
Current liabilities	67,612	5,155	55,832	868	129,467
Non-current liabilities	753,113	45,496	52,100	79	850,788
Total liabilities	820,725	50,651	107,932	947	980,255
Non-controlling interests in equity of consolidated subsidiaries	(2,604)	1,888	—	625	(91)
Total equity	463,706	266,248	654,506	77,586	1,462,046
Total liabilities and equity	$1,284,431	$316,899	$762,438	$78,533	$2,442,301

	December 31, 2020				
	Jefferson Terminal	Ports and Terminals	Transtar	Corporate and Other	Total
Current assets	$ 79,288	$ 2,936	$—	$2,291	$ 84,515
Non-current assets	910,640	397,281	—	6,574	1,314,495
Total assets	989,928	400,217	—	8,865	1,399,010
Debt, net	253,473	25,000	—	—	278,473
Current liabilities	52,242	29,303	—	812	82,357
Non-current liabilities	313,387	7,869	—	—	321,256
Total liabilities	365,629	37,172	—	812	403,613
Non-controlling interests in equity of consolidated subsidiaries	20,947	1,396	—		22,343
Total equity	624,299	363,045	—	8,053	995,397
Total liabilities and equity	$989,928	$400,217	$—	$8,865	$1,399,010

18. COMMITMENTS AND CONTINGENCIES

In the normal course of business FTAI Infrastructure and its subsidiaries may be involved in various claims, legal proceedings, or may enter into contracts that contain a variety of representations and warranties and which provide general indemnifications.

We have also entered into an arrangement with our non-controlling interest holder of Repauno, as part of the initial acquisition, whereby the non-controlling interest holder may receive additional payments contingent upon the achievement of certain conditions, not to exceed $15.0 million. We will account for such amounts when and if such conditions are achieved. The contingency related to $5.0 million of the total $15.0 million was resolved during the year ended December 31, 2021. The $5.0 million payment was included in the cost of the asset acquisition.

Jefferson entered into a two-year pipeline capacity agreement for a recently completed pipeline. Under the agreement, which took effect in the second quarter of 2021, Jefferson is obligated to pay fixed marketing fees over the two-year agreement, which totals a minimum of $10.2 million per year.

19. SUBSEQUENT EVENTS

The Company has evaluated all subsequent events through the date of this filing and determined that there were no subsequent events that required disclosure in the combined consolidated financial statements.

Report of Independent Auditors

To the Member of Transtar, LLC and subsidiaries

We have audited the accompanying consolidated financial statements of Transtar, LLC and subsidiaries, which comprise the consolidated balance sheets as of December 31, 2020 and 2019, and the related consolidated statements of operations, changes in member's equity and cash flows for the years then ended, and the related notes to the consolidated financial statements.

Management's Responsibility for the Financial Statements

Management is responsible for the preparation and fair presentation of these financial statements in conformity with U.S. generally accepted accounting principles; this includes the design, implementation and maintenance of internal control relevant to the preparation and fair presentation of financial statements that are free of material misstatement, whether due to fraud or error.

Auditor's Responsibility

Our responsibility is to express an opinion on these financial statements based on our audits. We conducted our audits in accordance with auditing standards generally accepted in the United States of America. Those standards require that we plan and perform the audit to obtain reasonable assurance about whether the financial statements are free of material misstatement.

An audit involves performing procedures to obtain audit evidence about the amounts and disclosures in the financial statements. The procedures selected depend on the auditor's judgment, including the assessment of the risks of material misstatement of the financial statements, whether due to fraud or error. In making those risk assessments, the auditor considers internal control relevant to the entity's preparation and fair presentation of the financial statements in order to design audit procedures that are appropriate in the circumstances, but not for the purpose of expressing an opinion on the effectiveness of the entity's internal control. Accordingly, we express no such opinion. An audit also includes evaluating the appropriateness of accounting policies used and the reasonableness of significant accounting estimates made by management, as well as evaluating the overall presentation of the financial statements.

We believe that the audit evidence we have obtained is sufficient and appropriate to provide a basis for our audit opinion.

Opinion

In our opinion, the financial statements referred to above present fairly, in all material respects, the consolidated financial position of Transtar, LLC and subsidiaries at December 31, 2020 and 2019, and the consolidated results of their operations and their cash flows for the years then ended in conformity with U.S. generally accepted accounting principles.

/s/ Ernst &Young LLP
New York, New York

December 20, 2021

TRANSTAR, LLC AND SUBSIDIARIES
CONSOLIDATED BALANCE SHEETS
(in thousands)

	As of June 30, 2021 (unaudited)	As of December 31, 2020	As of December 31, 2019
ASSETS			
Current assets			
Cash and cash equivalents	$ 433	$ 748	496
Investment in affiliate	354,653	525,117	460,016
Accounts receivable, net	9,202	11,656	11,828
Prepaids and other current assets	2,768	3,306	2,145
Due from affiliates	11,491	10,905	11,860
Total current assets	378,547	551,732	486,345
Property and equipment, net	136,149	137,943	144,753
Operating lease right of use assets	11,722	12,567	14,344
Other assets	5,987	5,710	5,492
Total assets	$532,405	$707,952	650,934
LIABILITIES & MEMBER'S EQUITY			
Current liabilities			
Accounts payable	$ 33,437	$ 27,182	28,337
Payroll and benefits liabilities	6,236	5,315	6,060
Accrued taxes and other current liabilities	1,874	2,853	1,590
Operating lease liabilities	2,315	2,320	2,311
Finance lease liabilities	840	702	336
Due to affiliates	878	798	1,241
Note payable to affiliate	—	5,845	5,625
Total current liabilities	45,580	45,015	45,500
Non-current liabilities			
Operating lease liabilities	9,283	10,320	12,108
Finance lease liabilities	1,425	1,600	1,121
Deferred income tax liabilities	15,320	15,320	15,179
Other liabilities	10,720	9,852	9,953
Total non-current liabilities	36,748	37,092	38,361
Total liabilities	82,328	82,107	83,861
Member's equity			
Total member's equity	450,077	625,845	567,073
Total liabilities and member's equity	532,405	707,952	650,934

The accompanying notes are an integral part of these consolidated financial statements.

TRANSTAR, LLC AND SUBSIDIARIES
CONSOLIDATED STATEMENTS OF OPERATIONS
(in thousands)

	As of December 31, 2020	As of December 31, 2019
Revenues		
Revenues from affiliates	$ 93,586	$108,602
Revenues from unrelated parties	21,596	24,164
Total revenues	**115,182**	**132,766**
Operating expenses		
Cost of sales	52,907	67,843
Depreciation expense	9,357	7,888
Selling, general and administrative expense	5,985	6,994
Total operating expenses	**68,249**	**82,725**
Operating income	46,933	50,041
Other income (expense), net	627	(147)
Interest income from affiliate	11,511	20,444
Interest expense	(214)	(267)
Income before income taxes	**58,857**	**70,071**
Income tax expense	14,934	18,172
Net income	**$ 43,923**	**$ 51,899**

	Six months Ended June 30, 2021 (unaudited)	Six months Ended June 30, 2020 (unaudited)
Revenues		
Revenues from affiliates	$56,405	$44,479
Revenues from unrelated parties	12,867	11,141
Total revenues	**69,272**	**55,620**
Operating expenses		
Cost of sales	31,175	31,055
Depreciation expense	4,453	4,490
Selling, general and administrative expense	2,825	2,831
Total operating expenses	**38,453**	**38,376**
Operating income	30,819	17,244
Other income (expense), net	1,159	1,105
Interest income from affiliate	4,143	7,601
Interest expense	(76)	(120)
Income before income taxes	**36,045**	**25,830**
Income tax expense	9,132	6,533
Net income	**$26,913**	**$19,297**

The accompanying notes are an integral part of these consolidated financial statements.

TRANSTAR, LLC AND SUBSIDIARIES
CONSOLIDATED STATEMENTS OF CHANGES IN MEMBER'S EQUITY
(in thousands)

BALANCE, January 1, 2019	**$ 481,204**
Contributions from Parent, net	33,970
Net income	51,899
BALANCE, December 31, 2019	**567,073**
Contributions from Parent, net	14,849
Net income	43,923
BALANCE, December 31, 2020	**625,845**
Distributions to Parent, net	(202,681)
Net income	26,913
BALANCE, June 30, 2021 (unaudited)	**$ 450,077**

The accompanying notes are an integral part of these consolidated financial statements.

TRANSTAR, LLC AND SUBSIDIARIES
CONSOLIDATED STATEMENTS OF CASH FLOWS
(in thousands)

	Year Ended December 31, 2020	Year Ended December 31, 2019
Cash flows from operating activities		
Net income	$ 43,923	$ 51,899
Adjustments to reconcile net income to net cash provided by operating activities:		
Depreciation expense	9,357	7,888
Loss (gain) on sale of fixed assets	36	(371)
Amortization of operating lease right of use assets	1,778	1,011
Impairment of property, plant, and equipment	—	1,300
Deferred tax provision	141	579
Change in deferred credits and other liabilities	(99)	519
Change in:		
Accounts receivables, net	172	(104)
Due to/from affiliates	512	(1,294)
Other assets	(217)	(433)
Prepaids and other current assets	(1,161)	1,671
Accounts payable	(947)	(9,361)
Payroll and benefits liabilities	(746)	(2,293)
Operating lease liabilities	(1,780)	(1,007)
Accrued taxes and other current liabilities	1,263	(18,743)
Net cash provided by operating activities	**52,232**	**31,261**
Cash flows from investing activities		
Purchase of fixed assets	(1,529)	(10,021)
Proceeds from sale of fixed assets	67	435
Net cash outflows from investment in affiliate	(65,101)	(56,472)
Net cash used by investing activities	**(66,563)**	**(66,058)**
Cash flows from financing activities		
Repayment of finance lease principal	(486)	(182)
Borrowings on note payable from affiliate	220	460
Contributions from Parent, net	14,849	33,970
Net cash provided by financing activities	**14,583**	**34,248**
Net increase (decrease) in cash and cash equivalents	252	(549)
Cash and cash equivalents at beginning of period	496	1,045
Cash and cash equivalents at end of period	**$ 748**	**$ 496**

The accompanying notes are an integral part of these consolidated financial statements.

TRANSTAR, LLC AND SUBSIDIARIES
CONSOLIDATED STATEMENTS OF CASH FLOWS
(in thousands)

	Six months ended June 30, 2021 (unaudited)	Six months ended June 30, 2020 (unaudited)
Cash flows from operating activities		
Net income	$ 26,913	$ 19,297
Adjustments to reconcile net income to net cash provided by operating activities:		
Depreciation expense	4,453	4,490
Gain (loss) on sale of fixed assets	(356)	36
Amortization of operating lease right of use assets	844	754
Change in deferred credits and other liabilities	866	913
Change in:		
Accounts receivables, net	2,454	1,824
Due to/from affiliates	(506)	3,401
Other assets	(277)	(134)
Prepaids and other current assets	538	(165)
Accounts payable	5,264	(7,117)
Payroll and benefits liabilities	921	(29)
Operating lease liabilities	(1,042)	(890)
Accrued taxes and other current liabilities	(979)	361
Net cash provided by operating activities	**39,093**	**22,741**
Cash flows from investing activities		
Purchase of fixed assets	(1,579)	(605)
Proceeds from sale of fixed assets	620	67
Net cash outflows from investment in affiliate	170,464	(27,243)
Net cash used by investing activities	**169,505**	**(27,781)**
Cash flows from financing activities		
Repayment of finance lease principal	(387)	(213)
Borrowings on note payable from affiliate	(5,845)	100
Contributions from Parent, net	(202,681)	5,846
Net cash provided by financing activities	**(208,913)**	**5,733**
Net increase (decrease) in cash and cash equivalents	(315)	693
Cash and cash equivalents at beginning of period	748	496
Cash and cash equivalents at end of period	**$ 433**	**$ 1,189**

The accompanying notes are an integral part of these consolidated financial statements.

TRANSTAR, LLC AND SUBSIDIARIES
NOTES TO CONSOLIDATED FINANCIAL STATEMENTS
(Dollars in thousands, unless otherwise noted)

1. DESCRIPTION OF THE BUSINESS AND BASIS OF PRESENTATION

Transtar, LLC ("Transtar" or "the Company") owns six operating railroads in the United States with approximately 376 employees. The Company operates within six U.S. states with more than 268 track miles. The Company's railroads transport a wide variety of commodities. Revenues from affiliates of the Company's parent, United States Steel Corporation ("US Steel" or "the Parent"), accounted for approximately 82% , 80%, 81% and 81% of the Company's revenues for the year ended December 31, 2019, six months ended on June 30, 2020 (unaudited), year ended December 31, 2020 and six months ended June 30, 2021 (unaudited), respectively.

The consolidated Statements of Operations include all revenues and costs directly attributable to Transtar. The consolidated financial statements also include allocations of certain cost of sales and selling, general and administrative expenses from Parent. These allocations reflect the provision of services and support by the Parent relating to certain corporate functions, including, but not limited to, finance, accounting, legal, human resources, information technology and other shared services. These corporate expenses are allocated to Transtar based on direct usage or benefit, where identifiable, or allocated on a pro rata basis of revenues, headcount, or other measures as determined appropriate. All of the allocations and estimates in the consolidated financial statements are based on assumptions that the Company's management ("management") believe are reasonable. Allocations of expenses from the Parent are assumed to be settled in cash in the period such expenses are incurred.

The consolidated Balance Sheets include the assets and liabilities that have historically been held by Transtar. The Parent's short and long-term debt has not been pushed down to Transtar's consolidated financial statements because Transtar is not the legal obligor of the debt and the Parent's borrowings were not directly attributable to Transtar. The Company participates in the Parent's centralized cash management and financing programs and has entered into a preferred stock investment arrangement and a note payable arrangement with affiliates of the Parent. The related investment balances are reflected in Investment in affiliate and the related debt balance is reflected in Note payable to affiliate within the consolidated Balance Sheets. The related interest income and interest expense are included in Interest income from affiliate and Interest expense within the consolidated Statement of Operations.

Member's Equity represents the Parent's ownership interest in the Company, specifically the cumulative net investment by Parent in the Company and the cumulative operating results through the dates presented. Certain tax settlements between the Parent and the Company as well as cost allocations are considered to be cash receipts and cash payments and are reflected in the accompanying consolidated Statement of Member's equity as Contributions from Parent, net and Distributions to Parent, net, are reflected in the consolidated Statements of Cash Flows as financing cash flows, and in the accompanying consolidated Balance Sheets within Member's equity. All intercompany accounts and transactions within Transtar have been eliminated in the accompanying consolidated financial statements. Refer to Note 11, Relationship with Parent and Related Entities for additional details.

The accompanying consolidated financial statements have been presented in conformity with accounting principles generally accepted in the United States of America ("U.S. GAAP").

On June 7, 2021, Percy Acquisitions LLC ("Holdco"), an indirect subsidiary of Fortress Transportation and Infrastructure Investors LLC (the "Purchaser"), entered into a Membership Interest Purchase Agreement (the "Purchase Agreement") with the Parent, pursuant to which, among other things, Holdco purchased 100% of the equity interests of Transtar from the Parent, for a cash purchase price of $640 million, subject to certain customary adjustments set forth in the Purchase Agreement (the "Transaction"). Certain interests historically owned by Transtar and included in these financial statements, including its Investment in affiliate as described in Note 6, *Fair Value of Financial Instruments* and its consolidated subsidiary, Warrior & Gulf Navigation, LLC, were distributed by Transtar to the Parent prior to the transaction close, and were not acquired by Holdco.

2. SIGNIFICANT ACCOUNTING POLICIES

Revenue Recognition

The Company recognizes revenue as it transfers control to the customer and as the customer receives and consumes the benefit of its services. Revenue is measured as the amount of consideration the Company expects to receive in exchange for providing services. The Company disaggregates its revenue into the following four categories: interline revenues, switching revenues, ancillary services, and rental revenues.

The Company generates revenue primarily from industrial switching and interline services, as well as from demurrage and rentals, and other ancillary revenues related to the movement of freight. Switching revenues are derived from the performance of switching services, which involve the movement of cars from one point to another within the limits of an individual plant, industrial area, or a rail yard. Revenues are recognized as the services are performed, and the services are completed on the same day they are initiated.

Interline revenues are derived from transportation services for railcars that originate or terminate at the Company's railroads and involve one more other carriers. For interline traffic, one railroad typically invoices a customer on behalf of all railroads participating in the route directed by the customer. The invoicing railroad then pays the other railroads their portion of the total amount invoiced on a monthly basis. The Company records revenue related to interline traffic for transportation service segments provided by carriers along railroads that are not owned or controlled by the Company on a net basis. Interline revenues are recognized as the transportation movements occur.

The Company's ancillary services revenue primarily relates to demurrage and storage services. Demurrage represents charges assessed by railroads for the detention of cars by shippers or receivers of freight beyond a specified free time and is recognized on a per day basis. Storage services revenue is earned for the provision of storage of shippers' railcars and is generally recognized on a per day, per car basis, as the storage services are provided.

A performance obligation is a promise in a contract to transfer a distinct good or service to the customer. The Company's contracts may have a single performance obligation or multiple performance obligations. Contracts with multiple obligations are evaluated to identify the specific performance obligations to the customer. The Company allocates the standalone selling price adjusted for any applicable variable consideration to each performance obligation to determine the transaction price.

The timing of revenue recognition, billings, and cash collections result in trade accounts receivable, contract assets and contract liabilities. The Company's contract assets and liabilities are typically short-term in nature, with terms settled within a 12-month period. The Company had no material contract assets or contract liabilities recorded on the consolidated Balance Sheets as of December 31, 2019, December 31, 2020 and June 30, 2021 (unaudited).

Costs associated with car hire (payments made to other railroads for use of their railcars), net of receipts from railroads for use of our railcars, and costs for repairs of railcars net of reimbursements from railroads are included within cost of sales.

Cash and cash equivalents

The Company considers all highly liquid instruments with a maturity of three months or less when purchased to be cash equivalents.

Investment in affiliate

The Company participates in a cash pooling arrangement administered by the Parent. Under this arrangement, the Company acquires preferred shares in an affiliate entity with its excess cash. The affiliate loans funds to other subsidiaries of the Parent and invests in money market accounts with short term maturities. The Company earns income on its preferred shares in return for participating in the cash pooling arrangement. The Investment in affiliate is accounted for as a debt security under ASC 320 due to the ability of the Company to redeem its interest at any time and is classified as a trading security. As a trading security, the instrument is recorded at fair value, which equals its cost basis; there are no realized or unrealized gains or losses for the years ended December 31, 2019 and 2020, and the six months ended June 30, 2020 (unaudited) and June 30, 2021 (unaudited). Income earned is recorded as Interest income from affiliate in the consolidated Statements of Operations.

Property and equipment, net

Property and equipment are recorded at cost. Major renewals or improvements to property and equipment that extend the useful life or increase the functionality of the asset, or both, are capitalized, while routine maintenance and repairs are expensed when incurred. The Company incurs maintenance and repair expenses to keep its operations safe and fit for existing purpose.

Unlike the Class I railroads that operate over extensive contiguous rail networks, the Company's short line railroads are generally geographically dispersed businesses that transport freight over relatively short distances. The Company's largest category of capital expenditures is for track line upgrades, expansion and replacement, where the Company utilizes both employees and professional contractors in completing these capital projects. Costs that are directly attributable to self-constructed assets (including overhead costs) are capitalized.

Direct costs that are capitalized as part of self-constructed assets include materials, labor and equipment. Indirect costs are capitalized if they clearly relate to the construction of the asset. In addition, though the Company generally does not incur significant rail grinding or ballast cleaning expenses, such costs are expensed when incurred.

The Company reviews its long-lived tangible assets for impairment whenever events and circumstances indicate that the carrying amounts of such assets may not be recoverable. When factors indicate that an asset or asset group may not be recoverable, the Company uses an estimate of the related undiscounted future cash flows over the remaining life of such asset or asset group in measuring whether or not impairment has occurred. If an impairment indicator is identified and undiscounted cash flows are less than the carrying amount of the asset or asset group, a loss would be reported to the extent that the carrying value of the related assets exceeds the fair value of those assets. In 2019, the Company recognized an impairment charge of $1,300 associated with a rail line asset based on the estimated selling price. The impairment charge is included within Other income, net on the consolidated Statements of Operations.

Derailment and Property Damages, Personal Injuries and Third-Party Claims

The Company self-insures its financial risk of providing rail-related services. The Company’s self-insurance relates to railroad employee injuries, personal injuries associated with grade crossing accidents and other third-party claims associated with the Company's operations, including environmental and asbestos related liabilities.

Accruals for claims are recorded in the period when a loss from a claim is determined to be probable and estimable, including for claims that have been incurred but not reported. These estimates are updated in future periods as additional information becomes available.

Defined Benefit Plans

Certain of Transtar’s employees participate in defined benefit pension and other postretirement benefit plans (the “Plans”) sponsored by the Parent and accounted for by the Parent in accordance with accounting guidance for defined benefit pension and other postretirement benefit plans. Defined benefit plan expenses were allocated to the Company based on the actual service credit earned by the Transtar employees. In addition, interest cost, expected return on plan assets, and amortization of actuarial gains and losses were allocated to the Company based on the projected benefit obligations of Transtar employees as a percentage of total projected benefit obligations of the Parent.

Income Taxes

Income taxes, as presented herein, attribute current and deferred income taxes of the Parent to the Transtar standalone financial statements in a manner that is systematic, rational, and consistent with the asset and liability method prescribed by ASC Topic 740. Accordingly, the Transtar income tax provision was prepared following the “separate return method.” The separate return method applies ASC Topic 740 to the standalone financial statements of each member of the consolidated group as if the group member were a separate taxpayer and a standalone enterprise. As a result, actual tax transactions included in the consolidated financial statements of the Parent may not be included in these consolidated financial statements of Transtar. Similarly, the tax treatment of certain items reflected in these consolidated financial statements of Transtar may not be reflected in the consolidated financial statements and tax returns of the Parent; therefore, items such as alternative minimum tax, net operating losses, credit carryforwards, and valuation allowances may exist in the standalone financial statements that may or may not exist in the Parent’s consolidated financial statements.

Deferred tax assets and liabilities are recorded for the future tax consequences attributable to differences between financial statement carrying amounts of existing assets and liabilities and their respective tax bases, as well

as net operating loss and tax credit carryforwards. Transtar recognizes valuation allowances against deferred tax assets by tax jurisdiction when it is more likely than not that such assets will not be realized. Accruals for uncertain tax positions are provided for in accordance with ASC Subtopic 740-10. Transtar recognizes interest and penalties related to uncertain tax positions as a component of income tax expense.

In general, the taxable income (loss) of various Transtar entities was included in the Parent's consolidated tax returns, where applicable, in jurisdictions around the United States. As such, separate income tax returns were not prepared for any entities of Transtar. Consequently, income taxes currently payable or receivable are deemed to have been remitted to or received from the Parent, in cash, in the period in which the liability or asset arose.

Fair Value of Financial Instruments

The Company applies the following three-level hierarchy of valuation inputs for measuring fair value:

- Level 1 – Quoted prices for identical assets or liabilities in active markets that the Company has the ability to access at the measurement date.
- Level 2 – Quoted prices for similar assets or liabilities in active markets; quoted prices for identical or similar assets or liabilities in markets that are not active; and model-derived valuations in which all significant inputs are observable market data.
- Level 3 – Valuations derived from valuation techniques in which one or more significant inputs are unobservable.

The Company does not have any level 3 financial instruments.

Management Estimates

The preparation of the consolidated financial statements in conformity with U.S. GAAP requires management to use judgment and to make estimates and assumptions that affect business combinations, reported assets, liabilities, revenues, and expenses during the reporting period. Significant estimates using management judgment are made in the areas of recoverability and useful life of assets, as well as liabilities for environmental-related liabilities, workers' compensation claims and income taxes. Actual results could differ from those estimates.

Risks and Uncertainties

Slower growth, an economic recession, significant changes in commodity prices or regulation that affects foreign imports and exports could negatively impact the Company's business. The Company is required to assess for potential impairment of its assets whenever events or changes in circumstances, including economic circumstances, indicate that the respective asset's carrying amount may not be recoverable. A decline in current macroeconomic or financial conditions could have a material adverse effect on the Company's results of operations, financial condition, and liquidity.

Recently Adopted Accounting Standards

In March 2020, the FASB issued Accounting Standards Update 2020-04, *Facilitation of the Effects of Reference Rate Reform on Financial Reporting* (ASU 2020-04). ASU 2020-04 provides optional exceptions for applying generally accepted accounting principles to modifications of contracts, hedging relationships, and other transactions that reference LIBOR or another rate that will be discontinued by reference rate reform if certain criteria are met. The guidance is effective beginning on March 12, 2020 and the amendments will be applied prospectively through December 31, 2022. Transtar adopted this guidance during 2020. The adoption of this guidance did not have a material impact on the Company's consolidated financial statements.

In June 2016, the FASB issued ASU 2016-13, Financial Instruments - *Credit Losses (Topic 326): Measurement of Credit Losses on Financial Instruments* (ASU 2016-13), which adds an impairment model that is based on expected losses rather than incurred losses. ASU 2016-13 is effective for public business entities, other than SEC filers for fiscal years beginning after December 15, 2022, including interim reporting periods, with earlier application permitted. Transtar adopted this standard effective January 1, 2020. The impact of adoption was not material to the consolidated financial statements.

(Dollars in thousands, unless otherwise noted) (continued)

3. REVENUE FROM CONTRACTS WITH CUSTOMERS

The Company disaggregates revenue from contracts with customers based on the characteristics of the services provided:

	Year Ended December 31, 2020	Year Ended December 31, 2019
Switching	$ 69,005	$ 80,319
Interline	29,301	33,241
Ancillary services	14,373	18,134
Total revenues from contracts with customers	**112,679**	**131,694**
Rental revenues	2,503	1,072
Total revenues	**$115,182**	**$132,766**

	Six months ended June 30, 2021 (unaudited)	Six months ended June 30, 2020 (unaudited)
Switching	$39,644	$33,209
Interline	22,201	13,337
Ancillary services	6,175	8,437
Total revenues from contracts with customers	**68,020**	**54,983**
Rental revenues	1,252	637
Total revenues	**$69,272**	**$55,620**

The Company does not have any significant contract assets or liabilities.

4. ACCOUNTS RECEIVABLE AND ALLOWANCE FOR DOUBTFUL ACCOUNTS

Accounts receivable are recorded at the invoiced amount and generally do not bear interest. The allowance for doubtful accounts is the Company's best estimate of the amount of all probable credit losses on existing accounts receivable. Management reviews its receivable balances on a monthly basis and determines the allowance based on historical write-off experience and anticipated future outcomes. Account balances are charged off against the allowance when management determines it is probable that the receivable will not be recovered.

Accounts receivable, net, which represent receivables from unrelated third parties, consisted of the following:

	As of June 30, 2021 (unaudited)	As of December 31, 2020	As of December 31, 2019
Accounts receivable – trade	$9,943	$12,397	$12,569
Allowance for doubtful accounts	(741)	(741)	(741)
Accounts receivable, net	$9,202	$11,656	$11,828

The Company's business is subject to credit risk. There is a risk that a customer or counterparty will fail to meet its obligations when due. Customers and counterparties have defaulted and may continue to default on their obligations to the Company due to bankruptcy, lack of liquidity, operational failure, or other reasons.

Although the Company has procedures for reviewing its receivables and credit exposures to specific customers and counterparties to address present credit concerns, default risk may arise from events or circumstances that are difficult to detect or foresee. Some of the Company's risk management methods depend upon the evaluation of

(Dollars in thousands, unless otherwise noted) (continued)

information regarding markets, customers or other matters that are not publicly available or otherwise accessible by the Company and this information may not, in all cases, be accurate, complete, up-to-date or properly evaluated. As a result, unexpected credit exposures could adversely affect the Company's consolidated results of operations, financial condition, and liquidity.

5. PROPERTY AND EQUIPMENT, NET

Property and equipment were as follows as of December 31, 2019:

	Cost	Accumulated Depreciation	Net Book Value	Life of Asset (Years)
Buildings	8,395	(4,590)	3,805	20-35
Land	7,296	—	7,296	—
Machinery and Equipment	280,021	(147,769)	132,252	5-50
Vehicles	1,640	(1,349)	291	4-6
Construction in Progress	1,109	—	1,109	—
Total	**298,461**	**(153,708)**	**144,753**	

Property and equipment were as follows as of December 31, 2020:

	Cost	Accumulated Depreciation	Net Book Value	Life of Asset (Years)
Buildings	8,395	(4,801)	3,594	20-35
Land	7,296	—	7,296	—
Machinery and Equipment	281,647	(156,108)	125,539	5-50
Vehicles	2,969	(1,861)	1,108	4-6
Construction in Progress	406	—	406	—
Total	**300,713**	**(162,770)**	**137,943**	

Machinery and equipment consist of locomotives, railcars, signaling equipment, track equipment (welders, tractors, and other miscellaneous equipment) including other track material such as rail, ties, and ballast.

The Company depreciates its property and equipment using the straight-line method over the useful lives of the property and equipment, down to its estimated salvage value. The preceding table sets forth the estimated useful lives of the Company's major classes of property and equipment.

Depreciation expense for the year ended December 31, 2019, six months ended June 30, 2020 (unaudited), year ended December 31, 2020 and six months ended June 30, 2021 (unaudited) totaled $7.9 million, $4.5 million, $9.4 million, and $4.5 million respectively.

6. FAIR VALUE OF FINANCIAL INSTRUMENTS

The Company records its Investment in affiliate at fair market value. The investment is secured by cash held in money market accounts and can be redeemed on demand by the Company at cost plus accumulated interest. The investment is not publicly traded, but its value is based on observable prices at which the Company transacts to purchase and redeem shares each day. As such, the Company classifies this investment as a level 2 instrument and presents it within Investment in affiliate on the consolidated Balance Sheets.

No other financial instruments are recorded at fair value in the consolidated financial statements. Fair value for all other financial instruments of the Company approximates their cost.

7. RETIREMENT BENEFIT PLANS

US Steel offers various retirement benefits to its eligible employees, including employees of Transtar. Because US Steel provides these benefits to eligible employees and retirees of Transtar, the costs to participating employees of Transtar in these plans are reflected in the consolidated financial statements, while the related assets and liabilities are retained by US Steel. Expense allocations for these benefits were determined based on Transtar personnel headcount. All cost allocations related to the various retirement benefit plans have been deemed paid by Transtar to US Steel in the period in which the cost was recorded in the Consolidated Statements of Operations.

Defined Benefit Pensions

US Steel sponsors a pension plan that covers eligible Transtar employees. These plans are noncontributory. Pension benefits earned are generally based on years of service and compensation during active employment.

For the year ended December 31, 2019 and the six months ended June 30, 2020 (unaudited), and year ended December 31, 2020 and six months ended June 30, 2021 (unaudited), the total US Steel defined benefit pension plan service costs credited to Transtar employees and recorded within Cost of Sales in the consolidated Statements of Operations were $1,396 and $746, and $1,491 and $740, respectively. The allocation of non-service costs components of net pension expense attributable to Transtar employees (i.e. interest cost, expected return on plan assets, and amortization of actuarial gains and losses) were $259 (expense) and $42 (expense), and $84 (expense) and $(82) (income) for the year ended December 31, 2019, the six months ended June 30, 2020 (unaudited), year ended December 31, 2020 and six months ended June 30, 2021 (unaudited), respectively. The allocation of non-service costs is reflected in the Consolidated Statements of Operations as a component of Other income (expense), net.

Postretirement Benefits

US Steel sponsors an unfunded postretirement plan that provides healthcare and life insurance benefits for eligible retirees and dependents of Transtar. Depending on retirement date and employee classification, certain healthcare plans contain contribution and cost-sharing features such as deductibles and co-insurance. The remaining healthcare and life insurance plans are non-contributory.

For the year ended December 31, 2019 and the six months ended June 30, 2020 (unaudited), and year ended December 31, 2020 and the six months ended June 30, 2021 (unaudited) the total US Steel postretirement benefit plan service costs credited to Transtar employees and recorded within Cost of Sales in the consolidated Statements of Operations were $1,849 and $956, and $1,913 and $825, respectively. The allocation of non-service cost components of net postretirement benefit plan expense (i.e. interest cost, expected return on plan assets, and amortization of actuarial gains and losses) were $112 (expense) and ($317) (income), and $(626) (income) and $(486) (income) for the year ended December 31, 2019 and the six months ended June 30, 2020 (unaudited), and year ended December 31, 2020 and six months ended June 30, 2021 (unaudited), respectively. The allocation of non-service costs is reflected in the consolidated Statements of Operations as a component of Other income (expense), net.

Defined Contribution Plan - Employee Savings Plans

US Steel sponsors defined contribution retirement and savings plans covering substantially all of Transtar's employees. For the year ended December 31, 2019 and six months ended June 30, 2020 (unaudited), and year ended December 31, 2020, and the six months ended June 30, 2021 (unaudited) Transtar recorded charges for contributions to these defined contribution plans of $575, $173, $277 and $203, respectively.

8. INCOME TAXES

As previously discussed in Note 1, *Description of the Business and Basis of Presentation*, although Transtar was historically included in consolidated income tax returns of US Steel, Transtar's income taxes are computed and reported herein under the "separate return method." Use of the separate return method may result in differences when the sum of the amounts allocated to standalone tax provisions are compared with amounts presented in the consolidated financial statements. In that event, the related deferred tax assets and liabilities could be significantly different from those presented herein. Certain tax attributes, such as net operating loss carryforwards that were actually reflected in US Steel's consolidated financial statements may or may not exist at the standalone level for Transtar.

(Dollars in thousands, unless otherwise noted) (continued)

	Year Ended December 31,	
	2020	2019
Current tax expense		
Federal	$10,488	$12,275
State	4,374	5,318
Deferred tax expense		
Federal	27	418
State	45	161
Income tax expense	**$14,934**	**$18,172**

The provision for income taxes differs from that which would be computed by applying the statutory United States federal income tax rate to income before income taxes. The following is a summary of the effective income tax rate reconciliation:

	Year Ended December 31,	
	2020	2019
Tax provision at statutory rate	21.0%	21.0%
State income taxes, net of federal income tax benefit	5.9%	6.2%
Income tax credits	(1.6)%	(1.3)%
Other, net	0.1%	— %
Effective income tax rate	**25.4%**	**25.9%**

The United States track maintenance credit is an income tax credit for Class II and Class III railroads, as defined by the United States Surface Transportation Board (STB), to reduce their federal income tax based on qualified railroad track maintenance expenditures (the Short Line Tax Credit). Qualified expenditures include amounts incurred for maintaining track, including roadbed, bridges and related track structures owned or leased by a Class II or Class III railroad. The credit is equal to 50% of the qualified expenditures, subject to an annual limitation of $3,500 multiplied by the number of miles of railroad track owned or leased by the Class II or Class III railroad as of the end of its tax. The amount of track maintenance credit recognized was approximately $900 for the years ended December 31, 2019 and 2020.

Deferred income taxes reflect the effect of temporary differences between the book and tax basis of assets and liabilities as well as available income tax credit and net operating loss carryforwards. The components of net deferred income taxes were as follows:

	December 31,	
	2020	2019
Deferred income tax assets:		
Operating lease liabilities	$ 2,904	$ 3,343
Accruals and reserves not deducted for tax purposes until paid	4,327	4,218
Other	143	110
Deferred income tax liabilities:		
Property and equipment basis difference	(19,785)	(19,502)
Operating lease right of use asset	(2,909)	(3,348)
Net deferred tax liabilities	**$(15,320)**	**$(15,179)**

As of June 30, 2021 (unaudited), federal income tax returns remain subject to examination for the 2017 through 2020 tax years, and state income tax returns remain subject to examination for the 2012 through 2020 tax years.

TRANSTAR, LLC AND SUBSIDIARIES
NOTES TO CONSOLIDATED FINANCIAL STATEMENTS
(Dollars in thousands, unless otherwise noted) (continued)

9. COMMITMENTS AND CONTINGENCIES

From time to time, the Company is a defendant in certain lawsuits and a party to certain arbitrations resulting from the Company's operations in the ordinary course, as the nature of the Company's business exposes it to the potential for various claims and litigation, including those related to property damage, personal injury, freight loss, labor and employment, environmental and other matters. The Company self-insures its financial risk associated with such claims.

The Company is a party to various proceedings related to environmental issues, including administrative and judicial proceedings involving private parties and regulatory agencies. In accordance with the Asset Retirement and Environmental Obligations Topic in the ASC, the Company reviews its role with respect to each site identified at least quarterly, giving consideration to a number of factors such as the type of clean-up required, and the nature and extent of the Company's alleged connection to the location. Amounts are recorded for contingent anticipated future environmental remediation costs with respect to sites to the extent such costs are reasonably estimable and probable. The recorded liabilities for estimated future environmental costs are undiscounted. As of June 30, 2021, December 31, 2020, and December 31, 2019, the Company recorded an estimated $3,985 of liability related to environmental obligations. The liability includes future costs for remediation and restoration of sites as well as any significant ongoing monitoring costs, but excludes any anticipated insurance recoveries. Environmental remediation liabilities are included within Other liabilities on the consolidated Balance Sheets. Currently, the Company does not possess sufficient information to reasonably estimate the amounts of additional liabilities, if any, on some sites until completion of future environmental studies. In addition, conditions that are currently unknown could, at any given location, result in additional exposure, the amount and materiality of which cannot presently be reasonably estimated. Based upon information currently available, however, the Company believes its environmental reserves accurately reflect the estimated cost of remedial actions currently required.

Management believes there are adequate provisions in the consolidated financial statements for any probable liabilities that may result from disposition of the pending lawsuits and arbitrations. Current obligations are not expected to have a material adverse effect on the consolidated results of operations, financial condition, or liquidity of the Company. The Company does not accrue for unasserted claims to related to potential asbestos exposure as it cannot reliably estimate the range of loss associated with those claims. However, it believes any potential liabilities related to such matters would not be material to the consolidated financial statements.

However, any material changes to pending litigation or a catastrophic rail accident or series of accidents involving material freight loss or property damage, personal injuries or environmental liability or other claims or disputes that are not covered by insurance could have a material adverse effect on the Company's results of operations, financial condition and liquidity.

10. SUPPLEMENTAL CASH FLOW INFORMATION

Interest Paid

The following tables set forth the cash paid for interest:

	Year Ended December 31,	
	2020	2019
Cash paid for interest, net	$214	$267

	Six Months Ended June 30,	
	2020 (unaudited)	2019 (unaudited)
Cash paid for interest, net	$76	$120

(Dollars in thousands, unless otherwise noted) (continued)

Significant Non-Cash Investing and Financing Activities

For the year ended December 31, 2019, the year ended December 31, 2020 and six months ended June 30, 2021 (unaudited) the changes in Accounts payable related to purchases of property and equipment that had not been paid in cash as of the respective balance sheet dates were $143, ($209) and $991, respectively. These items were accrued in accounts payable in the normal course of business.

11. RELATIONSHIP WITH PARENT AND RELATED ENTITIES

Historically, Transtar has been managed and operated in the normal course of business with other affiliates of the Parent. Accordingly, certain shared costs have been allocated to Transtar and reflected as expenses in the consolidated financial statements. Management of the Parent and Transtar consider the allocation methodologies used to be reasonable and appropriate reflections of the historical Parent expenses attributable to Transtar for purposes of the standalone financial statements; however, the expenses reflected in the consolidated financial statements may not be indicative of the actual expenses that would have been incurred during the period presented if Transtar historically operated as a separate, standalone entity. In addition, the expenses reflected in the consolidated financial statements may not be indicative of expenses that will be incurred in the future by Transtar.

Revenues from affiliates

For the year ended December 31, 2019 and the six months ended June 30, 2020 (unaudited), and year ended December 31, 2020 and the six months ended June 30, 2021 (unaudited) the Company earned revenues of $108.6 million and $44.5 million, and $93.6 million and $56.4 million, respectively, from services rendered to US Steel. Revenues from affiliates are generally based on published tariff rates available to all customers that utilize the Company's railroads.

Corporate Allocated Costs

The consolidated financial statements include corporate costs incurred by the Parent for services that are provided to or on behalf of Transtar. The corporate costs include allocations of incurred costs associated primarily with the following shared functions: information technology, legal, human resources, procurement, and treasury services. The Parent allocates associated costs down to the various Transtar entities based on certain drivers, principally revenue and headcount. Management believes the allocation methods are consistent and reasonable.

The allocated corporate costs included in the Statement of Operations, exclusive of the pension and postretirement benefit costs described in Footnote 7, Retirement Benefit Plans, are as follows:

	Year Ended December 31,	
	2020	2019
Cost of sales	$1,408	$1,425
Selling, general and administrative expense	4,700	4,811
Total	**$6,108**	**$6,236**

	Six Months Ended	
	June 30, 2021 (unaudited)	June 30, 2020 (unaudited)
Cost of sales	$ 411	$ 677
Selling, general and administrative expense	2,629	2,133
Total	**$3,040**	**$2,810**

(Dollars in thousands, unless otherwise noted) (continued)

Gary, Indiana Lease

The Company has one office lease at Gary, Indiana where the Parent is the lessor. The annual lease expense for the Company under this lease is $272. The lease commenced in 2013 and has a 20-year non-cancelable term. The balances related to this lease included in the Company's financial statements were as follows:

	December 31,	
	2020	2019
Operating lease right of use assets	$2,183	$2,285
Operating lease liabilities, current	272	272
Operating lease liabilities, noncurrent	1,888	1,991

	June 30, (unaudited)	
	2021	2020
Operating lease right of use assets	$2,127	$2,233
Operating lease liabilities, current	272	272
Operating lease liabilities, noncurrent	1,696	1,803

Cash Management and Financing

Transtar participates in the Parent's centralized cash management and financing programs. Disbursements are made through centralized systems, which are operated by an affiliate of the Parent, under the direction of the Parent. Cash receipts are transferred to centralized accounts, also maintained by the affiliate. As cash is disbursed and received by affiliate, it is accounted for by Transtar as Investment in affiliate. All financing decisions for wholly and majority owned subsidiaries are determined by central Parent treasury operations.

Accounts receivable and payable

Receivables and payables between Transtar and the Parent and Parent affiliates are settled on a current basis and have been accounted for through the Due to/from Affiliates accounts in the consolidated financial statements.

Note payable to affiliate

As of December 31, 2019 and December 31, 2020, the Company had an outstanding note payable of $5.6 million and $5.8 million, respectively, with the Parent. A Company subsidiary issued a promissory note to the Parent, payable on demand, that incurred interest at a rate equal to one-month LIBOR plus 200 basis points on the then average outstanding principal balance. The intercompany note was settled with the Parent in April of 2021. Intercompany interest expense for the year ended December 31, 2019 and December 31, 2020 totaled $235 and $145, respectively.

12. LEASES

The Company leases certain locomotives, freight cars, and other property for use in our rail operations. Management determines if an arrangement is or contains a lease at inception. The Company has lease agreements with lease and non-lease components, and has elected to not separate lease and non-lease components for all classes of underlying assets. Leases with an initial term of 12 months or less are not recorded on our consolidated statements of financial position; rather the lease expense for these leases are recognized on a straight-line basis over the lease term. Leases with initial terms in excess of 12 months are recorded as operating or financing leases in our consolidated Statements of Operations. Operating leases are included in operating lease right of use assets and operating lease liabilities in our consolidated Balance Sheets. Finance leases are included in properties and equipment, net, finance lease liabilities, current, and finance lease liabilities, noncurrent on the consolidated Balance Sheets.

Operating lease assets and operating lease liabilities are recognized based on the present value of the future minimum lease payments over the lease term at commencement date. As our leases do not provide an implicit rate, we use a collateralized incremental borrowing rate for all operating leases based on the information available at

(Dollars in thousands, unless otherwise noted) (continued)

commencement date, including lease term, in determining the present value of future payments. The operating lease asset also includes any lease payments made, lease incentives, and initial direct costs incurred. Our lease terms may include options to extend or terminate the lease when it is reasonably certain that the option will be exercised. Operating lease expense is recognized on a straight-line basis over the lease term and reported in cost of sales, and financing lease expense is recorded as depreciation and interest expense in our consolidated Statement of Operations.

	Year Ended December 31,	
Classification	**2020**	**2019**
Assets		
Operating lease right of use assets	$12,567	$14,344
Property and equipment, net	2,262	1,443
Total leased assets	**14,829**	**15,787**
Liabilities		
Current		
Operating lease liabilities, current	2,320	2,311
Finance lease liabilities, current	702	336
Noncurrent		
Operating lease liabilities, noncurrent	10,320	12,108
Finance lease liabilities, noncurrent	1,600	1,121
Total lease liabilities	**$14,942**	**$15,876**

The lease cost components are classified as follows:

		Year Ended December 31,	
	Classification	**2020**	**2019**
Operating lease cost	Cost of Sales	$2,799	$2,005
Finance lease cost	Depreciation expense	511	196
Finance lease cost	Interest expense	69	35
Total lease cost		**$3,379**	**$2,236**

The following table presents aggregate lease maturities as of December 31, 2020:

	Operating Leases	**Finance Leases**	**Total**
2021	$ 2,693	$ 765	$ 3,458
2022	2,573	765	3,338
2023	2,364	636	3,000
2024	2,109	240	2,349
2025	2,096	21	2,117
After 2025	4,301	—	4,301
Total lease payments	**16,136**	**2,427**	**18,563**
Less: Imputed Interest	(3,496)	(125)	(3,621)
Present value of lease liabilities	**$12,640**	**$2,302**	**$14,942**

(Dollars in thousands, unless otherwise noted) (continued)

The following table presents the weighted average remaining lease term and discount rate:

	Year Ended December 31,	
	2020	2019
Weighted-average remaining lease term (years)		
Operating leases	8.53 years	8.54 years
Finance leases	4.21 years	4.64 years
Weighted-average discount rate (%)		
Operating leases	7.66%	6.34%
Finance leases	3.14%	3.84%

The following table presents other information related to our operating and finance leases:

	2020	2019
Cash paid for amounts included in the measurement of lease liabilities		
Operating cash flows from operating leases	$2,799	$2,005
Investing cash flows from operating leases	—	—
Operating cash flows from finance leases	(69)	(35)
Financing cash flows from finance leases	(486)	182
Leased assets obtained in exchange for finance lease liabilities	1,330	1,640
Leased assets obtained in exchange for operating lease liabilities	—	—

13. SUBSEQUENT EVENTS

In preparing the consolidated financial statements, the Company has evaluated events and transactions for recognition or disclosure through December 20, 2021, the date the consolidated financial statements were available to be issued. Immediately prior to the Transaction, the Company redeemed in full its Investment in affiliate and distributed all of the proceeds from the redemption to the Parent.