

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

Form 10-Q

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

For the quarterly period ended June 30, 2026

Or

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

For the transition period from _____ to _____

COMPASS DIVERSIFIED HOLDINGS
(Exact name of registrant as specified in its charter)

Delaware
(State or other jurisdiction of
incorporation or organization)

001-34927
(Commission
file number)

57-6218917
(I.R.S. employer
identification number)

COMPASS GROUP DIVERSIFIED HOLDINGS LLC
(Exact name of registrant as specified in its charter)

Delaware
(State or other jurisdiction of
incorporation or organization)

001-34926
(Commission
file number)

20-3812051
(I.R.S. employer
identification number)

301 Riverside Avenue, Second Floor, Westport, CT 06880

(Address of principal executive office)

(203) 221-1703

(Registrant's telephone number, including area code)

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

Title of Each Class	Trading Symbol(s)	Name of Each Exchange on Which Registered
Shares representing beneficial interests in Compass Diversified Holdings	CODI	New York Stock Exchange
Series A Preferred Shares representing beneficial interests in Compass Diversified Holdings	CODI PR A	New York Stock Exchange
Series B Preferred Shares representing beneficial interests in Compass Diversified Holdings	CODI PR B	New York Stock Exchange
Series C Preferred Shares representing beneficial interests in Compass Diversified Holdings	CODI PR C	New York Stock Exchange

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

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

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

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

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

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

As of August 6, 2026, there were 75,235,966 Trust common shares of Compass Diversified Holdings outstanding.

COMPASS DIVERSIFIED HOLDINGS

QUARTERLY REPORT ON FORM 10-Q
For the period ended June 30, 2026

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NOTE TO READER

In reading this Quarterly Report on Form 10-Q, references to:

- the "Trust" and "Holdings" refer to Compass Diversified Holdings;
- the "LLC" refers to Compass Group Diversified Holdings LLC;
- the "Company" refers to Compass Diversified Holdings and Compass Group Diversified Holdings LLC, collectively;
- "businesses", "operating segments", "subsidiaries" and "reporting units" all refer to, collectively, the businesses controlled by the Company;
- the "Manager" refers to Compass Group Management LLC ("CGM");
- the "Trust Agreement" refers to the Third Amended and Restated Trust Agreement of the Trust dated as of August 3, 2021, as further amended;
- the "2022 Credit Facility" refers to the third amended and restated credit agreement entered into on July 12, 2022, as further amended, among the LLC, the lenders from time to time party thereto, Bank of America, N.A., as Administrative Agent, Swing Line Lender and letter of credit issuer (the "agent");
- the "LLC Agreement" refers to the Sixth Amended and Restated Operating Agreement of the Company dated as of August 3, 2021, as further amended;
- the "Management Services Agreement" or "MSA" refer to the Management Services Agreement with CGM effective May 16, 2006, as amended; and
- "we," "us" and "our" refer to the Trust, the Company and the businesses together;
- the "2025 Form 10-K" refers to the Company's Form 10-K for the fiscal year ended December 31, 2025 filed with the United States Securities and Exchange Commission ("SEC") on February 27, 2026.

Explanatory Note

As previously disclosed, in April 2025, the Audit Committee of the Company's board of directors commenced an internal investigation into the financing, accounting, and inventory practices of Lugano Holding, Inc. ("Lugano"), a subsidiary and operating segment of the Company (the "Lugano Investigation"). The Lugano Investigation identified certain unrecorded financing arrangements and irregularities involving, among other things, sales, cost of sales, inventory, and accounts receivable recorded by Lugano.

The Lugano Investigation and related matters significantly affected the Company during 2025 and continued to affect the Company during the first and second quarters of 2026. In November 2025, Lugano and certain of its subsidiaries filed voluntary petitions for relief under Chapter 11 of the United States Bankruptcy Code and, as a result, Lugano was deconsolidated from the Company's consolidated financial statements as of the bankruptcy filing date. The Company also incurred significant professional fees and other expenses related to the Lugano Investigation, the preparation of restated and delayed periodic financial statements, related litigation and investigations, financing arrangements and internal control remediation. In addition, the Company suspended its quarterly cash distribution on its common shares in 2025, and its ability to access the capital markets, including through its at-the-market equity programs, was limited in light of these events.

This Form 10-Q should be read in conjunction with the Company's 2025 Form 10-K for additional information regarding the Lugano Investigation and restatement, the deconsolidation of Lugano, related financing arrangements, internal control remediation efforts and related risks.

FORWARD-LOOKING STATEMENTS

This Quarterly Report on Form 10-Q (this "Form 10-Q"), contains both historical and forward-looking statements. We may, in some cases, use words such as "project," "predict," "believe," "anticipate," "plan," "expect," "estimate," "intend," "should," "would," "could," "potentially," "may," or other words that convey uncertainty of future events or outcomes to identify these forward-looking statements. All statements other than statements of historical or current fact are "forward-looking statements" for purposes of federal and state securities laws. Forward-looking statements include, among other things, (i) statements as to our future performance or liquidity, such as expectations for our results of operations, net income, leverage, Adjusted EBITDA, and Adjusted Earnings, our deleveraging efforts and ability to make quarterly distributions, and (ii) our plans, strategies and objectives for future operations, including our business outlook and planned capital expenditures. Forward-looking statements in this Form 10-Q are subject to a number of risks and uncertainties, such as those disclosed or incorporated by reference in our filings with the SEC, including, but not limited to, those described under the sections entitled "Risk Factors" and "Management's Discussion and Analysis of Financial Condition and Results of Operations" in both this Form 10-Q and our Annual Report on Form 10-K for the year ended December 31, 2025 filed with the United States Securities and Exchange Commission ("SEC") February 27, 2026 as such factors may be updated from time to time in our filings with the SEC. Many of these risks and uncertainties are beyond our control. Important factors that could cause our actual results, performance and achievements to differ materially from those estimates or projections contained in our forward-looking statements include, among other things:

- litigation relating to our representations regarding our financial statements and litigation, enforcement actions or investigations relating to our internal controls, restatement reviews, matters related to the Lugano Investigation (as defined herein) and additional liabilities we are currently unaware of;
- the likelihood that the control deficiencies identified or that may be identified in the future will result in additional material weaknesses in our internal control over financial reporting;
- our ability to maintain our credit agreements or incur additional borrowings on terms we deem attractive;
- the amount and timing of any recoveries on our intercompany loan to Lugano under the Settlement Agreement and proposed Plan of Liquidation, including the risk that the Plan of Liquidation may not be confirmed or become effective, that asset monetization or litigation recoveries may be lower or later than expected, or that the priority of allowed claims may reduce or eliminate recoveries;
- claims or causes of action asserted by third parties against us and/or our current or former directors and officers arising out of or relating to Lugano, the Lugano Investigation or the bankruptcy proceedings, including claims not released under the Settlement Agreement or the proposed Plan of Liquidation, which could result in substantial defense costs, potential liability or settlement payments;
- our and our Manager's ability to retain or replace qualified employees of our subsidiaries and Manager;
- difficulties and delays in identifying, integrating, and managing acquisitions or an inability to fully realize cost savings and other benefits related thereto;
- our ability to successfully complete divestitures that we may execute and our ability to execute on our deleveraging strategy;
- our ability to finance future acquisitions on acceptable terms;
- our board of director's ability to cause, in its sole discretion, the Trust to be converted into a corporation;
- our board of director's ability to reduce or eliminate distributions to our shareholders;
- our reliance on receipts from our subsidiaries to make distributions to our shareholders;
- our board of director's ability to change the terms of the Company's shares in its sole discretion;
- provisions in our governing documents and the governing documents of the Trust which may limit a third party's ability to acquire control of the Company and Trust;
- the potential for conflicts of interest to arise between the Company and the boards of directors of its respective businesses;
- our ability to service our debt obligations;
- our indebtedness may limit our ability to obtain financing in the future, increase the cost of future borrowings, limit our ability to use operating cash, and increase our vulnerability to adverse economic conditions;
- interest rate fluctuations;
- the potential for conflicts of interest in acquisition opportunities;

- the possibility that we may be deemed to be an investment company under the Investment Company Act of 1940, as amended, if we cease to control and operate our businesses in the future;
- the dependence of some of our businesses on a limited number of customers for a significant percentage of revenue;
- the lack of long-term customer contracts;
- changes to tariffs and import/export regulations;
- the impact of the Trust's tax reclassification;
- future changes to tax laws and the potential for the Trust to be taxed at rates higher than expected or for the Trust to fail to realize the anticipated benefits of its tax election;
- the discretionary and non-cumulative nature of distributions on Series A Preferred Shares;
- the subordination of our Series A, Series B, and Series C Preferred Shares to our existing and future indebtedness;
- the potential for members of management to allocate their time to the operations of other businesses;
- the potential for our Manager, its affiliates, and members of the Company's management team to engage in activities that compete with us or our businesses;
- the difficulty in removing our Manager for poor performance;
- the ability of our Manager to resign on 180 days' notice and the possibility that we may be unable to find a suitable replacement in a timely fashion;
- our requirement to pay our Manager base management fees regardless of our performance;
- uncertainty with respect to determining the amount of the management fee that will be paid over time;
- uncertainty with respect to determining the amount of profit allocation that will be paid over time;
- payment of the management fee, fees under offsetting management services agreements, and profit allocation may significantly reduce the amount of earnings and cash available for shareholder distributions;
- the Manager's influence and ability to increase its fees;
- the possibility that our management fees or profit allocation may induce our Manager to make suboptimal operations decisions;
- the obligation to pay management fees and profit allocation may cause the Company to liquidate assets or incur debt;
- potential material environmental liabilities arising from a subsidiary's operations and the prior operations of predecessor companies;
- the potential for products liability and products safety claims against some of our businesses;
- cybersecurity-related risks, including system failures, data breaches, and the unauthorized access to and use of our and our customers' confidential information;
- goodwill impairment;
- disruptions to our business, operations, and supply chains, including as a result of natural disasters, inclement weather, accidents, transportation delays, and other events;
- fluctuations in the cost and availability, and the possibility of shortages, of raw materials, components, or whole goods;
- our ability to protect and enforce our intellectual property rights;
- the legal and regulatory environment in which we and our subsidiaries operate, particularly with respect to environmental regulations, products safety regulations, and products liability;
- risks inherent in operating a global business, including political and economic volatility, differing or conflicting cross-jurisdictional requirements, and import/export restrictions; and
- the importance of maintaining the value and reputation of our branded consumer businesses.

Our actual results, performance, prospects or opportunities could differ materially from those expressed in or implied by the forward-looking statements. A description of the risks that could cause our actual results to differ

appears under the sections entitled "Risk Factors" and "Management's Discussion and Analysis of Financial Condition and Results of Operations" in both this Form 10-Q and the 2025 Form 10-K.

In light of these risks, uncertainties and assumptions, you should not place undue reliance on any forward-looking statements. The forward-looking events discussed in this Form 10-Q may not occur. These forward-looking statements are made as of the date of this Form 10-Q. We undertake no obligation to update or revise any forward-looking statements to reflect subsequent events or circumstances, whether as a result of new information, future events or otherwise, except as required by law.

PART I
FINANCIAL INFORMATION

ITEM 1. FINANCIAL STATEMENTS

COMPASS DIVERSIFIED HOLDINGS
CONDENSED CONSOLIDATED BALANCE SHEETS
(Unaudited)

	June 30, 2026	December 31, 2025
<i>(in thousands)</i>		
Assets		
Current assets:		
Cash and cash equivalents	\$ 87,443	\$ 68,015
Accounts receivable, net	186,327	202,887
Inventories, net	375,763	404,102
Prepaid expenses and other current assets	57,468	78,398
Due from related parties (refer to Note N)	6,275	20,757
Due from unconsolidated affiliate (refer to Note B)	19,200	71,000
Total current assets	732,476	845,159
Property, plant and equipment, net	186,729	209,742
Goodwill	830,902	895,421
Intangible assets, net	817,310	892,811
Due from unconsolidated affiliate, long-term (refer to Note B)	19,800	26,000
Other non-current assets	165,221	170,051
Total assets	\$ 2,752,438	\$ 3,039,184
Liabilities and stockholders' equity		
Current liabilities:		
Accounts payable	\$ 77,337	\$ 96,335
Accrued expenses	154,268	163,265
Current portion, long-term debt	43,250	37,500
Other current liabilities	49,408	52,519
Total current liabilities	324,263	349,619
Deferred income taxes	92,804	104,189
Long-term debt	1,538,680	1,839,817
Other non-current liabilities	189,521	171,896
Total liabilities	2,145,268	2,465,521
Commitments and contingencies (refer to Note M)		
Stockholders' equity		
Trust preferred shares, 50,000 authorized; 20,109 shares issued and outstanding at June 30, 2026 and December 31, 2025, respectively.		
Series A preferred shares, no par value; 4,678 shares issued and outstanding at June 30, 2026 and December 31, 2025, respectively.	112,010	112,010
Series B preferred shares, no par value; 7,524 shares issued and outstanding at June 30, 2026 and December 31, 2025, respectively.	177,771	177,771
Series C preferred shares, no par value; 7,907 shares issued and outstanding at June 30, 2026 and December 31, 2025, respectively.	188,049	188,049
Trust common shares, no par value, 500,000 authorized; 76,135 shares issued and 75,236 shares outstanding at June 30, 2026 and December 31, 2025, respectively.	1,288,951	1,288,951
Treasury shares, at cost	(18,910)	(18,910)
Accumulated other comprehensive income	373	738
Accumulated deficit	(1,275,684)	(1,306,585)
Total stockholders' equity attributable to Holdings	472,560	442,024
Noncontrolling interest	134,610	131,639
Total stockholders' equity	607,170	573,663
Total liabilities and stockholders' equity	\$ 2,752,438	\$ 3,039,184

See notes to condensed consolidated financial statements.

COMPASS DIVERSIFIED HOLDINGS
CONDENSED CONSOLIDATED STATEMENTS OF OPERATIONS
(Unaudited)

	Three months ended June 30,		Six months ended June 30,	
	2026	2025	2026	2025
<i>(in thousands, except per share data)</i>				
Net revenues	\$ 424,042	\$ 478,690	\$ 850,897	\$ 932,465
Cost of revenues	224,079	270,149	461,576	527,892
Gross profit	199,963	208,541	389,321	404,573
Operating expenses:				
Selling, general and administrative expense	134,337	162,112	266,347	312,489
Management fees	13,817	19,035	29,751	37,898
Amortization expense	22,686	23,117	45,530	46,468
Impairment expense	—	31,515	20,500	31,515
Other operating (income) expense	149	—	(10,234)	—
Operating income (loss)	28,974	(27,238)	37,427	(23,797)
Other income (expense):				
Interest expense, net	(23,895)	(34,096)	(51,390)	(69,947)
Amortization of debt issuance costs	(2,047)	(971)	(4,094)	(2,096)
Loss on debt modification	—	(2,827)	—	(2,827)
Gain on sale of product division	182,342	—	182,342	—
Decrease in fair value of receivable due from unconsolidated affiliate	(58,000)	—	(58,000)	—
Other income (expense), net	(121)	1,713	(2,799)	(11,968)
Income (loss) from continuing operations before income taxes	127,253	(63,419)	103,486	(110,635)
Provision for income taxes	45,379	17,358	52,443	19,896
Income (loss) from continuing operations	81,874	(80,777)	51,043	(130,531)
Gain on sale of discontinued operations, net of income taxes	1,480	2,805	1,637	2,849
Net income (loss)	83,354	(77,972)	52,680	(127,682)
Less: Net income (loss) from continuing operations attributable to noncontrolling interest	2,265	(26,755)	2,350	(46,472)
Net income (loss) attributable to Holdings	\$ 81,089	\$ (51,217)	\$ 50,330	\$ (81,210)
Amounts attributable to Holdings				
Income (loss) from continuing operations	\$ 79,609	\$ (54,022)	\$ 48,693	\$ (84,059)
Gain on sale of discontinued operations, net of income tax	1,480	2,805	1,637	2,849
Net income (loss) attributable to Holdings	\$ 81,089	\$ (51,217)	\$ 50,330	\$ (81,210)
Basic and diluted income (loss) per common share attributable to Holdings (refer to Note H)				
Continuing operations	\$ 0.84	\$ (0.92)	\$ 0.29	\$ (1.43)
Discontinued operations	0.02	0.04	0.02	0.04
Basic and diluted income (loss) per common share attributable to Holdings (refer to Note H)	\$ 0.86	\$ (0.88)	\$ 0.31	\$ (1.39)
Basic and diluted weighted average number of shares of common shares outstanding	75,236	75,236	75,236	75,236
Cash distributions declared per Trust common share (refer to Note H)	\$ —	\$ 0.25	\$ —	\$ 0.50

See notes to condensed consolidated financial statements.

COMPASS DIVERSIFIED HOLDINGS
CONDENSED CONSOLIDATED STATEMENTS OF COMPREHENSIVE INCOME (LOSS)
(Unaudited)

	Three months ended June 30,		Six months ended June 30,	
	2026	2025	2026	2025
<i>(in thousands)</i>				
Net income (loss)	\$ 83,354	\$ (77,972)	\$ 52,680	\$ (127,682)
Other comprehensive income (loss)				
Foreign currency translation adjustments	(284)	608	(728)	364
Pension benefit liability, net	765	(561)	363	933
Other comprehensive income (loss)	481	47	(365)	1,297
Total comprehensive income (loss), net of tax	\$ 83,835	\$ (77,925)	\$ 52,315	\$ (126,385)
Less: Net income (loss) attributable to noncontrolling interests	2,265	(26,755)	2,350	(46,472)
Less: Other comprehensive income (loss) attributable to noncontrolling interests	(13)	(1,016)	(32)	(1,362)
Total comprehensive income (loss) attributable to Holdings, net of tax	\$ 81,583	\$ (50,154)	\$ 49,997	\$ (78,551)

See notes to condensed consolidated financial statements.

COMPASS DIVERSIFIED HOLDINGS
CONDENSED CONSOLIDATED STATEMENTS OF STOCKHOLDERS' EQUITY
(Unaudited)

(in thousands)

(in thousands)	Trust Preferred Shares						Accumulated Other Comprehensive Income (Loss)	Stockholders' Equity Attributable to Holdings	Non- Controlling Interest	Total Stockholders' Equity
	Series A	Series B	Series C	Trust Common Shares	Treasury Shares	Accumulated Deficit				
Balance — April 1, 2025	\$ 111,907	\$ 177,112	\$ 187,950	\$ 1,288,975	\$ (18,910)	\$ (1,062,211)	\$ (4,087)	\$ 680,736	\$ (167,091)	\$ 513,645
Net loss	—	—	—	—	—	(51,217)	—	(51,217)	(26,755)	(77,972)
Total other comprehensive income, net	—	—	—	—	—	—	47	47	—	47
Issuance of Trust common shares	—	—	—	(24)	—	—	—	(24)	—	(24)
Issuance of Trust preferred shares	103	659	99	—	—	—	—	861	—	861
Option activity attributable to noncontrolling shareholders	—	—	—	—	—	—	—	—	4,189	4,189
Effect of subsidiary stock option exercise	—	—	—	—	—	—	—	—	348	348
Purchase of noncontrolling interest	—	—	—	—	—	—	—	—	(1,803)	(1,803)
Reclassification of noncontrolling shareholder interest to liability	—	—	—	—	—	—	—	—	(38)	(38)
Distributions paid - Trust Common Shares	—	—	—	—	—	(18,809)	—	(18,809)	—	(18,809)
Distributions paid - Trust Preferred Shares	—	—	—	—	—	(9,714)	—	(9,714)	—	(9,714)
Balance — June 30, 2025	<u>\$ 112,010</u>	<u>\$ 177,771</u>	<u>\$ 188,049</u>	<u>\$ 1,288,951</u>	<u>\$ (18,910)</u>	<u>\$ (1,141,951)</u>	<u>\$ (4,040)</u>	<u>\$ 601,880</u>	<u>\$ (191,150)</u>	<u>\$ 410,730</u>
Balance — April 1, 2026	\$ 112,010	\$ 177,771	\$ 188,049	\$ 1,288,951	\$ (18,910)	\$ (1,347,058)	\$ (108)	\$ 400,705	\$ 129,691	\$ 530,396
Net income	—	—	—	—	—	81,089	—	81,089	2,265	83,354
Total other comprehensive income, net	—	—	—	—	—	—	481	481	—	481
Option activity attributable to noncontrolling shareholders	—	—	—	—	—	—	—	—	3,280	3,280
Effect of subsidiary stock option exercise	—	—	—	—	—	—	—	—	265	265
Purchase of noncontrolling interest	—	—	—	—	—	—	—	—	(439)	(439)
Reclassification of noncontrolling shareholder interest to liability	—	—	—	—	—	—	—	—	(12)	(12)
Sale of product division	—	—	—	—	—	—	—	—	(440)	(440)
Distributions paid - Trust Preferred Shares	—	—	—	—	—	(9,715)	—	(9,715)	—	(9,715)
Balance — June 30, 2026	<u>\$ 112,010</u>	<u>\$ 177,771</u>	<u>\$ 188,049</u>	<u>\$ 1,288,951</u>	<u>\$ (18,910)</u>	<u>\$ (1,275,684)</u>	<u>\$ 373</u>	<u>\$ 472,560</u>	<u>\$ 134,610</u>	<u>\$ 607,170</u>

COMPASS DIVERSIFIED HOLDINGS
CONDENSED CONSOLIDATED STATEMENTS OF STOCKHOLDERS' EQUITY
(Unaudited)

(in thousands)

(in thousands)	Trust Preferred Shares			Trust Common Shares	Treasury Shares	Accumulated Deficit	Accumulated Other Comprehensive Income (Loss)	Stockholders' Equity Attributable to Holdings	Non-Controlling Interest	Total Stockholders' Equity
	Series A	Series B	Series C							
Balance — January 1, 2025	\$ 109,159	\$ 147,906	\$ 161,767	\$ 1,289,010	\$ (18,910)	\$ (1,004,975)	\$ (5,337)	\$ 678,620	\$ (148,046)	\$ 530,574
Net loss	—	—	—	—	—	(81,210)	—	(81,210)	(46,472)	(127,682)
Total other comprehensive income, net	—	—	—	—	—	—	1,297	1,297	—	1,297
Issuance of Trust common shares	—	—	—	(59)	—	—	—	(59)	—	(59)
Issuance of Trust preferred shares	2,851	29,865	26,282	—	—	—	—	58,998	—	58,998
Option activity attributable to noncontrolling shareholders	—	—	—	—	—	—	—	—	8,201	8,201
Effect of subsidiary stock option exercise	—	—	—	—	—	—	—	—	1,710	1,710
Purchase of noncontrolling interest	—	—	—	—	—	—	—	—	(6,468)	(6,468)
Reclassification of noncontrolling shareholder interest to liability	—	—	—	—	—	—	—	—	(75)	(75)
Distributions paid - Trust Common Shares	—	—	—	—	—	(37,618)	—	(37,618)	—	(37,618)
Distributions paid - Trust Preferred Shares	—	—	—	—	—	(18,148)	—	(18,148)	—	(18,148)
Balance — June 30, 2025	<u>\$ 112,010</u>	<u>\$ 177,771</u>	<u>\$ 188,049</u>	<u>\$ 1,288,951</u>	<u>\$ (18,910)</u>	<u>\$ (1,141,951)</u>	<u>\$ (4,040)</u>	<u>\$ 601,880</u>	<u>\$ (191,150)</u>	<u>\$ 410,730</u>
Balance — January 1, 2026	\$ 112,010	\$ 177,771	\$ 188,049	\$ 1,288,951	\$ (18,910)	\$ (1,306,585)	\$ 738	\$ 442,024	\$ 131,639	\$ 573,663
Net income	—	—	—	—	—	50,330	—	50,330	2,350	52,680
Total other comprehensive loss, net	—	—	—	—	—	—	(365)	(365)	—	(365)
Option activity attributable to noncontrolling shareholders	—	—	—	—	—	—	—	—	5,839	5,839
Effect of subsidiary stock option exercise	—	—	—	—	—	—	—	—	5,140	5,140
Purchase of noncontrolling interest	—	—	—	—	—	—	—	—	(9,895)	(9,895)
Reclassification of noncontrolling shareholder interest to liability	—	—	—	—	—	—	—	—	(23)	(23)
Sale of product division	—	—	—	—	—	—	—	—	(440)	(440)
Distributions paid - Trust Preferred Shares	—	—	—	—	—	(19,429)	—	(19,429)	—	(19,429)
Balance — June 30, 2026	<u>\$ 112,010</u>	<u>\$ 177,771</u>	<u>\$ 188,049</u>	<u>\$ 1,288,951</u>	<u>\$ (18,910)</u>	<u>\$ (1,275,684)</u>	<u>\$ 373</u>	<u>\$ 472,560</u>	<u>\$ 134,610</u>	<u>\$ 607,170</u>

COMPASS DIVERSIFIED HOLDINGS
CONDENSED CONSOLIDATED STATEMENTS OF CASH FLOWS
(Unaudited)

(in thousands)	Six months ended June 30,	
	2026	2025
Cash flows from operating activities:		
Net income (loss)	\$ 52,680	\$ (127,682)
Gain on sale of discontinued operations	1,637	2,849
Income (loss) from continuing operations	51,043	(130,531)
Adjustments to reconcile net loss to net cash provided by (used in) operating activities:		
Depreciation expense	22,270	23,363
Amortization expense - intangibles	45,530	46,468
Amortization expense - inventory step-up	—	—
Amortization of debt issuance costs	4,094	2,096
Decrease in fair value of receivable due from unconsolidated affiliate	58,000	—
Loss on debt modification	—	2,827
Impairment expense	20,500	31,515
Noncontrolling stockholder stock based compensation	5,839	8,201
Provision for receivable and inventory reserves	446	588
Deferred income taxes	(4,125)	3,629
Gain on sale of product division	(182,342)	—
Gain on sale-leaseback	(10,234)	—
Other	1,725	(1,897)
Changes in operating assets and liabilities, net of acquisitions:		
Accounts receivable	(1,844)	(12,980)
Inventories	6,951	(34,564)
Other current and non-current assets	22,990	4,400
Accounts payable and accrued expenses	12,774	(7,623)
Cash provided by (used in) operating activities	53,617	(64,508)
Cash flows from investing activities:		
Acquisitions, net of cash acquired	—	495
Purchases of property and equipment	(11,343)	(23,983)
Proceeds from sale of businesses	290,191	2,849
Other investing activities	10,279	(1,548)
Cash provided by (used in) investing activities	289,127	(22,187)

COMPASS DIVERSIFIED HOLDINGS
CONDENSED CONSOLIDATED STATEMENTS OF CASH FLOWS
(Unaudited)

(in thousands)	Six months ended June 30,	
	2026	2025
Cash flows from financing activities:		
Proceeds and expenses from issuance of Trust common shares, net	—	(59)
Proceeds and expenses from issuance of Trust preferred shares, net	—	58,998
Borrowings - revolving credit facility	67,000	73,500
Repayments - revolving credit facility	(65,000)	(183,500)
Borrowings - term loan	—	200,000
Repayments - term loan	(292,750)	—
Scheduled principal payments - term loan	(7,500)	(7,500)
Subsidiary financing arrangements - borrowings	—	27,092
Subsidiary financing arrangements - repayments	—	(8,360)
Distributions paid - common shares	—	(37,618)
Distributions paid - preferred shares	(19,429)	(18,148)
Net proceeds provided by noncontrolling shareholders	5,140	1,710
Purchase of noncontrolling interest	(9,895)	(6,468)
Debt issuance costs	—	(1,241)
Other	(30)	(28)
Net cash provided by (used in) financing activities	(322,464)	98,378
Foreign currency impact on cash	(852)	2,415
Net increase in cash and cash equivalents	19,428	14,098
Cash and cash equivalents — beginning of period	68,015	59,659
Cash and cash equivalents — end of period	<u>\$ 87,443</u>	<u>\$ 73,757</u>
Supplemental Cash Flow Disclosure:		
Non-cash financing activities ⁽¹⁾	<u>\$ —</u>	<u>\$ 4,534</u>

⁽¹⁾ Represents the non-cash settlement of subsidiary financing arrangements.

See notes to condensed consolidated financial statements.

COMPASS DIVERSIFIED HOLDINGS
NOTES TO CONDENSED CONSOLIDATED FINANCIAL STATEMENTS (UNAUDITED)
June 30, 2026

Note A - Presentation and Principles of Consolidation

Compass Diversified Holdings, a Delaware statutory trust (the "Trust") and Compass Group Diversified Holdings LLC, a Delaware limited liability company (the "LLC"), were formed to acquire and manage a group of small and middle-market businesses headquartered in North America. Collectively, Compass Diversified Holdings and Compass Group Diversified Holdings, LLC are referred to as the "Company". In accordance with the Third Amended and Restated Trust Agreement, dated as of August 3, 2021 (as further amended and restated, the "Trust Agreement"), the Trust is sole owner of 100% of the Trust Interests (as defined in the LLC's Sixth Amended and Restated Operating Agreement, dated as of August 3, 2021 (as further amended and restated, the "LLC Agreement")) of the LLC and, pursuant to the LLC Agreement, the LLC has, outstanding, the identical number of Trust Interests as the number of outstanding common shares of the Trust. The LLC is the operating entity with a board of directors and other corporate governance responsibilities, similar to that of a Delaware corporation. The Trust does not have operations independent of acting as the parent company of the LLC. Compass Group Management LLC, a Delaware limited liability company ("CGM" or the "Manager"), manages the day to day operations of the LLC and oversees the management and operations of our businesses pursuant to a management services agreement (the "Management Services Agreement" or "MSA").

The LLC is a controlling owner of eight businesses, or operating segments, at June 30, 2026. The segments are as follows: 5.11 Acquisition Corp. ("5.11"), Boa Holdings Inc. ("BOA"), Relentless Topco, Inc. ("PrimaLoft"), THP Topco, Inc. ("The Honey Pot Co." or "THP"), CBCP Products, LLC ("Velocity Outdoor" or "Velocity"), AMTAC Holdings LLC ("Arnold"), FFI Compass, Inc. ("Altor Solutions" or "Altor"), and Rimports Holdings, Inc. ("Rimports"). The segments are referred to interchangeably as "businesses", "operating segments" or "subsidiaries" throughout the financial statements. During the second quarter of 2026, the Company completed the sale of Sterno's food service business. Prior to the sale, Sterno distributed Rimports, its home fragrance business, to its stockholders, and Rimports remained a majority owned subsidiary of the LLC. Accordingly, Rimports is presented as the Company's operating segment following the distribution, and the results of Sterno's food service business through the date of sale and Rimports for all periods presented are included in continuing operations. Refer to [Note B - "Dispositions"](#) for further discussion of the sale of Sterno's food service business and the Rimports distribution. Refer to [Note O - "Operating Segment Data"](#) for further discussion of the operating segments. Lugano Holding, Inc. ("Lugano") was an operating segment of the Company until November 16, 2025 when Lugano was deconsolidated. Refer to [Note B - "Dispositions"](#) for further discussion of the accounting for Lugano.

Basis of Presentation

The condensed consolidated financial statements for the three and six month periods ended June 30, 2026 and June 30, 2025 are unaudited, and in the opinion of management, contain all adjustments necessary for a fair presentation of the condensed consolidated financial statements. Such adjustments consist solely of normal recurring items. Interim results are not necessarily indicative of results for a full year or any subsequent interim period. The condensed consolidated financial statements and notes are prepared in accordance with accounting principles generally accepted in the United States of America ("U.S. GAAP" or "GAAP") and presented as permitted by Form 10-Q and do not contain certain information included in the annual consolidated financial statements and accompanying notes of the Company.

The accompanying consolidated financial statements have been prepared on a going concern basis, which assumes the Company will continue to realize its assets and satisfy its liabilities in the ordinary course of business.

Correction of Prior Period Financial Statements

During the second quarter ended June 30, 2026, the Company identified an immaterial classification misstatement related to the presentation of the gain of \$10.2 million recognized in connection with Altor's January 23, 2026 sale-leaseback transaction, which was previously presented in other income (expense), net in the Company's Quarterly Report on Form 10-Q for the quarterly period ended March 31, 2026 and corrected to be presented in other operating income within operating expenses in the condensed consolidated statements of operations. The correction reflects management's determination that the gain is appropriately presented within operating results because the transaction related to Altor's manufacturing facilities and underlying operating assets. This correction increased previously reported operating income by the amount of the sale-leaseback gain and decreased other

income (expense), net by the same amount, with no effect on previously reported income from continuing operations before income taxes, net income, cash flows, or stockholders' equity.

Consolidation

The condensed consolidated financial statements include the accounts of the Company, as well as the businesses acquired as of their respective acquisition date. All significant intercompany accounts and transactions have been eliminated in consolidation. Businesses or components that meet the criteria for discontinued operations are presented as discontinued operations for all periods presented.

Seasonality

The results of operations of certain of our operating segments are subject to seasonal fluctuations due to the timing of recurring events, holidays, weather patterns, customer purchasing activity and other industry-specific factors. The impact of seasonality on our consolidated results may vary from period to period based on the relative size, mix and timing of acquisitions, dispositions and changes in the operating performance of our businesses. Historically, our consolidated net sales have generally been higher in the third and fourth quarters of the fiscal year; however, the degree of seasonality has varied in recent years as a result of changes in the composition of our businesses.

Recently Adopted Accounting Pronouncements

Income Taxes (Topic 740): Improvements to Income Tax Disclosures

In December 2023, the FASB issued ASU No. 2023-09, Income Taxes (Topic 740): Improvements to Income Tax Disclosures. This guidance will require, among other things, the following for public business entities: (i) enhanced disclosures of specific categories of reconciling items included in the rate reconciliation, as well as additional information for any of these items meeting certain qualitative and quantitative thresholds; (ii) disclosure of the judgment used in categorizing them if not otherwise evident; and (iii) enhanced disclosures for income taxes paid, which includes federal, state, and foreign taxes, as well as for individual jurisdictions over a certain quantitative threshold. The amendments in ASU 2023-09 eliminate the requirement to disclose the nature and estimate of the range of the reasonably possible change in unrecognized tax benefits for the 12 months after the balance sheet date. The guidance is effective for annual periods beginning after December 15, 2024. The Company adopted ASU 2023-09 for the year ended December 31, 2025 and applied the new disclosure requirements prospectively to the 2025 annual period.

Recently Issued Accounting Pronouncements

Disaggregation of Income Statement Expenses

In November 2024, the FASB issued ASU No. 2024-03, Income Statement - Reporting Comprehensive Income- Expense Disaggregation Disclosures (Subtopic 220-40). This guidance will require the disclosure of disaggregation of certain relevant expenses presented in the consolidated statements of operations, including inventory purchases, employee compensation, selling expense and depreciation expense. The guidance is effective for our annual period ending December 31, 2027 and interim periods thereafter. The Company is currently evaluating the impact this standard will have on the consolidated financial statements.

Note B — Dispositions

Sale of Sterno and Distribution of Rimports

On March 28, 2026, the LLC, in its capacity as representative of the holders of common stock of SternoCandleLamp Holdings, Inc. ("Sterno"), a then-majority-owned subsidiary of the LLC, and, for the limited purposes of the Rimports Distribution described below, entered into a definitive Agreement and Plan of Merger (the "Sterno Agreement") with WCHG Buyer, Inc. ("Parent"), WCHG Heat Merger Sub, Inc. ("Merger Sub") and Sterno. Pursuant to the Sterno Agreement, Parent agreed to acquire Sterno through the merger of Merger Sub with and into Sterno, with Sterno surviving the merger as a wholly owned subsidiary of Parent.

Immediately prior to the closing of the merger, on April 30, 2026, Sterno completed the distribution of all of the limited liability company interests of its indirect wholly owned subsidiary Rimports, LLC ("Rimports"), which operates Sterno's home fragrance business, to Rimports Holdings, Inc., the equity of which was, in turn, distributed pro rata to the Sterno stockholders, including the LLC (the "Rimports Distribution"), with Rimports remaining a majority owned subsidiary of the LLC. On May 1, 2026, the parties completed the merger pursuant to the Sterno Agreement, resulting in the sale of Sterno's food service business.

The purchase consideration for Sterno's food service business was based on an enterprise value of \$292.5 million and was subject to customary adjustments, including for transaction expenses, change-of-control payments, option termination payments and the net working capital, cash and debt balances of Sterno and its subsidiaries, excluding Rimports and its subsidiaries, at closing. Approximately \$2.6 million of the closing proceeds were placed in escrow to satisfy post-closing purchase price true-ups, if any.

After allocation of the purchase consideration to Sterno's noncontrolling stockholders and payment of transaction costs, CODI received approximately \$282 million of total proceeds at closing, representing amounts received with respect to the Company's outstanding loans to Sterno, including accrued interest, and its equity interests in Sterno. The Company used the proceeds received from the sale to repay outstanding borrowings under its senior credit facility.

The Rimports Distribution represented a transfer of equity interests between entities under common control because the Company controlled Sterno, inclusive of Rimports, before the distribution and continues to control Rimports after the distribution. Accordingly, the Rimports Distribution was accounted for as a transaction between entities under common control at historical carrying amounts, and no gain or loss was recognized in the Company's condensed consolidated financial statements as a result of the distribution.

As of March 31, 2026, the Company had classified Sterno's food service business as held for sale. Because the Company retained Rimports following the Rimports Distribution, the assets and liabilities of Rimports were excluded from the held-for-sale disposal group and continued to be presented within the Company's condensed consolidated balance sheet. Upon completion of the sale on May 1, 2026, the Company deconsolidated Sterno's food service business and recognized a gain on the sale of approximately \$182.3 million within income from continuing operations during the three months ended June 30, 2026.

The sale did not represent a strategic shift that had, or will have, a major effect on the Company's operations or financial results and therefore did not qualify for discontinued operations presentation. Accordingly, the results of operations and cash flows of Sterno's food service business through the date of sale, and Rimports for all periods presented, are included within continuing operations in the Company's condensed consolidated statements of operations and cash flows.

Summarized results of operations of Sterno for the three and six months ended June 30, 2026 through the date of disposition and the three and six months ended June 30, 2025 are as follows (in thousands):

(in thousands)	For the period April 1, 2026 through disposition	Three months ended June 30, 2025	For the period January 1, 2026 through disposition	Six Months ended June 30, 2025
Net sales	\$ 13,424	\$ 41,223	\$ 45,125	\$ 71,546
Gross profit	\$ 3,889	\$ 12,825	\$ 14,096	\$ 22,302
Operating income	\$ 3,703	\$ 7,181	\$ 8,519	\$ 11,936
Net income from operations before income taxes ⁽¹⁾	\$ 3,451	\$ 4,943	\$ 7,122	\$ 7,414
Provision for income taxes	\$ 597	\$ 2,145	\$ 2,084	\$ 3,142
Net income	\$ 2,854	\$ 2,798	\$ 5,038	\$ 4,272

⁽¹⁾ The results of operations for the periods from April 1, 2026 through disposition, January 1, 2026 through disposition, and the three and six months ended June 30, 2025, each exclude \$0.3 million and \$1.4 million, \$2.2 million and \$4.5 million, respectively, of intercompany interest expense which is eliminated in consolidation.

Lugano

Deconsolidation

On November 16, 2025, Lugano and certain of its subsidiaries filed a voluntary Chapter 11 petition under the United States Bankruptcy Code in the United States Bankruptcy Court for the District of Delaware (the "Lugano Bankruptcy"). The Lugano Bankruptcy resulted in the deconsolidation of Lugano as of the date of the bankruptcy filing. The Company retained its equity ownership of Lugano subsequent to the bankruptcy but has neither control nor significant influence over Lugano due to the bankruptcy filing. The Company elected the fair value option under Accounting Standards Codification ("ASC") 825 - *Financial Instruments* to account for its retained financial interest. Accordingly, the investment is measured at fair value on a recurring basis, with changes in fair value, if any, recognized in earnings each reporting period. As a result of this accounting election, the carrying value of the investment, and the related impact on the Company's results of operations, may fluctuate from period to period due

to non-cash mark-to-market adjustments. These fair value adjustments do not impact the Company's cash flows or liquidity.

Separately, prior to the bankruptcy filing, the Company had outstanding intercompany indebtedness owed by Lugano (the "Lugano intercompany loan"), including amounts that were secured by certain Lugano assets. Because intercompany balances are eliminated in consolidation, the fair value of intercompany indebtedness owed by Lugano to the Company was recognized upon deconsolidation in accordance with ASC 810. Any expected recovery (or lack thereof) on the secured claim is reflected through the measurement of the receivable/claim due from affiliate (including any impairment or allowance), rather than through the fair value of any retained equity interest.

The Company recorded a receivable based on management's estimate of recoveries expected from the Lugano bankruptcy proceedings with respect to the Company's senior secured receivable/claim against Lugano as of the deconsolidation date, measured using the fair value option under ASC 825. The receivable is remeasured at fair value at each reporting date, and changes in fair value are recognized in earnings in the period in which they occur. During the three months ended June 30, 2026, the estimated fair value of the receivable decreased from \$97.0 million to \$39.0 million following CODI's entry on June 24, 2026 into a Settlement Agreement and Mutual Release and a Plan Support Agreement with Lugano, the official committee of unsecured creditors and the other parties thereto. Subject to creditor approval, bankruptcy court confirmation and effectiveness of the proposed Plan of Liquidation, CODI would be entitled to receive 34.79% of specified net inventory, tax-refund and insurance proceeds, 45% of net proceeds from specified litigation against a third party and 25% of net proceeds from certain other litigation claims. The Settlement Agreement will become effective and binding only upon satisfaction or waiver of its conditions, including the effective date of the Plan of Liquidation, and there can be no assurance as to confirmation, effectiveness, timing or the amount of recoveries. These revised recovery amounts and timing assumptions resulted in the \$58.0 million decrease in fair value. At June 30, 2026, the receivable due from unconsolidated affiliate was estimated to have a value of \$39.0 million, with \$19.2 million classified as current and \$19.8 million classified as noncurrent in the condensed consolidated balance sheet. At December 31, 2025, the receivable due from unconsolidated affiliate was estimated to have a value of \$97.0 million, with \$71.0 million classified as current and \$26.0 million classified as noncurrent in the condensed consolidated balance sheet. The classification between current and noncurrent is based on management's estimate of the timing of expected cash receipts from the Lugano bankruptcy proceedings. Refer to ["Note J - Fair Value Measurements"](#) for additional information.

The following table summarizes Lugano's results of operations that are included in the Company's consolidated results of operations for the period from January 1, 2025 through June 30, 2025:

<i>(in thousands)</i>	Three months ended June 30, 2025		Six months ended June 30, 2025	
Net sales	\$	26,771	\$	53,616
Gross profit	\$	13,446	\$	26,624
Operating loss	\$	(46,782)	\$	(60,441)
Net loss from operations before income taxes ⁽¹⁾	\$	(51,879)	\$	(87,929)
Provision for income taxes	\$	—	\$	(256)
Net loss	\$	(51,879)	\$	(87,673)

⁽¹⁾ The results of operations for the three and six months ended June 30, 2025 exclude \$16.9 million and \$32.8 million, respectively, of intercompany interest expense which is eliminated in consolidation.

Note C — Revenue

The Company recognizes revenue when a customer obtains control of promised goods or services. The amount of revenue recognized reflects the consideration to which the Company expects to be entitled to receive in exchange for these goods or services, and excludes any sales incentives or taxes collected from customers which are subsequently remitted to government authorities.

Disaggregated Revenue - The Company disaggregates revenue by operating segment and by geography for each strategic business unit which are categories that depict how the nature, amount and uncertainty of revenue and cash flows are affected by economic factors. The disaggregation in the tables below reflects where revenue is earned based on the shipping address of our customers unless otherwise noted. This disaggregation also

represents how the Company evaluates its financial performance, as well as how the Company communicates its financial performance to the investors and other users of its financial statements. Each strategic business unit represents one of the Company's reportable segments and offers different products and services. During the second quarter of 2026, the Company completed the sale of Sterno's food service business. Prior to the sale, Sterno distributed Rimports, its home fragrance business, to its stockholders, and Rimports remained a majority owned subsidiary of the LLC. Accordingly, the disaggregation of revenue by reportable segment includes the results of Sterno's food service business through the May 1, 2026 date of sale and the results of Rimports for all periods presented, including the three and six months ended June 30, 2025 and 2026. The results of operations of Lugano are included in the Company's consolidated results of operations for the period from January 1, 2025 through November 16, 2025 and therefore in the disaggregation of revenue by reportable segment in the table below only for the three and six months ended June 30, 2025.

The following tables provide disaggregation of revenue by reportable segment geography for the three and six months ended June 30, 2026 and 2025 (in thousands):

Three months ended June 30, 2026							
	United States	Mexico	Europe	Asia Pacific	Other International	Total	
5.11	\$ 97,483	\$ 5,941	\$ 8,434	\$ 5,097	\$ 9,544	\$	126,499
BOA ⁽¹⁾	14,307	—	30,408	14,071	282		59,068
PrimaLoft	179	—	1,085	28,110	375		29,749
The Honey Pot Co.	38,387	—	—	—	—		38,387
Velocity Outdoor	16,427	—	69	5	608		17,109
Altor	63,079	2,583	—	—	—		65,662
Arnold	26,545	—	12,425	2,631	1,621		43,222
Rimports	42,410	—	674	—	1,262		44,346
Total	<u>\$ 298,817</u>	<u>\$ 8,524</u>	<u>\$ 53,095</u>	<u>\$ 49,914</u>	<u>\$ 13,692</u>	<u>\$</u>	<u>424,042</u>

Three months ended June 30, 2025							
	United States	Mexico	Europe	Asia Pacific	Other International	Total	
5.11	\$ 104,801	\$ 5,589	\$ 8,087	\$ 4,653	\$ 8,312	\$	131,442
BOA ⁽¹⁾	12,632	17	24,589	10,999	132		48,369
Lugano	25,404	—	501	—	866		26,771
PrimaLoft	282	—	989	23,375	209		24,855
The Honey Pot Co.	32,788	—	—	—	10		32,798
Velocity Outdoor	14,977	—	20	18	198		15,213
Altor	78,240	5,065	—	—	—		83,305
Arnold	25,784	—	10,682	1,231	735		38,432
Sterno	74,365	—	807	1	2,332		77,505
Total	<u>\$ 369,273</u>	<u>\$ 10,671</u>	<u>\$ 45,675</u>	<u>\$ 40,277</u>	<u>\$ 12,794</u>	<u>\$</u>	<u>478,690</u>

Six months ended June 30, 2026							
	United States	Mexico	Europe	Asia Pacific	Other International	Total	
5.11	\$ 198,699	\$ 10,376	\$ 15,995	\$ 9,335	\$ 16,065	\$	250,470
BOA ⁽¹⁾	29,865	10	56,953	23,991	357		111,176
PrimaLoft	361	—	1,989	48,527	789		51,666
The Honey Pot Co.	83,544	—	—	—	2		83,546
Velocity Outdoor	29,783	—	81	12	1,059		30,935
Altor	125,173	5,131	—	—	—		130,304
Arnold	51,423	55	24,122	5,214	2,590		83,404
Rimports	104,730	—	1,616	—	3,050		109,396
Total	\$ 623,578	\$ 15,572	\$ 100,756	\$ 87,079	\$ 23,912	\$	850,897

Six months ended June 30, 2025							
	United States	Mexico	Europe	Asia Pacific	Other International	Total	
5.11	\$ 209,642	\$ 10,553	\$ 15,997	\$ 8,571	\$ 16,049	\$	260,812
BOA ⁽¹⁾	26,958	17	48,398	21,680	193		97,246
Lugano	47,771	—	1,664	95	4,086		53,616
PrimaLoft	613	—	1,759	45,593	535		48,500
The Honey Pot Co.	68,965	—	—	—	24		68,989
Velocity Outdoor	27,871	—	59	18	466		28,414
Altor	148,808	10,754	—	—	—		159,562
Arnold	47,777	71	20,141	2,861	1,590		72,440
Sterno	137,227	—	1,610	1	4,048		142,886
Total	\$ 715,632	\$ 21,395	\$ 89,628	\$ 78,819	\$ 26,991	\$	932,465

⁽¹⁾ For BOA, revenue reflects the location of the Brand Partners of the business.

Note D — Property, Plant and Equipment and Inventory

Property, plant and equipment

Property, plant and equipment is comprised of the following at June 30, 2026 and December 31, 2025 (*in thousands*):

	June 30, 2026	December 31, 2025
Machinery and equipment	\$ 263,780	\$ 288,698
Furniture, fixtures and other	70,788	70,452
Leasehold improvements	99,584	99,449
Buildings and land	3,980	11,805
Construction in process	20,525	22,474
	458,657	492,878
Less: accumulated depreciation	(271,928)	(283,136)
Total	\$ 186,729	\$ 209,742

Depreciation expense was \$10.4 million and \$22.3 million for the three and six months ended June 30, 2026 and \$11.1 million and \$23.4 million for the three and six months ended June 30, 2025, respectively.

Inventory

Inventory is comprised of the following at June 30, 2026 and December 31, 2025 (in thousands):

	June 30, 2026	December 31, 2025
Raw materials	\$ 65,782	\$ 71,641
Work-in-process	19,442	16,667
Finished goods	317,680	347,196
Less: obsolescence reserve	(27,141)	(31,402)
Total	\$ 375,763	\$ 404,102

Note E — Goodwill and Other Intangible Assets

As a result of acquisitions of various businesses, the Company has significant intangible assets on its balance sheet that include goodwill and an indefinite-lived intangible. The Company's goodwill and indefinite-lived intangibles are tested and reviewed for impairment annually as of March 31st or more frequently if facts and circumstances warrant by comparing the fair value of each reporting unit to its carrying value. Each of the Company's businesses represent a reporting unit.

Goodwill

Annual Impairment Testing

The Company uses a qualitative approach to test goodwill and indefinite lived intangible assets for impairment by first assessing qualitative factors to determine whether it is more-likely-than-not that the fair value of a reporting unit is less than its carrying amount as a basis for determining whether it is necessary to perform quantitative goodwill impairment testing.

2026 Annual Impairment Testing

For the Company's annual goodwill impairment test as of March 31, 2026, the Company performed a qualitative assessment of its reporting units with goodwill balances to determine whether it was more-likely-than-not that the fair value of each reporting unit was less than its carrying amount. Based on this assessment, the Company concluded that it was more-likely-than-not that the fair value of each reporting unit exceeded its carrying amount, except the PrimaLoft reporting unit. As a result, the Company performed a quantitative goodwill impairment test for the PrimaLoft reporting unit.

The Company estimated the fair value of the PrimaLoft reporting unit using a combination of the income approach (discounted cash flow method) and the market approach (guideline company multiples). Significant assumptions used in the quantitative test included, among others, projected revenue growth, operating margins, the terminal growth rate and the discount rate, each of which reflects management's best estimates based on historical performance, current market conditions and expectations of future operating performance. The discount rate used in the income approach was 13.4%. The quantitative test indicated that the fair value of the PrimaLoft reporting unit was less than its carrying amount; accordingly, the Company recorded a goodwill impairment charge of \$20.5 million during the three months ended March 31, 2026, which is included in operating income/(loss) in the consolidated statements of operations.

2025 Annual Impairment Testing

For the Company's annual impairment testing at March 31, 2025, the Company performed a qualitative assessment of our reporting units with goodwill balances. The results of the qualitative analysis indicated that it was more-likely-than-not that the fair value of each of the reporting units tested except the PrimaLoft reporting unit exceeded their carrying value. Based on the Company's analysis, the Company determined that the PrimaLoft reporting unit required quantitative testing because we could not conclude that the fair value of this reporting unit significantly exceeded the carrying value based on qualitative factors alone. The Company performed a quantitative test of PrimaLoft using an income approach and a market approach to determine the fair value of the PrimaLoft reporting unit. The discount rate used in the income approach was 11.3%. The results of the testing indicated that the fair value of PrimaLoft exceeded the carrying value by 12.1%.

2025 Interim Impairment Testing

Arnold - The Company performed an interim impairment test of goodwill at Arnold as of October 31, 2025. During 2025, Arnold was negatively impacted by both production delays related to facility transitions, and supply chain constraints caused by export controls and disruption in the market for rare earth minerals, a key component in certain of Arnold's products. As a result, the operating results of Arnold were below our forecast and prior year results for the business. While Arnold's backlog continued to grow, the production delays and supply chain disruption caused by the export controls led us to determine that a triggering event had occurred. The Company used an income approach for the impairment test, whereby we estimated the fair value of the reporting unit based on the present value of future cash flows. Cash flow projections are based on management's estimate of revenue growth rates and operating margins and take into consideration industry and market conditions as well as company specific economic factors. The Company used a discount rate of 14.2% in the income approach. The results of the testing indicated that the fair value of Arnold exceeded the carrying value by 77%.

The following is a summary of the net carrying amount of goodwill at June 30, 2026 and December 31, 2025, *(in thousands)*:

	June 30, 2026	December 31, 2025
Goodwill - gross carrying amount	\$ 1,006,729	\$ 1,050,748
Accumulated impairment losses ⁽¹⁾	(175,827)	(155,327)
Goodwill - net carrying amount	\$ 830,902	\$ 895,421

⁽¹⁾ Comprised of accumulated goodwill impairment expense of \$72.7 million at Velocity, \$24.9 million at Arnold and \$78.3 million at PrimaLoft.

The following is a reconciliation of the change in the carrying value of goodwill for the six months ended June 30, 2026 by operating segment *(in thousands)*:

	Balance at January 1, 2026	Goodwill Impairment	Other	Balance at June 30, 2026
5.11	\$ 92,966	\$ —	\$ —	\$ 92,966
BOA	254,153	—	—	254,153
PrimaLoft	232,536	(20,500)	—	212,036
The Honey Pot Co.	107,039	—	—	107,039
Velocity Outdoor	—	—	—	—
Altior	114,124	—	—	114,124
Arnold	39,267	—	—	39,267
Rimports ⁽¹⁾	55,336	—	(44,019)	11,317
Total	\$ 895,421	\$ (20,500)	\$ (44,019)	\$ 830,902

⁽¹⁾ The Serno food service product division was sold on May 1, 2026. The balance at June 30, 2026 represents the goodwill balance of the Rimports product division that remains after the sale of Serno.

Long lived assets

Other intangible assets are comprised of the following at June 30, 2026 and December 31, 2025 (*in thousands*):

	June 30, 2026			December 31, 2025		
	Gross Carrying Amount	Accumulated Amortization	Net Carrying Amount	Gross Carrying Amount	Accumulated Amortization	Net Carrying Amount
Customer relationships	\$ 710,654	\$ (327,624)	\$ 383,030	\$ 772,137	\$ (362,737)	\$ 409,400
Technology and patents	201,756	(100,188)	101,568	201,049	(92,853)	108,196
Trade names, subject to amortization	454,298	(122,094)	332,204	453,512	(109,665)	343,847
Non-compete agreements	1,588	(1,580)	8	1,588	(1,530)	58
Other contractual intangible assets	90	(90)	—	210	(210)	—
Total	1,368,386	(551,576)	816,810	1,428,496	(566,995)	861,501
Trade names, not subject to amortization ⁽¹⁾	—	—	—	30,810	—	30,810
In-process research and development ⁽²⁾	500	—	500	500	—	500
Total intangibles, net	\$ 1,368,886	\$ (551,576)	\$ 817,310	\$ 1,459,806	\$ (566,995)	\$ 892,811

⁽¹⁾ Represents the indefinite-lived trade name related to the Sterno operating segment that was sold in May 2026.

⁽²⁾ In-process research and development is considered indefinite-lived until the underlying technology becomes viable, at which point the intangible asset will be amortized over the expected useful life.

Amortization expense related to intangible assets was \$22.7 million and \$45.5 million for the three and six months ended June 30, 2026 and \$23.1 million and \$46.5 million for the three and six months ended June 30, 2025, respectively.

Estimated charges to amortization expense of intangible assets for the remainder of 2026 and the next four years, are as follows (*in thousands*):

2026	2027	2028	2029	2030
\$ 45,129	\$ 81,600	\$ 79,499	\$ 79,377	\$ 79,217

Interim long-lived asset impairment testing

Lugano - As a result of the preliminary findings of the Lugano Investigation, the Company determined that a triggering event had occurred in the second quarter of 2025 and tested the long-lived assets of Lugano for impairment. The long-lived assets at Lugano were comprised of a tradename intangible asset, property, plant and equipment and right-of-use lease assets. The long-lived assets were assessed as definite lived assets to be held and used as of the impairment testing in the second quarter. The assessment of the recoverability of the carrying value of the Lugano assets resulted in an impairment loss of \$29.5 million related to property, plant and equipment and \$1.9 million related to right-of-use assets as of June 30, 2025. The impairment of the property, plant and equipment reflects the amount by which the carrying value of these assets exceed their estimated fair value, with fair value determined primarily through a market comparison method. The right-of-use asset related to a retail salon in Toronto, Canada. At the time of the triggering event, the Toronto retail salon had not yet opened and the Company's assessment determined that given the findings of the Lugano Investigation, it was unlikely that the Toronto salon would open in the near term. The impairment test for right-of-use assets involves comparing the right-of-use asset's carrying value to the undiscounted cash flows expected from its future use. Given the expectation that the Toronto retail salon would not open, no cash flows were expected from its future use and an impairment loss was recognized for the entire balance of the right-of-use asset associated with the Toronto salon lease.

Note F — Warranties

The Company's BOA and Velocity Outdoor operating segments estimate their exposure to warranty claims based on both current and historical product sales data and warranty costs incurred. The Company assesses the

adequacy of its recorded warranty liability quarterly and adjusts the amount as necessary. Warranty liability is included in accrued expenses in the accompanying consolidated balance sheets. A reconciliation of the change in the carrying value of the Company's warranty liability for the six months ended June 30, 2026 and the year ended December 31, 2025 is as follows (*in thousands*):

Warranty liability	Six months ended June 30, 2026	Year ended December 31, 2025
Beginning balance	\$ 1,293	\$ 1,121
Provision for warranties issued during the period	804	2,399
Fulfillment of warranty obligations	(759)	(2,227)
Ending balance	\$ 1,338	\$ 1,293

Note G — Debt

2022 Credit Facility

The LLC is party to a Third Amended and Restated Credit Agreement, dated July 12, 2022, as amended from time to time, which we refer to as the "2022 Credit Facility." As of June 30, 2026, the 2022 Credit Facility provided for revolving loans, swing line loans and letters of credit in an aggregate amount of up to \$100.0 million, and term loans with an aggregate principal amount of \$252.3 million outstanding. At June 30, 2026, there were \$2.0 million of revolving borrowings and approximately \$0.8 million of outstanding letters of credit under the 2022 Credit Facility, resulting in net availability of approximately \$97.2 million. Amounts outstanding under the 2022 Credit Facility mature on July 12, 2027.

Borrowings bear interest at either a base rate or Term SOFR, plus an applicable margin based on the Company's Consolidated Total Leverage Ratio, which applicable margin ranges from 0.50% to 2.25% for borrowings bearing interest based on the base rate and from 1.50% to 3.25% for borrowings bearing interest based on Term SOFR. The 2022 Credit Facility is secured by substantially all assets of the Company, including equity interests in, and loans to, its consolidated subsidiaries, and contains customary affirmative and negative covenants, financial covenants, restrictions on certain restricted payments and management fee payments, enhanced reporting requirements, and requirements to use net cash proceeds from certain dispositions and deleveraging transactions to repay indebtedness. In addition, on December 19, 2025, the LLC entered into a Fifth Amendment to the 2022 Credit Facility (the "Fifth Amendment") and a related transaction letter (the "Transaction Letter"). Under the Transaction Letter, the applicable milestone fee is waived for a specific quarter if either the Consolidated Total Leverage Ratio is not greater than 4.50:1.00 or the Consolidated Senior Secured Leverage Ratio is not greater than 1:00:1.00. The milestone fees for the fiscal quarters ending June 30, 2026, September 30, 2026, December 31, 2026 and March 31, 2027, are \$5.0 million, \$6.5 million, \$8.0 million and \$9.5 million, respectively, subject to the terms and conditions of the Transaction Letter. At June 30, 2026, the Consolidated Senior Secured Leverage Ratio was 0.66:1.00. Accordingly, no milestone fee was payable for the quarter ended June 30, 2026.

Senior Notes

The Company has outstanding \$1,029.4 million aggregate principal amount of 5.250% Senior Notes due April 15, 2029 (the "2029 Senior Notes") and \$308.8 million aggregate principal amount of 5.000% Senior Notes due January 15, 2032 (the "2032 Senior Notes"), which we refer to collectively as the "Senior Notes." Interest on the 2029 Senior Notes is payable in cash semi-annually on April 15 and October 15 of each year, and interest on the 2032 Senior Notes is payable in cash semi-annually on January 15 and July 15 of each year. The outstanding principal amounts of the Senior Notes reflect paid-in-kind payments made in 2025 in connection with an indenture forbearance arrangement which was described in detail in the 2025 Form 10-K.

The Senior Notes rank equal in right of payment with all of the Company's existing and future senior unsecured indebtedness and senior in right of payment to all of the Company's future subordinated indebtedness, if any. The Senior Notes are effectively subordinated to the Company's existing and future secured indebtedness, including indebtedness under the 2022 Credit Facility, to the extent of the value of the assets securing such indebtedness. The indentures governing the Senior Notes contain customary restrictive covenants, subject to certain exceptions, including limitations on the incurrence of additional indebtedness, restricted payments, transactions with affiliates, asset sales, mergers and consolidations, subsidiary guarantees, liens, sale-leaseback transactions and certain investments.

Lugano Financing Arrangements

Lugano entered into various financing arrangements with third parties that were not recorded in the financial statements of Lugano as debt. In connection with the Lugano Investigation, the Company determined that the inventory and sales transactions recorded in connection with these financing agreements were invalid because they were inconsistent with the underlying substance of the agreements. These financing arrangements represented debt and the financing arrangements and related interest expense were recorded in the consolidated financial statements. Interest expense was determined based on documentation related to the underlying arrangement or, when no documentation existed related to the financing arrangement, imputed based on various factors associated with the arrangement. Lugano recorded \$15.8 million in interest expense in the six months ended June 30, 2025 related to these financing arrangements which is included in interest expense in the consolidated statement of operations.

Covenants

The Company is subject to customary affirmative and restrictive covenants under the 2022 Credit Facility, including financial maintenance covenants. The following table reflects the financial covenant requirements and actual ratios as of June 30, 2026 under the 2022 Credit Facility, as amended by the Fifth Amendment:

Description of Required Covenant Ratio	Covenant Ratio Requirement	Actual Ratio
Consolidated Fixed Charge Coverage Ratio	Greater than or equal to 1.00:1.00	1.60:1.00
Consolidated Senior Secured Leverage Ratio	Less than or equal to 2.50: 1.00	0.66:1.00
Consolidated Total Leverage Ratio	Less than or equal to 5.75: 1.00	4.82:1.00

The following table provides the Company's outstanding long-term debt and effective interest rates at June 30, 2026 and December 31, 2025 (*in thousands*):

	June 30, 2026		December 31, 2025	
	Effective Interest Rate	Amount	Effective Interest Rate	Amount
2029 Senior Notes	5.25%	\$ 1,029,371	8.15%	\$ 1,029,371
2032 Senior Notes	5.00%	308,811	7.93%	308,811
2022 Credit Facility - Term Loan	7.13%	252,250	10.14%	552,500
2022 Credit Facility - Revolving Loans	8.52%	2,000	—%	—
Unamortized premiums and debt issuance costs		(10,502)		(13,365)
Total debt		\$ 1,581,930		\$ 1,877,317
Less: Current portion of long-term debt		(43,250)		(37,500)
Long-term debt		\$ 1,538,680		\$ 1,839,817

The contractual annual maturities of the Company's debt obligations at June 30, 2026 are as follows (*in thousands*):

Remainder of 2026	\$ 30,000
2027	224,250
2028	—
2029	1,029,371
2030	—
2031 and thereafter	308,811
	<u>\$ 1,592,432</u>

The Senior Notes consisted of the following carrying value and estimated fair value (*in thousands*):

	Maturity Date	Rate	Fair Value Hierarchy Level	June 30, 2026	
				Carrying Value	Fair Value
2032 Senior Notes	January 15, 2032	5.000 %	2	\$ 308,811	\$ 274,842
2029 Senior Notes	April 15, 2029	5.250 %	2	\$ 1,029,371	\$ 975,329

Debt Issuance Costs

Deferred debt issuance costs represent the costs incurred in connection with the Company's financing arrangements. Debt issuance costs associated with the revolving loan commitments under the 2022 Credit Facility are recorded in other non-current assets because the commitments are available under a revolving credit arrangement. Debt issuance costs associated with term loans under the 2022 Credit Facility and the Senior Notes are recorded as a reduction of the related debt balances. Deferred debt issuance costs at June 30, 2026 included approximately \$5.0 million of costs incurred in connection with the Fifth Amendment to the 2022 Credit Facility.

The following table summarizes debt issuance costs at June 30, 2026 and December 31, 2025, and the balance sheet classification in each of the periods presented (*in thousands*):

	June 30, 2026	December 31, 2025
Deferred debt issuance costs	\$ 38,906	\$ 38,906
Accumulated amortization	(25,943)	(21,849)
Deferred debt issuance costs, net	\$ 12,963	\$ 17,057
Balance sheet classification:		
Other noncurrent assets	\$ 2,461	\$ 3,692
Long-term debt	10,502	13,365
	\$ 12,963	\$ 17,057

Note H — Stockholders' Equity

Trust Common Shares

The Trust is authorized to issue 500,000,000 Trust common shares and the LLC is authorized to issue a corresponding number of Trust common interests. The Company will at all times have the identical number of Trust interests outstanding as Trust shares. Each Trust share represents an undivided beneficial interest in the Trust, and each Trust share is entitled to one vote per share on any matter with respect to which members of the LLC are entitled to vote. At June 30, 2026, the Trust had 76,135,000 common shares issued and 75,236,000 common shares outstanding. The Company did not issue any common shares under its at-the-market equity programs during the three months ended June 30, 2026, and, as a result of the commencement of the Lugano Investigation and related events, the Company determined during the quarter ended June 30, 2025 that it was unable to continue offering and selling common shares under this program. The Company did not declare or pay any distributions on its common shares during the three months ended June 30, 2026, following the suspension of common share distributions in 2025.

Trust Preferred Shares

The Trust is authorized to issue up to 50,000,000 Trust preferred shares and the Company is authorized to issue a corresponding number of Trust preferred interests.

The Trust has outstanding 7.250% Series A Preferred Shares, 7.875% Series B Preferred Shares and 7.875% Series C Preferred Shares, each representing beneficial interests in the Trust (collectively, the "Preferred Shares"). Each series of Preferred Shares has a liquidation preference of \$25.00 per share. Distributions on the Series A Preferred Shares are discretionary and non-cumulative. When, and if declared by the Company's board of directors, distribution on the Series A Preferred Shares will be payable quarterly on January 30, April 30, July 30, and October 30 of each year, at a rate per annum of 7.250%. Distributions on the Series B Preferred Shares and Series C

Preferred Shares are cumulative and, when and as declared by the Company's board of directors, are also payable quarterly in arrears on January 30, April 30, July 30 and October 30 of each year. The Series B Preferred Shares bear distributions at a fixed rate of 7.875% per annum until April 30, 2028, after which the distribution rate will reset quarterly at a floating rate equal to the applicable successor to three-month LIBOR plus a spread of 4.985% per annum. Distributions on the Series C Preferred Shares are payable at a rate per annum of 7.875%.

At June 30, 2026, accumulated and unpaid distributions were approximately \$2.5 million on the Series B Preferred Shares and approximately \$2.6 million on the Series C Preferred Shares. The Series A Preferred Shares and Series C Preferred Shares are currently redeemable at the Company's option, in whole or in part, and the Series B Preferred Shares are redeemable at the Company's option, in whole or in part, on or after April 30, 2028, in each case at a redemption price of \$25.00 per share plus any applicable declared or accumulated and unpaid distributions to, but excluding, the redemption date. The Preferred Shares are not convertible into Trust common shares and have no voting rights, except in limited circumstances as provided in the applicable share designations.

Unless full cumulative distributions on the Series B Preferred Shares and Series C Preferred Shares have been declared and paid or set apart for payment for all past distribution periods, the Company may not declare or pay distributions on the Trust common shares. In addition, if the Company's board of directors does not declare a distribution on the Series A Preferred Shares for a quarterly distribution period, the Company may not declare or pay distributions on the Trust common shares during the remainder of that quarterly distribution period.

At-the-Market Equity Offering Program

In 2024, the Company established at-the-market equity offering program for the Preferred Shares. As a result of the commencement of the Lugano Investigation and related events, the Company determined during the quarter ended June 30, 2025 that it was unable to continue offering and selling its preferred shares under the Amended Preferred Sales Agreement. No preferred shares were sold during the three and six months ended June 30, 2026.

The following table reflects the activity in the preferred share ATM program during the three and six months ended June 30, 2025 (*in thousands, except share data*):

	Three months ended June 30, 2025			Six months ended June 30, 2025		
	Number of Shares Sold	Net Proceeds	Commissions Paid	Number of Shares Sold	Net Proceeds	Commissions Paid
Series A Preferred Shares	4,748	\$ 103	\$ 2	127,078	\$ 2,854	\$ 58
Series B Preferred Shares	29,839	659	14	1,331,522	29,869	611
Series C Preferred Shares	4,426	99	2	1,152,584	26,285	537
Total	39,013	\$ 861	\$ 18	2,611,184	\$ 59,008	\$ 1,206

The Company incurred less than \$0.1 million in total costs related to the preferred share ATM program during both the three and six months ended June 30, 2025, respectively.

Allocation Interests

The holder of the Allocation Interests (the "Holder"), Sostratus LLC, is entitled to receive distributions pursuant to a profit allocation formula upon the occurrence of certain events. The profit allocation is payable upon the sale of a business (a "Sale Event") and, at the election of the Holder, during the 30-day period following the fifth anniversary of the date upon which the Company acquired a controlling interest in a business (a "Holding Event"). The Company records distributions of the profit allocation upon occurrence of a Sale Event or Holding Event as dividends declared on Allocation Interests within stockholders' equity when approved by the Company's board of directors.

The deconsolidation of Lugano in November 2025 represented a Sale Event; however the calculation of the profit allocation payment resulted in a negative amount. Therefore no profit allocation payment was due to the Holder. The negative amount will offset future profit allocation payments due to the Holder.

The sale of the Sterno food service product division in the second quarter of 2026 was a Sale Event. Although the sale of Sterno resulted in the calculation of a positive profit allocation distribution, no amount will be paid to the Holder as a result of the sale of Sterno as the amount of profit allocation payment due was not sufficient to exceed the high water mark in the profit allocation formula.

Reconciliation of net income (loss) available to common shares of Holdings

The following table reconciles net income (loss) attributable to Holdings to net income (loss) attributable to the common shares of Holdings (*in thousands*):

	Three months ended June 30,		Six months ended June 30,	
	2026	2025	2026	2025
Net income (loss) from continuing operations attributable to Holdings	\$ 79,609	\$ (54,022)	\$ 48,693	\$ (84,059)
Less: Distributions paid - Preferred Shares	9,715	9,714	19,429	18,148
Less: Accrued distributions - Preferred Shares	5,148	5,148	5,148	5,148
Net income (loss) from continuing operations attributable to common shares of Holdings	<u>\$ 64,746</u>	<u>\$ (68,884)</u>	<u>\$ 24,116</u>	<u>\$ (107,355)</u>

Earnings per share

The Company calculates basic and diluted earnings per share using the two-class method which requires the Company to allocate to participating securities that have rights to earnings that otherwise would have been available only to Trust shareholders as a separate class of securities in calculating earnings per share. The Allocation Interests are considered participating securities that contain participating rights to receive profit allocations upon the occurrence of a Holding Event or Sale Event. The calculation of basic and diluted earnings per share for the three and six months ended June 30, 2026 and 2025 reflects the incremental increase during the period in the profit allocation distribution to Holder related to Holding Events.

Basic and diluted earnings per share for the three and six months ended June 30, 2026 and 2025 attributable to the common shares of Holdings is calculated as follows (*in thousands, except per share data*):

	Three months ended June 30,		Six months ended June 30,	
	2026	2025	2026	2025
Net income (loss) from continuing operations attributable to common shares of Holdings	\$ 64,746	\$ (68,884)	\$ 24,116	\$ (107,355)
Less: Effect of contribution based profit - Holding Event	1,701	406	2,448	587
Net income (loss) from continuing operations attributable to common shares of Holdings	<u>\$ 63,045</u>	<u>\$ (69,290)</u>	<u>\$ 21,668</u>	<u>\$ (107,942)</u>
Income from discontinued operations attributable to Holdings	\$ 1,480	\$ 2,805	\$ 1,637	\$ 2,849
Less: Effect of contribution based profit - Holding Event	—	—	—	—
Income from discontinued operations attributable to common shares of Holdings	<u>\$ 1,480</u>	<u>\$ 2,805</u>	<u>\$ 1,637</u>	<u>\$ 2,849</u>
Basic and diluted weighted average common shares outstanding	75,236	75,236	75,236	75,236
Basic and diluted income (loss) per common share attributable to Holdings				
Continuing operations	\$ 0.84	\$ (0.92)	\$ 0.29	\$ (1.43)
Discontinued operations	0.02	0.04	0.02	0.04
	<u>\$ 0.86</u>	<u>\$ (0.88)</u>	<u>\$ 0.31</u>	<u>\$ (1.39)</u>

Distributions

On May 27, 2025, the Company announced that it suspended the quarterly cash distribution historically paid to common shareholders. No common distributions were paid subsequent to April 24, 2025. The following table summarizes information related to our quarterly cash distributions on our Trust common and preferred shares (*in thousands, except per share data*):

Period	Cash Distribution per Share	Total Cash Distributions	Record Date	Payment Date
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Trust Common Shares:

January 1, 2025 - March 31, 2025	\$	0.25	\$	18,809	April 17, 2025	April 24, 2025
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Series A Preferred Shares:

April 30, 2026 - July 29, 2026 ⁽¹⁾	\$	0.453125	\$	2,120	July 15, 2026	July 30, 2026
January 30, 2026 - April 29, 2026	\$	0.453125	\$	2,120	April 15, 2026	April 30, 2026
October 30, 2025 - January 29, 2026	\$	0.453125	\$	2,120	January 15, 2026	January 30, 2026
July 30, 2025 - October 29, 2025	\$	0.453125	\$	2,120	October 15, 2025	October 30, 2025
April 30, 2025 - July 29, 2025	\$	0.453125	\$	2,120	July 15, 2025	July 30, 2025
January 30, 2025 - April 29, 2025	\$	0.453125	\$	2,120	April 15, 2025	April 30, 2025
October 30, 2024 - January 29, 2025	\$	0.453125	\$	2,062	January 15, 2025	January 30, 2025

Series B Preferred Shares:

April 30, 2026 - July 29, 2026 ⁽¹⁾	\$	0.4921875	\$	3,703	July 15, 2026	July 30, 2026
January 30, 2026 - April 29, 2026	\$	0.4921875	\$	3,703	April 15, 2026	April 30, 2026
October 30, 2025 - January 29, 2026	\$	0.4921875	\$	3,703	January 15, 2026	January 30, 2026
July 30, 2025 - October 29, 2025	\$	0.4921875	\$	3,703	October 15, 2025	October 30, 2025
April 30, 2025 - July 29, 2025	\$	0.4921875	\$	3,703	July 15, 2025	July 30, 2025
January 30, 2025 - April 29, 2025	\$	0.4921875	\$	3,703	April 15, 2025	April 30, 2025
October 30, 2024 - January 29, 2025	\$	0.4921875	\$	3,048	January 15, 2025	January 30, 2025

Series C Preferred Shares:

April 30, 2026 - July 29, 2026 ⁽¹⁾	\$	0.4921875	\$	3,892	July 15, 2026	July 30, 2026
January 30, 2026 - April 29, 2026	\$	0.4921875	\$	3,892	April 15, 2026	April 30, 2026
October 30, 2025 - January 29, 2026	\$	0.4921875	\$	3,892	January 15, 2026	January 30, 2026
July 30, 2025 - October 29, 2025	\$	0.4921875	\$	3,892	October 15, 2025	October 30, 2025
April 30, 2025 - July 29, 2025	\$	0.4921875	\$	3,892	July 15, 2025	July 30, 2025
January 30, 2025 - April 29, 2025	\$	0.4921875	\$	3,892	April 15, 2025	April 30, 2025
October 30, 2024 - January 29, 2025	\$	0.4921875	\$	3,324	January 15, 2025	January 30, 2025

⁽¹⁾ This distribution was declared on July 1, 2026.

Note I — Noncontrolling Interest

Noncontrolling interest represents the portion of the Company's majority owned subsidiaries' net income (loss) and equity that is owned by noncontrolling shareholders. The following tables reflect the LLC's ownership percentage of its majority owned operating segments and related noncontrolling interest balances as of June 30, 2026 and December 31, 2025:

	% Ownership ⁽¹⁾ June 30, 2026		% Ownership ⁽¹⁾ December 31, 2025	
	Primary	Fully Diluted	Primary	Fully Diluted
5.11	97.0	88.6	97.8	87.6
BOA	91.4	83.2	91.4	82.8
PrimaLoft	90.7	84.8	90.7	84.7
The Honey Pot Co.	85.0	76.5	85.0	76.5
Velocity Outdoor	99.4	93.2	99.4	93.2
Altor	98.8	92.5	99.3	90.5
Arnold	98.0	82.0	98.0	82.8
Rimports ⁽²⁾	93.3	93.3	98.4	92.2

⁽¹⁾ The principal difference between primary and diluted percentages of our operating segments is due to stock option issuances of subsidiary stock to management of the respective businesses.

⁽²⁾ As of December 31, 2025, the Company owned approximately 98.4% of Sterno on a primary basis, inclusive of its indirect ownership interest in Rimports. In connection with the Rimports Distribution completed immediately prior to the sale of Sterno's food service business, the Sterno stockholders, including holders of in-the-money Sterno equity awards, received their proportionate interests in Rimports. As a result, as of June 30, 2026, the Company continued to own approximately 93.3% of Rimports on a primary and fully diluted basis and consolidates Rimports in its condensed consolidated financial statements, with the remaining ownership interest reflected as noncontrolling interest. Following the May 1, 2026 sale, the Company no longer owns an equity interest in Sterno's food service business.

(in thousands)	Noncontrolling Interest Balances	
	June 30, 2026	December 31, 2025
5.11	\$ 12,243	\$ 14,605
BOA	27,653	23,330
PrimaLoft	32,987	33,599
The Honey Pot Co.	45,499	43,417
Velocity Outdoor	6,894	6,917
Altor	6,535	7,067
Arnold	1,655	1,592
Rimports ⁽¹⁾	1,044	1,012
Allocation Interests	100	100
	<u>\$ 134,610</u>	<u>\$ 131,639</u>

⁽¹⁾ The noncontrolling interest balance at Rimports as of December 31, 2025 reflected the ownership interest in Sterno held by minority shareholders. In connection with the Rimports Distribution completed immediately prior to the May 1, 2026 sale of Sterno's food service business, Sterno's shareholders, received their proportionate interests in Rimports. Accordingly, the noncontrolling interest balance at June 30, 2026 primarily reflects the ownership interest in Rimports held by minority shareholders.

Note J — Fair Value Measurement

Recurring Fair Value Measurements

The following tables present, by level within the fair value hierarchy, the Company's financial assets and liabilities that are measured at fair value on a recurring basis as of June 30, 2026 or December 31, 2025 according to the valuation technique utilized to determine their fair values.

(in thousands)	Fair Value Measurements at June 30, 2026			
	Carrying Value	Level 1	Level 2	Level 3
Assets:				
Receivable due from unconsolidated affiliate	\$ 39,000	\$ —	\$ —	\$ 39,000
Total recorded at fair value	<u>\$ 39,000</u>	<u>\$ —</u>	<u>\$ —</u>	<u>\$ 39,000</u>

(in thousands)	Fair Value Measurements at December 31, 2025			
	Carrying Value	Level 1	Level 2	Level 3
Assets:				
Receivable due from unconsolidated affiliate	\$ 97,000	\$ —	\$ —	\$ 97,000
Total recorded at fair value	<u>\$ 97,000</u>	<u>\$ —</u>	<u>\$ —</u>	<u>\$ 97,000</u>

The Company had no assets or liabilities Level 3 fair value measurements during the six months ended June 30, 2025. A reconciliation of the change in the carrying value of the Company's Level 3 fair value measurement during the six months ended June 30, 2026 is as follows:

	Six months ended June 30, 2026
Balance at January 1st	\$ 97,000
Change in fair value of receivable due from unconsolidated affiliate	(58,000)
Balance at June 30th	\$ 39,000

Valuation Techniques

The Company has not changed its valuation techniques in measuring the fair value of any of its other financial assets and liabilities during the period. For details of the Company's fair value measurement policies under the fair value hierarchy, refer to the 2025 Form 10-K.

Nonrecurring Fair Value Measurements

The following table provides the assets and liabilities carried at fair value measured on a non-recurring basis as of June 30, 2026 and December 31, 2025. Refer to ["Note E - Goodwill and Intangible Assets"](#), for a description of the valuation techniques used to determine fair value of the assets measured on a non-recurring basis in the tables below.

(in thousands)	Fair Value Measurements at June 30, 2026				Expense
	Carrying Value	Level 1	Level 2	Level 3	Six months ended June 30, 2026
Goodwill - PrimaLoft	\$ 212,036	—	—	\$ 212,036	\$ 20,500

(in thousands)	Fair Value Measurements at December 31, 2025				Expense
	Carrying Value ⁽¹⁾	Level 1	Level 2	Level 3	Year ended December 31, 2025
Property, plant and equipment - Lugano	\$ —	—	—	\$ —	\$ 29,631
Right-of-use asset - Lugano	\$ —	—	—	\$ —	\$ 1,884

⁽¹⁾ Lugano recorded impairment expense in the second quarter of 2025 related to long-lived assets. As a result of the deconsolidation of Lugano on November 16, 2025, the carrying value of the related assets as of December 31, 2025 was \$0.

Note K — Income taxes

The Company estimates its annual effective tax rate each fiscal quarter and applies that estimated rate to its interim pre-tax earnings. In this regard, the Company reflects the full year's estimated tax impact of certain unusual or infrequently occurring items and the effects of changes in tax laws or rates in the interim period in which they occur. The Company's parent, the Trust, is subject to entity-level U.S. federal, state and local corporate income taxes on the Company's earnings that flow through to the Trust.

The computation of the annual estimated effective tax rate for each interim period requires certain assumptions, estimates, and significant judgment, including with respect to the projected operating income for the year, projections of income earned and taxes incurred in various jurisdictions, permanent and temporary differences and the likelihood of recovering deferred tax assets. The accounting estimates used to compute the provision for income taxes may change as new events occur, as additional information is obtained, as our tax structure changes or as the tax laws change. Certain foreign operations are subject to foreign income taxation under existing provisions of the laws of those jurisdictions.

The Company recognizes interest and penalties related to unrecognized tax benefits within income tax expense. The Company accrues interest on all cumulative unrecognized tax benefits, reflecting financial exposure that spans both historical tax years and the current reporting period. During the current quarter, the Company identified that interest associated with certain previously recognized uncertain tax positions had not been accrued in prior

reporting periods. The Company recorded approximately \$5.5 million of additional accrued interest during the quarter, substantially all of which relates to prior years. Management concluded that the adjustment was not material to any previously issued financial statements or the current interim period and, accordingly, recorded the adjustment as a component of income tax expense during the current quarter.

The reconciliation between the Federal Statutory Rate and the effective income tax rate for the six months ended June 30, 2026 and 2025 is as follows:

	Six months ended June 30,	
	2026	2025
United States Federal Statutory Rate	21.0 %	21.0 %
State income taxes (net of Federal benefits)	12.4	2.5
Foreign income taxes	(2.1)	(10.0)
Nontaxable or nondeductible items	(2.2)	(0.1)
Utilization of tax credits	(0.1)	1.3
Changes in valuation allowances	(5.4)	(34.0)
United States tax on foreign income	1.8	1.9
Impairment expense	4.2	—
Change in unrecognized tax benefits	5.3	—
Tax effect - sale of Sterno	15.4	—
Other	0.4	(0.6)
Effective income tax rate	50.7 %	(18.0)%

Note L — Defined Benefit Plan

In connection with the acquisition of Arnold, the company has a defined benefit plan covering substantially all of Arnold's employees at its Lupfig, Switzerland location. The benefits are based on years of service and the employees' highest average compensation during the specific period.

The unfunded liability of \$2.8 million is recognized in the consolidated balance sheet as a component of other non-current liabilities at June 30, 2026. Net periodic benefit cost consists of the following for the three and six months ended June 30, 2026 and 2025 (*in thousands*):

	Three months ended June 30,		Six months ended June 30,	
	2026	2025	2026	2025
Service cost	\$ 196	\$ 184	\$ 394	\$ 350
Interest cost	52	44	104	84
Expected return on plan assets	(41)	(32)	(83)	(61)
Amortization of prior service cost	(14)	(15)	(28)	(28)
Amortization of unrecognized loss	—	25	—	48
Effect of settlement	—	24	—	33
Net periodic benefit cost	\$ 193	\$ 230	\$ 387	\$ 426

During the six months ended June 30, 2026, per the terms of the pension agreement, Arnold contributed approximately \$0.3 million to the plan. For the remainder of 2026, the expected contribution to the plan will be approximately \$0.3 million.

The plan assets are pooled with assets of other participating employers and are not separable; therefore, the fair values of the pension plan assets at June 30, 2026 were considered Level 3.

Note M - Commitments and Contingencies

Legal Matters

The Company and its subsidiaries are subject to legal proceedings and claims that arise in the ordinary course of business. The Company accrues a liability for a loss contingency when it is both probable that a liability has been incurred and the amount of the loss can be reasonably estimated. For material loss contingencies that are reasonably possible or for which the amount of loss cannot be reasonably estimated, the Company discloses the nature of the contingency. The Lugano Investigation, the restatement of the Company's previously issued consolidated financial statements and related matters may result in additional litigation, regulatory investigations and liabilities in future periods.

Securities Class Actions Involving the Company

Following the Company's announcement of the Lugano Investigation and restatement, several putative securities class actions were filed against the Company and certain of its officers and directors. The previously filed California actions were consolidated and later voluntarily dismissed so that the lead plaintiff could pursue its claims in the United States District Court for the District of Connecticut. The Connecticut action, originally captioned *Moreno v. Compass Diversified Holdings LLC, et al.*, now known as *In Re Compass Diversified Holdings Securities Litigation*, asserts claims under Sections 10(b) and 20(a) of the Exchange Act and Rule 10b-5. The lead plaintiff filed an amended complaint on February 6, 2026, and the defendants filed motions to dismiss on March 23, 2026. All motions are fully briefed. The Company believes it has defenses available and intends to vigorously defend the action. Management has determined that a loss is reasonably possible but cannot reasonably estimate a range of potential loss.

Derivative Actions Involving the Company

Several shareholder derivative actions have been filed, purportedly on behalf of the Company, against certain current and former officers and directors. The derivative actions generally assert claims for breach of fiduciary duty and violations of the federal securities laws based on allegations related to Lugano and the restatement. The California derivative actions have been consolidated and stayed, and the Connecticut derivative actions have been consolidated and stayed, in each case pending further developments in the securities class action. A derivative action was also recently filed in Delaware Chancery Court. All derivative actions are in the early stages. The Company believes defenses are available and intends to vigorously defend these matters. Management has determined that a loss is reasonably possible but cannot reasonably estimate a range of potential loss.

External Investigations and Reviews

As a result of the Company's withdrawal of reliance on its 2024, 2023 and 2022 financial statements, delayed periodic reporting and the underlying conduct at Lugano, the Company is subject to ongoing investigations by the SEC and the U.S. Department of Justice. The investigative process is inherently uncertain, and the Company cannot predict the outcome of these investigations. The Company is cooperating with the ongoing investigations. Management has determined that a loss is reasonably possible but cannot reasonably estimate a range of potential loss.

State Court Actions Naming Lugano and the Company as Defendants

Certain state court actions have been filed naming Lugano and, in some cases, the Company or related entities. In *Kraus v. Lugano Diamonds & Jewelry, Inc., et al.*, the plaintiff seeks damages, plus interest and penalties. The Trust was named as a defendant and the plaintiff sought leave to amend its complaint; before the court ruled on that request, it stayed the case with respect to all defendants. In *Royal T Diamonds Group Ltd. v. Lugano Diamonds & Jewelry Inc., et al.*, formerly filed by Champion Force Industrial Limited, the plaintiff seeks damages, principally for unpaid goods. The court granted CODI's motion to quash for lack of personal jurisdiction on March 26, 2026. The Company intends to avail itself of all available defenses in any matter in which it remains a party. Management has determined that a loss is reasonably possible but cannot reasonably estimate a range of possible loss, if any, that may result from these matters.

Lugano Chapter 11 Filing and Related Matters

On November 16, 2025, Lugano and certain of its subsidiaries filed voluntary Chapter 11 petitions under the United States Bankruptcy Code in the United States Bankruptcy Court for the District of Delaware. As a result, Lugano was deconsolidated from the Company's consolidated financial statements. On June 24, 2026, CODI entered into the Settlement Agreement and Plan Support Agreement described in Note B. Subject to creditor approval, bankruptcy

court confirmation and effectiveness of the proposed Plan of Liquidation, the Settlement Documents resolve claims that were alleged against CODI and its related parties by or on behalf of Lugano or its bankruptcy estate and provide for releases of CODI and its related parties from claims that could be asserted by or on behalf of Lugano or its bankruptcy estate. The Settlement Agreement is not binding until its conditions are satisfied or waived, including occurrence of the effective date of the Plan of Liquidation, and CODI may receive releases from certain creditors under the Plan of Liquidation. The Company cannot predict whether the Plan of Liquidation will be confirmed or become effective, the timing or amount of recoveries, or whether third parties may assert claims not covered by the releases. Any such matters could result in significant defense costs, settlement payments or judgments and could affect the timing and amount of recoveries in the bankruptcy proceedings.

Tariff Refunds

In February 2026, the U.S. Supreme Court issued a decision holding that tariffs imposed under the International Emergency Economic Powers Act ("IEEPA") were not authorized under the statute. As a result, the legal and regulatory framework surrounding certain IEEPA tariffs continues to evolve, including the process for seeking potential refunds of previously paid tariffs. Our subsidiaries have submitted claims for refunds related to certain eligible tariffs paid, however, the timing and approval of any refunds are uncertain and contingent upon further legal, regulatory, and administrative developments. Because significant uncertainty remains regarding the availability, timing, and amount of any potential recovery, the Company has not recognized a receivable or gain related to potential tariff refunds as of June 30, 2026. The Company will continue to monitor developments and recognize a receivable when amounts are realized or realizable.

Leases

The Company and its subsidiaries lease office and manufacturing facilities, computer equipment and software under various arrangements. Certain of the leases are subject to escalation clauses and renewal periods. The Company and its subsidiaries recognize lease expense, including predetermined fixed escalations, on a straight-line basis over the initial term of the lease including reasonably assured renewal periods from the time that the Company and its subsidiaries control the leased property. Leases with an initial term of 12 months or less are not recorded on the balance sheet; we recognize lease expense for these leases on a straight-line basis over the lease term. Certain of our subsidiaries have leases that contain both fixed rent costs and variable rent costs based on achievement of certain operating metrics. The variable lease expense was not a material component of our total lease expense for the three and six months ended June 30, 2026 and 2025. The Company recognized \$12.5 million and \$24.4 million in the three and six months ended June 30, 2026, respectively and \$13.9 million and \$27.4 million in the three and six months ended June 30, 2025, respectively, in expense related to operating leases in the condensed consolidated statements of operations. The Company entered into one finance lease in the fourth quarter of 2024. In both the three and six months ended June 30, 2026 and June 30, 2025 the Company recognized \$0.2 million and \$0.3 million, respectively, in interest expense related to its finance lease.

The maturities of lease liabilities at June 30, 2026 are as follows (*in thousands*):

	Operating		Finance		Total
2026 (excluding the six months ended June 30, 2026)	\$	27,135	\$	359	\$ 27,494
2027		49,190		7,040	56,230
2028		39,550		—	39,550
2029		29,780		—	29,780
2030		25,867		—	25,867
Thereafter		79,041		—	79,041
Total undiscounted lease payments	\$	250,563	\$	7,399	\$ 257,962
Less: Interest		90,770		558	91,328
Present value of lease liabilities	\$	159,793	\$	6,841	\$ 166,634

The calculated amount of the right-of-use assets and lease liabilities are impacted by the length of the lease term and discount rate used to present value the minimum lease payments. The Company's lease agreements often include one or more options to renew at the Company's discretion. In general, it is not reasonably certain that lease renewals will be exercised at lease commencement and therefore lease renewals are not included in the lease term. As the discount rate is rarely determinable, the Company utilizes the incremental borrowing rate of the subsidiary

entering into the lease arrangement, on a collateralized basis, over a similar term as adjusted for any country specific risk.

The weighted average remaining lease terms and discount rates for all of our operating leases were as follows:

<u>Lease Term and Discount Rate</u>	<u>June 30, 2026</u>	<u>June 30, 2025</u>
Weighted-average remaining lease term (years)		
Operating Leases	6.57	5.96
Finance Leases	0.83	1.83
Weighted-average discount rate		
Operating Leases	8.87 %	8.88 %
Finance Leases	9.90 %	9.90 %

Supplemental balance sheet information related to leases was as follows (*in thousands*):

	<u>Line Item in the Company's Consolidated Balance Sheet</u>	<u>June 30, 2026</u>	<u>December 31, 2025</u>
Assets:			
Operating lease right-of-use assets	Other non-current assets	\$ 143,712	\$ 146,755
Finance lease right-of-use assets	Other non-current assets	6,881	6,881
		<u>\$ 150,593</u>	<u>\$ 153,636</u>
Liabilities			
Operating lease liabilities - current	Other current liabilities	\$ 35,568	\$ 37,854
Operating lease liabilities - non-current	Other non-current liabilities	124,225	126,084
Finance lease liabilities - current	Other current liabilities	6,841	47
Finance lease liabilities - non-current	Other non-current liabilities	—	6,820
		<u>\$ 166,634</u>	<u>\$ 170,805</u>

Supplemental cash flow information related to leases was as follows (*in thousands*):

	<u>Six months ended June 30, 2026</u>	<u>Six months ended June 30, 2025</u>
Cash paid for amounts included in the measurement of lease liabilities:		
Operating cash flows from operating leases	\$ 25,628	\$ 27,400
Operating cash flows from finance leases	334	336
Financing cash flows from finance leases	26	23
Right-of-use assets obtained in exchange for lease obligations:		
Operating leases	\$ 15,813	\$ 2,205

Altior Sale Leaseback

On January 23, 2026, Altior completed a sale leaseback transaction for its manufacturing facilities in Bloomsburg, Pennsylvania; New Albany, Indiana; and El Dorado Springs, Missouri (the "Properties"). Under the purchase and sale agreement, Altior sold the land, buildings and certain integrated fixtures to the buyer/lessor for total consideration of \$11.75 million and recognized a gain on the transaction of \$10.2 million in other operating income (expense) from continuing operations in the six months ended June 30, 2026. Concurrently with the execution of the purchase and sale agreement, Altior entered into a 20 year triple-net master lease to lease back all three Properties.

Accounting for the transaction is governed by ASC 842, *Leases*. Under ASC 842, a sale leaseback is accounted for as a sale and a lease only if the transfer of the Properties qualifies as a sale in accordance with ASC 606, including that control of the Properties transferred to the buyer/lessor and the leaseback does not include (among other things) a repurchase option or other provisions that would prevent the transfer from being accounted for as a sale. When a sale is achieved, the seller-lessee derecognizes the carrying amount of the Properties, recognizes any

resulting gain or loss, and recognizes a right-of-use asset and lease liability for the leaseback measured in accordance with ASC 842. Altor determined that the sale leaseback transaction qualified as a sale under ASC 606 and accordingly recognized a gain and recognized a right-of-use asset and lease liability for the leaseback.

For the leaseback, Altor will recognize lease expense generally on a straight-line basis over the lease term, and the related lease payments will be presented within operating cash flows. Because the lease is a triple-net lease, Altor is generally responsible for certain costs associated with the Properties, such as real estate taxes, insurance and maintenance; amounts paid for these items are generally excluded from the measurement of the lease liability when they represent non-lease components or variable payments, and are recognized in expense as incurred.

Exit Costs

Altor

Subsequent to the acquisition of Lifoam in October 2024, Altor determined that they would shut down four of their facilities that had geographic overlap with Lifoam facilities. During the three months ended March 31, 2025, Altor recorded approximately \$0.6 million in exit costs related to the plant closures in selling general and administrative expense. The plant closures were finalized in the fourth quarter of 2025 and no additional expense was recorded in the three months ended June 30, 2026.

Arnold

During 2024, Arnold relocated two of its facilities located in Marengo, Illinois into one combined facility in Woodstock, Illinois. Arnold recorded \$0.9 million in costs in selling, general and administrative expense in the three months ended March 31, 2025 related to the relocation of the two facilities. The exit from the Marengo facility was completed during 2025.

Note N — Related Party Transactions

Management Services Agreement

The LLC entered into a MSA with CGM effective May 16, 2006, as amended. CGM is managed by Wayfinder Partners LLC, of which Zachary T. Sawtelle, the Company's Chief Operating Officer, is the managing member. Elias J. Sabo, the Company's Chief Executive Officer, is also a member of CGM. The MSA provides for, among other things, CGM to perform services for the LLC in exchange for a management fee. The management fee is required to be paid prior to the payment of any distributions to shareholders.

Pursuant to the MSA, CGM is entitled to enter into off-setting management service agreements with each of the operating segments. The amount of the fee is negotiated between CGM and the operating management of each segment and is based upon the value of the services to be provided. The fees paid directly to CGM by the segments offset on a dollar for dollar basis the amount due CGM by the LLC under the MSA.

Amendments to Management Services Agreement

On February 23, 2026, the LLC and CGM entered into an Eighth Amended and Restated Management Services Agreement (the "Eighth MSA"), which amended and restated the MSA. The Eighth MSA, among other things, (i) established a repayment protocol for previously overpaid management fees, including permitting the Company, subject to interest, to fund all or a portion of otherwise payable quarterly fees while an overpayment balance remains outstanding, (ii) provided for a dollar-for-dollar reduction of fees payable under the MSA for certain services outsourced by the Company to third-party service providers and excludes such services from the scope of services to be provided by CGM, (iii) clarified requirements and restrictions applicable to personnel seconded by CGM to the Company, and (iv) updated certain operational, governance, authority and indemnification provisions.

On July 12, 2026, the LLC and CGM entered into the Ninth Amended and Restated Management Services Agreement (the "Ninth MSA"), which became effective upon execution and amends and restates the Eighth MSA. The fee and incentive-award provisions described in Note P become effective January 1, 2027; the fee provisions of the Eighth MSA remain applicable through December 31, 2026. Refer to [Note P - "Subsequent Events."](#)

Effect of Restatement on Management Fees

As a result of the restatement of the financial statements as of December 31, 2024, 2023 and 2022 and for the years ended December 31, 2024, 2023 and 2022, as well as for the period ended December 31, 2021 and revisions made in the quarter ended March 31, 2025, the management fees paid to CGM were in excess of the amounts that

should have been due under the MSA. While the MSA did not, prior to the MSA Amendment, contain an express mechanism that permitted the Company to immediately clawback the overpayment of management fees during the aforementioned periods, the MSA provided that future payments under the MSA would be reduced, on a dollar-for-dollar basis, by the aggregate amount of all overpaid management fees. The Company calculated the total aggregate amount of excess management fees paid as a result of the restatement of the financial statements as \$50.4 million. In 2025, restrictions under the Company's financing arrangements limited the Company's ability to pay management fees, resulting in management fee expense being incurred but not fully paid. The Company determined that the amount of management fees that had been overpaid at December 31, 2025 was \$33.8 million, which was recorded as an asset ("Due from CGM") and reduced management fee expense for the year ended December 31, 2025. For the six months ended June 30, 2026, the Company recorded management fee expense of \$29.8 million. During the six months ended June 30, 2026, the Company reduced the Due from CGM balance by \$14.9 million for management fees applied against the prior overpayment by reducing the management fee due to CGM. As of June 30, 2026, the Due from CGM balance of \$6.3 million reflects amounts due from CGM of \$19.3 million including interest expense in accordance with the Eighth MSA Amendment, net of management fees accrued of \$13.0 million. Subsequent to June 30, 2026, the Company elected to fund \$6.4 million of the quarterly management fee that otherwise would have been payable for the second quarter of 2026.

The Company expects to continue to reduce future management fee payments until the overpayment has been fully recouped. Total cash paid for Management fees in the six months ended June 30, 2026 was \$15.4 million as compared to total cash paid for Management fees for the six months ended June 30, 2025 of \$37.7 million.

LLC Agreement

The LLC agreement gives the Holder the right to distributions pursuant to a profit allocation formula upon the occurrence of a Sale Event or a Holding Event. The Holder is entitled to receive and as such can elect to receive, if due pursuant to the profit allocation formula, an allocation payment upon a Sale Event and upon election of the Holders upon a Holding Event. The Lugano Bankruptcy was a Sale Event and any corresponding loss on such Sale Event will have the effect of reducing future allocation payments. The LLC Agreement also contains a mechanism to adjust future profit allocation payments by over-paid and under-paid profit distributions. The Company intends to cause future allocation payments to be adjusted, as necessary, to reflect the impact of the restatement of the Company's financial statements.

The sale of the Sterno food service product division in the second quarter of 2026 was a Sale Event. Although the sale of Sterno resulted in the calculation of a positive profit allocation distribution, no amount will be paid to the Holder as a result of the sale of Sterno as the amount of profit allocation payment due was not sufficient to exceed the high water mark in the profit allocation formula.

Integration Services

During the quarter months ended March 31, 2025, The Honey Pot Co., paid CGM \$0.9 million in integration service fees under an integration services agreement that has since been fully paid. An amendment to the Management Services Agreement entered into in January 2025 eliminated integration service fees for future acquisitions therefore no integration service fees were incurred subsequent to March 31, 2025.

The Company and its businesses have the following significant related party transactions

5.11

Related Party Vendor Purchases - 5.11 purchases inventory from a vendor who is a related party to 5.11 through one of the executive officers of 5.11 via the executive's 40% ownership interest in the vendor. 5.11 purchased approximately \$0.2 million and \$0.3 million during the three and six months ended June 30, 2026, respectively and \$0.2 million and \$0.6 million during the three and six months ended June 30, 2025, respectively in inventory from the vendor.

BOA

Related Party Vendor Purchases - A contract manufacturer used by BOA as the primary supplier of molded injection parts is a noncontrolling shareholder of BOA. BOA purchased approximately \$12.9 million and \$24.0 million from this supplier during the three and six months ended June 30, 2026, respectively and \$11.1 million and \$23.1 million from this supplier during the three and six months ended June 30, 2025, respectively.

Lugano

Related Party Transaction - In the first quarter of 2025, the former Chief Executive Officer of Lugano represented that he had entered into an agreement with a customer of Lugano to pay, on behalf of the customer, an \$8.8 million outstanding account receivable owed to Lugano since July 2024. However, the former Chief Executive Officer of Lugano misrepresented the purpose and explanation for the transaction. It was subsequently determined that neither the account receivable nor the purpose of the payment by the former Chief Executive Officer of Lugano were factually accurate, and that instead the payment was made by the former Chief Executive Officer of Lugano in furtherance of his previously described schemes.

Related Party Vendor Purchases -Lugano purchases inventory from a vendor who is a related party to Lugano through one of the executive officers of Lugano. The related party relationship commenced in the second quarter of 2024 and ended in the fourth quarter of 2025. Lugano had approximately \$(1.6) million and \$0.3 million in net purchases during the three and six months ended June 30, 2025, respectively. During the three months ended June 30, 2025, Lugano had \$12 thousand in purchases from the vendor and \$1.6 million in returns to the vendor, resulting in \$(1.6) million in net returns during the quarter.

Note O — Operating Segment Data

At June 30, 2026, the Company had eight reportable operating segments. Each operating segment represents a platform acquisition. The Company's operating segments are strategic business units that offer different products and services. While each is actively managed by the Company, they are managed separately because each business requires different technology and marketing strategies. A description of each of the reportable segments and the types of products from which each segment derives its revenues is as follows:

- 5.11 is a global apparel, footwear, and gear company serving consumers who demand performance, durability, and versatility across work, training, and adventure. 5.11 is a brand known for innovation and authenticity and works directly with end users to create purpose-built apparel, footwear and gear designed to enhance the safety, accuracy, speed and performance of tactical professionals and enthusiasts worldwide. 5.11 operates sales offices and distribution centers globally, and 5.11 products are widely distributed in uniform stores, military exchanges, outdoor retail stores, its own retail stores and on 511tactical.com.
- BOA, creator of the patented BOA Fit System, partners with market-leading brands to make the best gear even better. Delivering fit solutions purpose-built for performance, the BOA Fit System is featured in footwear across snow sports, cycling, outdoor, athletic, workwear as well as performance headwear and bracing. The system consists of three integral parts: a micro-adjustable dial, high-tensile lightweight laces, and low friction lace guides creating a superior alternative to laces, buckles, Velcro, and other traditional closure mechanisms. Each unique BOA configuration is designed with brand partners to deliver superior fit and performance for athletes, is engineered to perform in the toughest conditions and is backed by The BOA Lifetime Guarantee. BOA is headquartered in Denver, Colorado and has operations in Austria, China, South Korea, Japan and Vietnam.
- PrimaLoft is a leading provider of branded, high-performance synthetic insulation and materials used primarily in consumer outerwear, and accessories. The portfolio of PrimaLoft synthetic insulations offers products that can both mimic natural down aesthetics and provide the freedom to design garments ranging from stylish puffers to lightweight performance apparel. PrimaLoft insulations also offer superior economics to the brand partner and enable better sustainability characteristics through the use of recycled, low-carbon inputs. PrimaLoft is headquartered in Latham, New York.
- The Honey Pot Co. is a leading "better-for-you" feminine care brand, powered by plant-derived ingredients and clinically tested formulas. Founded in 2012 by CEO Beatrice Dixon, The Honey Pot Co. is rooted in the belief that all products should be made with healthy and efficacious ingredients that are kind to and safe for skin. The company offers an extensive range of holistic wellness products across the feminine hygiene, menstrual, personal care, and sexual wellness categories. The Honey Pot Co.'s mission is to educate, support, and provide consumers around the world with tools and resources that promote menstrual health and vaginal wellness. Its products can be found in more than 33,000 stores across the U.S. through mass merchants, drug and grocery retail chains, and online. The Honey Pot Co. is headquartered in Atlanta, Georgia.
- Velocity Outdoor is a leading designer, manufacturer, and marketer of archery products, hunting apparel and related accessories. The archery product category consists of products including Ravin crossbows and CenterPoint archery products, and the apparel category offers high-performance, feature rich hunting and casual apparel under the King's Camo brand, utilizing King's own proprietary camo patterns. Velocity Outdoor

offers its products through national retail chains and dealer and distributor networks. Velocity Outdoor is headquartered in Rochester, New York. On April 30, 2024, Velocity Outdoor sold the Crosman airgun product division. The results of operation for Crosman are included in the accompanying financial statements through the date of sale.

- Altor Solutions is a designer and manufacturer of custom molded protective foam solutions and original equipment manufacturer components made from expanded polystyrene and expanded polypropylene. Altor provides products to a variety of end markets, including appliances and electronics, pharmaceuticals, health and wellness, automotive, building and other products. Altor is headquartered in St. Louis, Missouri and operates 19 molding and fabricating facilities across North America.
- Arnold is a global solutions provider and manufacturer of engineered solutions for a wide range of specialty applications and end-markets, including aerospace and defense, general industrial, motorsport/transportation, oil and gas, medical, energy, semiconductor and advertising specialties. Arnold engineers solutions for and produces high performance permanent magnets (PMAG), stators, rotors and full electric motors (Ramco), precision foil products (Precision Thin Metals), and flexible magnets (Flexmag™) that are mission critical in motors, generators, sensors and other systems and components. Based on its long-term relationships, Arnold has built a diverse and blue-chip customer base totaling more than 2,000 customers and leading systems-integrators worldwide with a focus on North America, Europe, and Asia. Arnold has built a preferred rare earth supply chain and has leading rare earth and other permanent magnet production capabilities. Arnold is headquartered in Rochester, New York.
- Rimports manufactures and distributes branded and private label wickless candle products used for home decor and fragrance systems under the ScentSationals and Fusion brands. Rimports offers unique lines of wickless candle products including ceramic wax warmers, scented wax cubes, fragrance oils, essential oils, and diffusers. Rimports also sells flameless candles, lanterns, and outdoor lighting. Rimports was acquired by Sterno in February 2018 and is headquartered in Provo, Utah.

The function of chief operating decision-maker ("CODM") is performed collectively by the Company's Chief Executive Officer, the Chief Operating Officer of CGM and the partners of CGM. The CODM evaluates financial results by segment, utilizing segment operating income to assess performance and allocate resources. The allocation of resources to operating segments may include, but is not limited to, debt financing through the Company's intercompany credit agreements with its operating segments to fund working capital needs, purchases of capital equipment and add-on acquisitions. The primary resource allocation process occurs predominantly in the annual budget and forecasting process. The CODM then reviews and considers budget-to-actual variances on a monthly basis for segment operating income in order to determine whether to make any adjustments to capital allocations.

The tabular information that follows shows data for each of the operating segments reconciled to amounts reflected in the consolidated financial statements. The operations of each of the operating segments are included in consolidated operating results as of their date of acquisition. During the second quarter of 2026, the Company completed the sale of Sterno's food service business. Prior to the sale, Sterno distributed Rimports, its home fragrance business, to its stockholders, and Rimports remained a majority owned subsidiary of the LLC. Accordingly, the Rimports operating segment reflects the home fragrance business retained by the Company following the sale of Sterno's food service business. The December 31, 2025 balance sheet disclosures include Sterno's food service business prior to the sale and distribution of Rimports. The results of Sterno's food service business through the date of sale and the results of Rimports for all periods presented are included in continuing operations and reflected in the operating segment data, as applicable. Lugano was an operating segment of the Company until November 16, 2025 when Lugano filed for bankruptcy and was deconsolidated. The results of operation of Lugano are included in the Summary of Operating Segments table and the Depreciation and Amortization table for the three and six months ended June 30, 2025. Segment profit is determined based on internal performance measures used by the CODM to assess the performance of each business. The significant expense categories and amounts align with the segment-level information that is regularly provided to the CODM. In comparison to the Consolidated Statement of Operations, selling, general and administrative expense is exclusive of stock-based compensation and acquisition costs, which are categorized to Other. Corporate consists of corporate overhead and management fees to CGM that are not allocated to the Company's reportable segments. There were no significant inter-segment transactions.

Summary of Operating Segments

	Three Months Ended June 30, 2026									
(in thousands)	5.11	BOA	PrimaLoft	THP	Velocity Outdoor	Altor	Arnold	Rimports	Total	
Net revenues	\$ 126,499	\$ 59,068	\$ 29,749	\$ 38,387	\$ 17,109	\$ 65,662	\$ 43,222	\$ 44,346	\$ 424,042	
Cost of revenues	53,582	19,685	10,428	14,639	12,092	53,666	31,855	28,132	224,079	
Selling, general and administrative expense	57,552	14,125	5,273	12,724	4,581	17,450	7,062	6,387	125,154	
Other segment items ⁽¹⁾	3,116	5,207	6,317	4,668	1,313	(6,482)	723	2,431	17,293	
Total segment operating income (loss)	12,249	20,051	7,731	6,356	(877)	1,028	3,582	7,396	57,516	
Corporate									(28,542)	
Total consolidated operating income									28,974	
Interest expense, net									(23,895)	
Amortization of debt issuance costs									(2,047)	
Decrease in fair value of receivable due from unconsolidated affiliate									(58,000)	
Gain on sale of product division									182,342	
Other income, net									(121)	
Total consolidated income from continuing operations before income taxes									\$ 127,253	

⁽¹⁾ Other consists of segment allocated management fees, amortization expense of intangible assets, stock-based compensation and other operating (income) expense.

Three Months Ended June 30, 2025

<i>(in thousands)</i>	5.11	BOA	Lugano	PrimaLoft	THP	Velocity Outdoor	Altor	Arnold	Rimports	Total
Net revenues	\$ 131,442	\$ 48,369	\$ 26,771	\$ 24,855	\$ 32,798	\$ 15,213	\$ 83,305	\$ 38,432	\$ 77,505	\$ 478,690
Cost of revenues	60,980	17,365	13,325	8,957	14,371	10,261	60,590	29,249	55,051	270,149
Selling, general and administrative expense	57,665	11,377	28,079	4,935	10,037	4,535	11,555	8,249	8,338	144,770
Other segment items ⁽¹⁾	3,043	5,581	32,149	6,073	4,685	1,328	3,894	754	3,005	60,512
Total segment operating income (loss)	9,754	14,046	(46,782)	4,890	3,705	(911)	7,266	180	11,111	3,259
Corporate										(30,497)
Total consolidated operating loss										(27,238)
Interest expense, net										(34,096)
Amortization of debt issuance costs										(971)
Loss on debt modification										(2,827)
Other income, net										1,713
Total consolidated loss from continuing operations before income taxes										\$ (63,419)

⁽¹⁾ Other consists of segment allocated management fees, amortization expense of intangible assets, and stock-based compensation and impairment expense at Lugano of \$31.5 million.

Six Months ended June 30, 2026

<i>(in thousands)</i>	5.11	BOA	PrimaLoft	THP	Velocity Outdoor	Altor	Arnold	Rimports	Total
Net revenues	\$ 250,470	\$ 111,176	\$ 51,666	\$ 83,546	\$ 30,935	\$ 130,304	\$ 83,404	\$ 109,396	\$ 850,897
Cost of revenues	109,969	37,664	18,262	32,971	21,342	105,166	61,465	74,737	461,576
Selling, general and administrative expense	114,405	26,890	10,682	25,438	8,964	15,376	14,545	14,941	231,241
Other segment items ⁽¹⁾	6,137	10,441	32,589	9,214	2,629	(2,833)	1,481	5,100	64,758
Total segment operating income (loss)	19,959	36,181	(9,867)	15,923	(2,000)	12,595	5,913	14,618	93,322
Corporate									(55,895)
Total consolidated operating income									37,427
Interest expense, net									(51,390)
Amortization of debt issuance costs									(4,094)
Decrease in fair value of receivable due from unconsolidated affiliate									(58,000)
Gain on sale of product division									182,342
Other income, net									(2,799)
Total consolidated income from continuing operations before income taxes									\$ 103,486

⁽¹⁾ Other consists of segment allocated management fees, amortization expense of intangible assets, stock-based compensation, other operating (income) expense and impairment expense at PrimaLoft of \$20.5 million.

Six Months ended June 30, 2025											
(in thousands)	5.11	BOA	Lugano	PrimaLoft	THP	Velocity Outdoor	Altor	Arnold	Rimports	Total	
Net revenues	\$ 260,812	\$ 97,246	\$ 53,616	\$ 48,500	\$ 68,989	\$ 28,414	\$ 159,562	\$ 72,440	\$ 142,886	\$ 932,465	
Cost of revenues	120,602	35,023	26,992	17,465	30,531	20,098	117,811	56,236	103,134	527,892	
Selling, general and administrative expense	115,874	23,391	53,687	9,912	20,942	9,309	21,711	15,428	16,267	286,521	
Other segment items ⁽¹⁾	6,009	11,131	33,378	12,075	8,975	2,743	7,788	1,508	6,016	89,623	
Total segment operating income (loss)	18,327	27,701	(60,441)	9,048	8,541	(3,736)	12,252	(732)	17,469	28,429	
Corporate										(52,226)	
Total consolidated operating loss										(23,797)	
Interest expense, net										(69,947)	
Amortization of debt issuance costs										(2,096)	
Loss on debt modification										(2,827)	
Other (expense), net										(11,968)	
Total consolidated loss from continuing operations before income taxes											\$ (110,635)

⁽¹⁾ Other consists of segment allocated management fees, amortization expense of intangible assets, and stock-based compensation and impairment expense at Lugano of \$31.5 million.

Depreciation and Amortization Expense (in thousands)	Three months ended June 30,		Six months ended June 30,	
	2026	2025	2026	2025
5.11	\$ 5,045	\$ 5,458	\$ 11,297	\$ 11,156
BOA	5,083	5,050	10,154	10,100
Lugano	—	978	—	2,105
PrimaLoft	5,243	5,262	10,491	10,499
The Honey Pot Co.	4,098	4,098	8,194	8,194
Velocity Outdoor	1,380	1,364	2,770	2,728
Altor Solutions	6,446	5,792	12,899	12,853
Arnold	2,603	2,682	5,339	5,239
Rimports	3,156	3,495	6,656	6,957
Total	33,054	34,179	67,800	69,831
Reconciliation of segment to consolidated total:				
Amortization of debt issuance costs	2,047	971	4,094	2,096
Consolidated total	\$ 35,101	\$ 35,150	\$ 71,894	\$ 71,927

(in thousands)	Accounts Receivable		Identifiable Assets	
	June 30, 2026	December 31, 2025	June 30, 2026 ⁽¹⁾	December 31, 2025 ⁽¹⁾
5.11	\$ 54,360	\$ 67,064	\$ 379,416	\$ 420,755
BOA	3,902	3,971	204,456	209,388
PrimaLoft	2,050	1,908	243,263	248,314
The Honey Pot Co.	22,893	21,348	259,488	268,162
Velocity Outdoor	18,308	8,247	89,923	84,880
Altor Solutions	39,820	37,981	287,318	288,966
Arnold	29,523	25,501	125,352	126,276
Rimports	19,734	41,877	64,155	133,468
Sales allowance accounts	(4,263)	(5,010)	—	—
Total	186,327	202,887	1,653,371	1,780,209
Reconciliation of segment to consolidated totals:				
Corporate and other identifiable assets	—	—	81,838	160,667
Total	\$ 186,327	\$ 202,887	\$ 1,735,209	\$ 1,940,876

⁽¹⁾ Does not include accounts receivable balances per schedule above or goodwill balances - refer to [Note E - "Goodwill and Other Intangible Assets"](#).

Note P - Subsequent Events

Sixth Amendment to the 2022 Credit Facility

On August 6, 2026, the LLC entered into a Sixth Amendment to Credit Agreement (the "Sixth Amendment") with Bank of America, N.A. (the "Administrative Agent"), in its capacity as administrative agent for the lenders, swing line lender, and L/C issuer. The Sixth Amendment, among other things, waived the milestone fees that otherwise would have been payable under the Fifth Amendment Transaction Letter, reduced the aggregate revolving commitments under the Credit Agreement from \$100,000,000 to \$54,000,000, and extended the maturity date to January 12, 2028. The Sixth Amendment also made several other changes to the Credit Agreement, including reducing the portion of Combined Eligible Availability that may be attributable to any individual subsidiary business from 40% to 25%, removing the Incremental Delayed Draw Term Loan facility, permitting Rimports Holdings, Inc., any other individual subsidiary business approved by the administrative agent, and their respective subsidiaries to enter into supply chain financing arrangements, and permitting the Company and its subsidiaries to pay fees under the Ninth Amended and Restated Management Services Agreement, dated July 12, 2026, between the Company and Compass Group Management LLC. In addition, the Sixth Amendment reduced the aggregate amount available under the incremental facilities from \$250,000,000 to \$150,000,000. Under the Sixth Amendment, the Company is required to maintain a Consolidated Total Leverage Ratio of no more than 5.75 to 1.00 for the fiscal quarter ending September 30, 2026, (b) 5.25 to 1.00 for the fiscal quarters ending December 31, 2026 and March 31, 2027, (c) 5.00 to 1.00 for fiscal quarters ending June 30, 2027 and September 30, 2027 and (d) 4.50 to 1.00 for each fiscal quarter thereafter. If the Company has not repaid the term loans under the Credit Agreement on or before December 31, 2026, the Company will be required to pay a milestone fee in the amount of \$4,000,000.

Ninth Amended and Restated Management Services Agreement

On July 12, 2026, the LLC and CGM entered into the Ninth MSA, which became effective upon execution and amends and restates the Eighth MSA. The Ninth MSA revises the Company's management fee and incentive compensation arrangements with CGM. The fee and incentive-award provisions described below become effective January 1, 2027 and the fee provisions of the Eighth MSA remain in effect through December 31, 2026.

Beginning in 2027, the annual base management fee will equal 1.25% of the first \$3.0 billion of Adjusted Net Assets, 1.125% of Adjusted Net Assets between \$3.0 billion and \$5.0 billion and 1.0% of Adjusted Net Assets above \$5.0 billion, with Adjusted Net Assets as defined in the Ninth MSA. The 2027 base management fee will be capped at \$30.0 million. In addition, aggregate fees and awards attributable to 2027 will be subject to a cap equal to 1.75% of 2026 Average Adjusted Net Assets, with reductions applied in the order specified in the Ninth MSA.

The Ninth MSA also replaces the existing incentive management fee structure with an annual Share Alignment Award and an annual Performance-Based Award. The Share Alignment Award will equal 0.125% of the Company's Average Adjusted Net Assets for the preceding fiscal year, and the Performance-Based Award will have a target opportunity equal to the same amount. For 2027, the Share Alignment Award will be paid in cash, and the Performance-Based Award will be denominated by reference to notional CODI common shares and settled solely in cash following certification of performance by the Compensation Committee.

The Performance-Based Award will be based 70% on CODI's total shareholder return relative to the S&P SmallCap 600 Index, with target performance at the 60th percentile, and 30% on Company-level adjusted EBITDA objectives established by the Compensation Committee. The relative total shareholder return component will be subject to a requirement that CODI's absolute total shareholder return for the applicable performance period not be negative and, for 2027, a \$17.25 dividend-adjusted stock-price threshold. The awards are subject to the terms, certification, forfeiture, acceleration and clawback provisions set forth in the Ninth MSA.

For fiscal years after 2027, the parties intend to seek shareholder approval of an equity-based structure for the Share Alignment Award and the Performance-Based Award. If no equity-based or other permanent structure is operative for a later year, the cash-based award structure applicable to 2027 generally will continue, subject to the terms of the Ninth MSA; however, the 2027 Aggregate Fee Cap and the \$17.25 threshold are specific to 2027. For any later year in which the awards remain cash-based, aggregate Management Fees may not exceed the amount that would have been payable under the Eighth MSA for that year. Any amount excluded by this limitation will be carried forward solely for purposes of calculating Management Fees in subsequent years and will not otherwise be payable for the year in which it is excluded. The Ninth MSA also requires the Manager to maintain share ownership guidelines for senior Manager personnel who provide material services to the Company and confirms that amounts paid or payable under the Ninth MSA are subject to the Company's Dodd-Frank clawback policy if and to the extent applicable.

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

This Item 2 contains forward-looking statements. Forward-looking statements in this Quarterly Report on Form 10-Q are subject to a number of risks and uncertainties, some of which are beyond our control. Our actual results, performance, prospects or opportunities could differ materially from those expressed in or implied by the forward-looking statements. Additional risks of which we are not currently aware or which we currently deem immaterial could also cause our actual results to differ, including those discussed in the section entitled "Forward-Looking Statements" included elsewhere in this Quarterly Report on Form 10-Q as well as those risk factors discussed in the section entitled "Risk Factors" in the Company's Annual Report on Form 10-K for the fiscal year ended December 31, 2025 and in the section entitled "Risk Factors" in Part II, Item 1A of this Quarterly Report on Form 10-Q.

Overview

Compass Diversified Holdings ("Holdings", or the "Trust") was formed in Delaware on November 18, 2005. Compass Group Diversified Holdings LLC (the "LLC") was also formed on November 18, 2005. Holdings and the LLC (collectively, the "Company") were formed to acquire and manage a group of small and middle-market businesses headquartered in North America. The LLC is a controlling owner of eight businesses, or operating segments, at June 30, 2026: 5.11 Acquisition Corp. ("5.11"), Boa Holdings Inc. ("BOA"), Relentless Topco, Inc. ("PrimaLoft"), THP Topco, Inc. ("The Honey Pot Co." or "THP"), CBCP Products, LLC ("Velocity Outdoor" or "Velocity"), AMTAC Holdings LLC ("Arnold"), FFI Compass, Inc. ("Altor Solutions" or "Altor"), and Rimports Holdings, Inc. ("Rimports"). On May 1, 2026, the Company completed the sale of Sterno's food service business. Prior to the sale, Sterno distributed Rimports, its home fragrance business, to its stockholders, and Rimports remained a majority owned subsidiary of the LLC. Accordingly, the Rimports operating segment reflects the home fragrance business retained by the Company following the sale of Sterno's food service business. Lugano Holding, Inc. ("Lugano") was an operating segment of the Company until November 16, 2025 when Lugano was deconsolidated. The results of operations of Lugano are included in the Company's results of operations through the date of the deconsolidation.

We acquired our existing businesses that we own at June 30, 2026 as follows:

Business	Acquisition Date	Ownership Interest - June 30, 2026	
		Primary	Diluted
Arnold	March 5, 2012	98.0%	82.0%
Rimports *	October 10, 2014	93.3%	93.3%
5.11	August 31, 2016	97.0%	88.6%
Velocity Outdoor	June 2, 2017	99.4%	93.2%
Altor Solutions	February 15, 2018	98.8%	92.5%
BOA	October 16, 2020	91.4%	83.2%
Lugano **	September 3, 2021	—%	—%
PrimaLoft	July 12, 2022	90.7%	84.8%
The Honey Pot Co.	January 31, 2024	85.0%	76.5%

* During the second quarter of 2026, the Company completed the sale of Sterno's food service business. Prior to the sale, Sterno distributed Rimports, its home fragrance business, to its stockholders, and Rimports remained a majority owned subsidiary of the LLC.

** Lugano was deconsolidated on November 16, 2025. The Company retained its equity interest in Lugano at June 30, 2026.

We categorize our subsidiary businesses into two separate groups of businesses: (i) branded consumer businesses, and (ii) industrial businesses. Branded consumer businesses are those businesses that we believe capitalize on a valuable brand name in their respective market sectors. We believe that our branded consumer businesses are leaders in their respective particular product categories. Industrial businesses are those businesses that focus on manufacturing and selling particular products and/ or industrial services within a specific market sector. We believe that our industrial businesses are leaders in their specific market sector.

The following is an overview of each of our operating segments:

Branded Consumer

5.11 - 5.11 is a global apparel, footwear, and gear company serving consumers who demand performance, durability, and versatility across work, training, and adventure. 5.11 is a brand known for innovation and authenticity and works directly with end users to create purpose-built apparel, footwear and gear designed to enhance the safety, accuracy, speed and performance of tactical professionals and enthusiasts worldwide. 5.11 operates sales offices and distribution centers globally, and 5.11 products are widely distributed in uniform stores, military exchanges, outdoor retail stores, its own retail stores and on 511tactical.com.

BOA - BOA, creator of the patented BOA Fit System, partners with market-leading brands to make the best gear even better. Delivering fit solutions purpose-built for performance, the BOA Fit System is featured in footwear across snow sports, cycling, outdoor, athletic, workwear as well as performance headwear and bracing. The system consists of three integral parts: a micro-adjustable dial, high-tensile lightweight laces, and low friction lace guides creating a superior alternative to laces, buckles, Velcro, and other traditional closure mechanisms. Each unique BOA configuration is designed with brand partners to deliver superior fit and performance for athletes, is engineered to perform in the toughest conditions and is backed by The BOA Lifetime Guarantee. BOA is headquartered in Denver, Colorado and has operations in Austria, China, South Korea, Japan and Vietnam.

PrimaLoft - PrimaLoft is a leading provider of branded, high-performance synthetic insulation and materials used primarily in consumer outerwear and accessories. The portfolio of PrimaLoft synthetic insulations offers products that can both mimic natural down aesthetics and provide the freedom to design garments ranging from stylish puffers to lightweight performance apparel. PrimaLoft insulations also offer superior economics to the brand partner and enable better sustainability characteristics through the use of recycled, low-carbon inputs. PrimaLoft is headquartered in Latham, New York.

The Honey Pot Co. - The Honey Pot Co. is a leading "better-for-you" feminine care brand, powered by plant-derived ingredients and clinically tested formulas. Founded in 2012, The Honey Pot Co. is rooted in the belief that all products should be made with healthy and efficacious ingredients that are kind to and safe for skin. The Honey Pot Co. offers an extensive range of holistic wellness products across the feminine hygiene, menstrual, personal care, and sexual wellness categories. The Honey Pot Co.'s mission is to educate, support, and provide consumers around the world with tools and resources that promote menstrual health and vaginal wellness. Its products can be found in more than 33,000 stores across the U.S. through mass merchants, drug and grocery retail chains, and online. The Honey Pot Co. is headquartered in Atlanta, Georgia.

Velocity Outdoor - Velocity Outdoor is a leading designer, manufacturer, and marketer of archery products, hunting apparel and related accessories. The archery product category consists of products including Ravin crossbows and CenterPoint archery products, and the apparel category offers high-performance, feature rich hunting and casual apparel under the King's Camo brand, utilizing King's own proprietary camo patterns. Velocity Outdoor offers its products through national retail chains and dealer and distributor networks. Velocity Outdoor is headquartered in Rochester, New York.

Industrial

Altor Solutions - Founded in 1957 and headquartered in St. Louis, Missouri, Altor Solutions is a designer and manufacturer of custom molded cold chain and protective foam solutions including OEM components made from EPS and EPP. Altor operates molding and fabricating facilities across North America and provides products to a variety of end-markets, including appliances and electronics, pharmaceuticals, health and wellness, building products and others.

Arnold - Arnold serves a variety of markets including aerospace and defense, general industrial, motorsport/ transportation, oil and gas, medical, energy, semiconductor and advertising specialties. Over the course of more than 100 years, Arnold has successfully evolved and adapted its products, technologies, and manufacturing presence to meet the demands of current and emerging markets. Arnold engineers solutions for and produces high performance permanent magnets (PMAG), stators, rotors and full electric motors (Ramco), precision foil products (Precision Thin Metals), and flexible magnets (Flexmag™) that are mission critical in motors, generators, sensors and other systems and components. Based on its long-term relationships, Arnold has built a diverse and blue-chip customer base totaling more than 2,000 customers and leading systems-integrators worldwide with a focus on North America, Europe, and Asia. Arnold has built a preferred rare earth supply chain and has leading rare earth

and other permanent magnet production capabilities.

Rimports - Rimports manufactures and distributes branded and private label wickless candle products used for home decor and fragrance systems under the ScentSationals, and Fusion brands. Rimports offers unique lines of wickless candle products including ceramic wax warmers, scented wax cubes, fragrance oils, essential oils, and diffusers. Rimports also sells flameless candles, lanterns, and outdoor lighting. Rimports was acquired by Sterno in February 2018 and is headquartered in Provo, Utah.

2026 Outlook and Significant Trends Impacting our Subsidiary Businesses

Macroeconomic Trends

We expect macroeconomic conditions to remain dynamic for the remainder of 2026, as geopolitical uncertainty, evolving trade dynamics, cost inflation and uneven consumer demand continue to shape the operating environment. We believe our diversified portfolio, leading positions in a number of categories and disciplined focus on operating execution position our subsidiaries to respond effectively to these conditions, although the magnitude and timing of impacts may vary across our branded consumer and industrial businesses. For our branded consumer businesses, future changes in consumer confidence, discretionary spending, promotional intensity and channel inventory levels may affect demand, pricing and gross margin performance; however, certain subsidiaries have demonstrated encouraging momentum through improved distribution, strong bookings, disciplined pricing and tariff-related recoveries. We expect these businesses to continue pursuing initiatives intended to strengthen customer relationships, enhance channel execution, improve product availability and protect margins where market conditions allow. For our industrial businesses, end-market activity and customer capital spending may continue to be influenced by interest rates, customer capital allocation decisions, broader manufacturing and infrastructure conditions, and the availability and cost of raw materials. These businesses are expected to continue focusing on operational efficiency, sourcing flexibility and pricing discipline to help mitigate input-cost volatility, including labor, freight, energy, packaging materials, commodities and raw materials. While a significant portion of our outstanding debt is fixed-rate and, as a result, our consolidated interest expense is generally less sensitive in the near term to changes in market rates and credit spreads than it would be under a predominantly variable-rate capital structure, higher rates and tighter credit conditions may still affect the availability and cost of incremental financing, the timing of refinancings, consumer and business demand, and our customers' spending decisions. In addition, certain subsidiaries are expected to continue advancing supply chain reconfiguration, sourcing diversification and inventory management initiatives in response to evolving trade and tariff policies, including constraints experienced by Arnold in connection with export licensing requirements in China. We believe these actions, together with our subsidiaries' ongoing operating initiatives, should enhance flexibility and resiliency over time, although intermittent disruptions, higher working capital requirements or timing differences in revenue and margin realization may occur in future periods.

Geopolitics and Trade Policy

Geopolitical and trade policy conditions are expected to remain fluid and may continue to affect energy costs, sourcing decisions, tariff exposure, pricing strategies and customer demand patterns. While we do not currently expect the ongoing conflict in the Middle East to have a material direct impact on our businesses, broader geopolitical and trade uncertainty may influence input costs, customer purchasing behavior and the timing of capital allocation decisions across certain end markets. Tariffs and related policy changes can operate economically as an increase in landed product cost, which may compress margins if not offset through pricing, sourcing changes, productivity initiatives or customer negotiations, and may also affect demand where higher costs are passed through to customers. Our subsidiaries are continuing to diversify sourcing, reduce concentrated exposure to China and implement pricing, inventory and customer negotiation strategies intended to mitigate the potential impact of new, expanded or reinterpreted tariffs while balancing working capital efficiency and product availability. The recent U.S. Supreme Court ruling related to certain tariff authorities may continue to create uncertainty regarding the interpretation and administration of certain tariffs, including the timing, amount and accounting for refunds of previously paid tariffs. We continue to monitor geopolitical developments, tariff policies and related government actions and will adjust our strategies to mitigate impacts as conditions evolve.

Business Outlook

Our near-term focus remains on strengthening the balance sheet, maintaining liquidity, and executing our day-to-day operating plan across our subsidiaries. Reducing leverage is our top financial priority, which we are pursuing through organic free cash flow generation and targeted divestitures, including the sale of Sterno's food service

business, which closed in the second quarter of 2026, the net proceeds of which we applied to repayment of senior secured debt.

Our operating priorities for 2026 include: (i) generating free cash flow through improved operating performance, disciplined capital spending, and focused working capital management; (ii) driving profitable growth through product innovation, distribution expansion, and customer wins where returns are attractive; (iii) protecting margins through pricing actions, productivity initiatives, and active management of input-cost volatility; and (iv) enhancing resilience and oversight through supply chain diversification, selective technology investments, and continued improvement of governance and financial reporting processes.

Lugano Restatement and Deconsolidation

As previously disclosed, following concerns reported to the Company's management, the Company commenced the Lugano Investigation. As a result of the Lugano Investigation, the Company determined that the Company's previously issued financial statements for fiscal years 2022, 2023 and 2024, including other interim and full-year financial information, should no longer be relied upon. In connection with the restatement process, the Company corrected these errors in its 2024 Form 10-K/A, which was filed on December 8, 2025. The Company then filed its Quarterly Reports on Form 10-Q for the first, second and third quarters of 2025, on December 18, 2025, December 29, 2025, and January 14, 2026, respectively. In addition, as a result of the Lugano Bankruptcy, effective November 16, 2025, Lugano and its subsidiaries were deconsolidated from the Company's consolidated financial statements in accordance with ASC 810 – *Consolidation*. Accordingly, the results of Lugano are included in the Company's consolidated results through November 16, 2025, and periods subsequent to that date do not include Lugano's results of operations, assets or liabilities, except to the extent of any retained interest or other continuing involvement recognized in accordance with applicable accounting guidance.

Recent Events

Amendment to the 2022 Credit Facility

On August 6, 2026, we entered into a Sixth Amendment to the 2022 Credit Facility. The amendment extends the maturity of the revolving commitments and term loans to January 12, 2028 and modifies certain terms of the facility. Among other changes, the amendment reduces the aggregate revolving commitments from \$100.0 million to \$54.0 million, waives milestone fees that otherwise would have been payable under the Fifth Amendment transaction letter, removes the incremental delayed draw term loan facility, reduces the aggregate amount available under incremental facilities from \$250.0 million to \$150.0 million, and revises certain covenant and availability provisions, including reducing the concentration limit for Combined Eligible Availability attributable to any one portfolio company from 40% to 25%. The amendment also permits certain supply chain financing arrangements and payments under the Ninth Amended and Restated Management Services Agreement. In addition, if the term loans under the 2022 Credit Facility have not been repaid on or before December 31, 2026, we will be required to pay a \$4.0 million milestone fee. We believe the Sixth Amendment provides additional time and flexibility to execute our deleveraging and liquidity plans; however, our ability to maintain adequate liquidity and comply with the amended covenants will depend on our operating performance, cash generation, asset monetization activity and other factors discussed in this Form 10-Q.

MSA Amendment

On July 12, 2026, the Company and the Manager entered into an amendment to the Management Service Agreement (the "Ninth MSA"). Beginning January 1, 2027, the Ninth MSA reduces the base management fee rates, caps the 2027 base management fee at \$30.0 million, establishes the 2027 Aggregate Fee Cap and replaces the existing incentive management fee with the Share Alignment Award and Performance-Based Award described in Note P. The revised fee and award structure is expected to reduce total management fees for 2027 relative to the amounts that otherwise would have been payable under the Eighth MSA, although actual amounts will depend on the Company's Adjusted Net Assets, the level of payout under the Performance-Based Award and other applicable factors.

Chief Executive Officer Succession

In June 2026, the Company announced that Elias J. Sabo is expected to retire as Chief Executive Officer at the end of 2026 and that Zachary T. Sawtelle, who was appointed Chief Operating Officer, is expected to succeed him as Chief Executive Officer on January 1, 2027.

Lugano Settlement

On June 24, 2026, CODI entered into the Settlement Agreement and Plan Support Agreement described in Note B. The Settlement Documents provide for specified percentages of net inventory, tax-refund, insurance and litigation recoveries, subject to creditor approval, bankruptcy court confirmation and effectiveness of the proposed Plan of Liquidation. The settlement terms and related changes in the estimated amount and timing of recoveries resulted in a \$58.0 million non-cash decrease in the fair value of the Company's Lugano receivable during the quarter. The amount and timing of any recoveries remain uncertain and depend on, among other things, confirmation and effectiveness of the proposed Plan of Liquidation and the proceeds ultimately realized from the applicable assets and claims.

Sterno Sale

On March 28, 2026, we signed an Agreement and Plan of Merger (the "Merger Agreement") to sell Sterno, which we owned approximately 92% of on a fully diluted basis. Under the Merger Agreement, WCHG Buyer, Inc. (the "Buyer") acquired Sterno's food service business through the merger of a Buyer subsidiary with and into Sterno, with Sterno surviving as a wholly owned subsidiary of the Buyer. Immediately before the closing, Sterno distributed all of the equity interests in its indirect wholly owned subsidiary, Rimports, LLC ("Rimports"), to Rimports Holdings, Inc., the equity of which was, in turn, distributed pro rata to Sterno's stockholders, including the LLC (the "Rimports Distribution"). After the Rimports Distribution, Rimports (which holds Sterno's home fragrance business) remains a majority-owned subsidiary of CODI.

The Sterno sale closed on May 1, 2026. The sale price was based on an enterprise value of \$292.5 million. After allocation of the purchase consideration to Sterno's noncontrolling stockholders and payment of transaction costs, CODI received approximately \$282 million of total proceeds at closing, representing amounts received with respect to the Company's outstanding loans to Sterno, including accrued interest, and its equity interests in Sterno. The Company used the proceeds received from the sale to repay outstanding borrowings under its senior credit facility.

The Rimports distribution was accounted for as a transaction between entities under common control at historical carrying amounts because the Company controlled Sterno, inclusive of Rimports, before the distribution and continues to control Rimports after the distribution. No gain or loss was recognized as a result of the distribution. Because the Company retained Rimports following the distribution, the assets and liabilities of Rimports were excluded from the held-for-sale disposal group and continue to be presented in the Company's condensed consolidated balance sheet.

Upon completion of the sale on May 1, 2026, the Company deconsolidated Sterno's food service business and recognized a gain on the sale of approximately \$182 million within income from continuing operations during the three and six months ended June 30, 2026.

Altor Sale Leaseback

On January 23, 2026, Altor completed a sale leaseback transaction for its manufacturing facilities in Bloomsburg, Pennsylvania; New Albany, Indiana; and El Dorado Springs, Missouri (the "Properties"). Under the purchase and sale agreement, Altor sold the land, buildings and certain integrated fixtures to the buyer/lessor for total consideration of \$11.75 million. At the same time, Altor entered into a 20 year triple-net master lease to lease back all three Properties. As required by the Fifth amendment to the 2022 Credit Facility, the Company made a payment of the amount of the net proceeds to reduce the term loan under the 2022 Credit Facility by \$11 million.

Non-GAAP Financial Measures

In addition to the results of operations contained in this report, which have been prepared and presented in accordance with accounting principles generally accepted in the United States of America ("U.S. GAAP" or "GAAP"), we have also included supplemental information concerning our results of operations on a non-GAAP basis. A non-GAAP financial measure is a numerical measure of historical or future performance, financial position or cash flow that excludes amounts, or is subject to adjustments that effectively exclude amounts, included in the most directly comparable measure calculated and presented in accordance with GAAP in our financial statements, and vice versa for measures that include amounts, or are subject to adjustments that effectively include amounts, that are excluded from the most directly comparable measure as calculated and presented.

See "Reconciliation of Non-GAAP Financial Measures" for further discussion of our non-GAAP financial measures and related reconciliations.

Results of Operations

The following discussion reflects a comparison of the historical results of operations of our consolidated business for the three and six months ended June 30, 2026 and June 30, 2025, and components of the results of operations for each of our operating segments on a stand-alone basis.

Lugano Bankruptcy - In November 2025, Lugano and certain of its subsidiaries filed the Lugano Bankruptcy. As a result of the bankruptcy filing, the Company no longer maintained a controlling financial interest in Lugano and, accordingly, deconsolidated Lugano and its subsidiaries in accordance with ASC 810 - *Consolidation*. The results of operations of Lugano are included in the Company's consolidated results through the date control was lost. From that date forward, Lugano is no longer included as an operating segment of the Company. Following deconsolidation, the Company's continuing involvement with Lugano is limited to its claims in the bankruptcy proceedings, including any secured positions.

Sale of Sterno Food Service Division - On May 1, 2026, the Company completed the sale of Sterno's food service product division. Immediately prior to the sale, Rimports, which operates the retained home fragrance business, was separated from Sterno and remained a consolidated business of the Company. Because the sale did not qualify for discontinued operations presentation, the results of the food service product division are included in continuing operations through the date of sale. In addition, the historical results presented for Rimports include the amounts attributable to the food service product division for periods prior to the sale, which affects comparability between the current and prior-year periods.

In the following results of operations, we provide (i) our actual Consolidated Results of Operations for the three and six months ended June 30, 2026 and 2025, which includes the historical results of operations of each of our businesses (operating segments) from the date of acquisition in accordance with US GAAP, and (ii) comparative historical components of the results of operations for each of our businesses on a stand-alone basis for the three and six months ended June 30, 2026 and 2025. The following results of operations at each of our businesses are not necessarily indicative of the results to be expected for a full year.

All dollar amounts in the financial tables are presented in thousands. Certain amounts and percentages may not sum or recalculate due to the presentation of rounded numbers. Amounts discussed within the supporting narrative are calculated based on unrounded numbers and consequently the sum of the components may not agree to totals using the rounded numbers provided. References in the financial tables to percentage changes that are not meaningful are denoted by "NM."

Consolidated Results of Operations - Quarter-to-Date

Three months ended June 30, 2026 compared to three months ended June 30, 2025

The following table sets forth our unaudited results of operations for the periods indicated, in dollars and as a percentage of net revenues:

	Three months ended			
	June 30, 2026		June 30, 2025	
Net revenues	\$	424,042	100.0 %	\$ 478,690 100.0 %
Cost of revenues		224,079	52.8 %	270,149 56.4 %
Gross profit		199,963	47.2 %	208,541 43.6 %
Selling, general and administrative expense		134,337	31.7 %	162,112 33.9 %
Management fees		13,817	3.3 %	19,035 4.0 %
Amortization expense		22,686	5.3 %	23,117 4.8 %
Impairment expense		—	— %	31,515 6.6 %
Other operating expense		149	— %	— — %
Operating income (loss)		28,974	6.8 %	(27,238) (5.7)%
Interest expense		(23,895)	(5.6)%	(34,096) (7.1)%
Amortization of debt issuance costs		(2,047)	(0.5)%	(971) (0.2)%
Loss on debt modification		—	— %	(2,827) (0.6)%
Decrease in fair value of receivable due from unconsolidated affiliate		(58,000)	(13.7)%	— — %
Gain on sale of product division		182,342	232.6 %	— — %
Other income (expense)		(121)	— %	1,713 0.4 %
Income (loss) from continuing operations before income taxes		127,253	30.0 %	(63,419) (13.2)%
Provision for income taxes		45,379	10.7 %	17,358 3.6 %
Net income (loss) from continuing operations	\$	81,874	19.3 %	\$ (80,777) (16.9)%

Net revenues

	Three months ended			
	June 30, 2026		June 30, 2025	
				Increase (Decrease)
5.11	\$	126,499	\$ 131,442	(4,943) (3.8)%
BOA		59,068	48,369	10,699 22.1 %
Lugano		—	26,771	(26,771) (100.0)%
PrimaLoft		29,749	24,855	4,894 19.7 %
The Honey Pot Co.		38,387	32,798	5,589 17.0 %
Velocity		17,109	15,213	1,896 12.5 %
Total Branded Consumer	\$	270,812	\$ 279,448	\$ (8,636) (3.1)%
Altor		65,662	83,305	(17,643) (21.2)%
Arnold		43,222	38,432	4,790 12.5 %
Rimports		44,346	77,505	(33,159) (42.8)%
Total Industrial	\$	153,230	\$ 199,242	\$ (46,012) (23.1)%
Consolidated net revenues	\$	424,042	\$ 478,690	\$ (54,648) (11.4)%

Consolidated net revenues for the three months ended June 30, 2026 decreased by approximately \$54.6 million, or 11.4%, compared to the corresponding period in 2025. During the three months ended June 30, 2026 compared to 2025, we saw notable increases in net revenues at BOA (\$10.7 million increase), PrimaLoft (\$4.9 million increase), The Honey Pot Co. (\$5.6 million increase), and Arnold (\$4.8 million increase). These increases in net revenue were

offset by decreases in net revenue at 5.11 (\$4.9 million decrease), Altor (\$17.6 million decrease), and Rimports (\$33.2 million decrease). The decrease in net revenues at Rimports is attributable to the sale of the Sterno food service division on May 1, 2026. The net revenues of the Sterno product division are included in the historical results of operations of Rimports through the date of sale. Lugano recognized \$26.8 million in revenue in the quarter ended June 30, 2025 which was nonrecurring due to the Lugano bankruptcy in November 2025. Refer to "Results of Operations - Operating Segments - Quarter-to-Date" for a more detailed analysis of net revenues by operating segment.

We do not generate any revenues apart from those generated by our subsidiaries. We may generate interest income on the investment of available funds, but expect such earnings to be minimal. We make loans from the Company to our subsidiary businesses and also hold equity interests in those businesses. Cash flows coming to the Trust and the LLC are the result of interest payments on those loans, amortization of those loans and additional principal payments on those loans. However, on a consolidated basis, these items will be eliminated.

Gross Profit

	Three months ended			
	June 30, 2026	June 30, 2025	Increase (Decrease)	
5.11	\$ 72,917	\$ 70,462	\$ 2,455	3.5 %
BOA	39,383	31,004	8,379	27.0 %
Lugano	—	13,446	(13,446)	(100.0)%
PrimaLoft	19,321	15,898	3,423	21.5 %
The Honey Pot Co.	23,748	18,427	5,321	28.9 %
Velocity	5,017	4,952	65	1.3 %
Total Branded Consumer	\$ 160,386	\$ 154,189	\$ 6,197	4.0 %
Altor	11,996	22,715	(10,719)	(47.2)%
Arnold	11,367	9,183	2,184	23.8 %
Rimports	16,214	22,454	(6,240)	(27.8)%
Total Industrial	\$ 39,577	\$ 54,352	\$ (14,775)	(27.2)%
Consolidated gross profit	\$ 199,963	\$ 208,541	\$ (8,578)	
Gross Margin				
Branded Consumer	59.2 %	55.2 %	4.0%	
Industrial	25.8 %	27.3 %	(1.5)%	
Consolidated gross margin	47.2 %	43.6 %		

On a consolidated basis, gross profit decreased approximately \$8.6 million during the three months ended June 30, 2026 compared to the corresponding period in 2025. We saw notable increases in gross profit at 5.11 (\$2.5 million increase), BOA (\$8.4 million increase), PrimaLoft (\$3.4 million increase), The Honey Pot Co. (\$5.3 million increase), and Arnold (\$2.2 million increase). We saw decreases in gross profit at Altor (\$10.7 million decrease) and Rimports (\$6.2 million decrease) that corresponded to the decrease in net revenue noted above. The decrease in net revenues and gross profit at Rimports is attributable to the sale of the Sterno food service division on May 1, 2026. Lugano recognized \$13.4 million in gross profit in the quarter ended June 30, 2025 which was nonrecurring due to the Lugano bankruptcy in November 2025.

Gross margin was approximately 47.2% in the three months ended June 30, 2026 compared to 43.6% in the three months ended June 30, 2025. The increase in gross margin in the quarter ended June 30, 2026 as compared to the quarter ended June 30, 2025 is driven by the increase in gross margin at our consumer businesses during the quarter. Our branded consumer businesses had gross margin of 59.2% in the second quarter of 2026 as compared to 55.2% in the second quarter of 2025, while our industrial businesses had gross margin of 25.8% in the second quarter of 2026 as compared to 27.3% in the second quarter of 2025. Gross margin at several of our businesses benefited from refunds of duties previously paid under IEEPA tariffs, which were recognized as a credit to cost of goods sold upon receipt of cash, consistent with the accounting for gain contingencies. The remainder of the increase in gross margin at the branded consumer businesses was primarily attributable to product mix, particularly

at BOA and PrimaLoft. The decrease in gross margin at our industrial businesses was attributable to higher fixed overhead costs absorbed on a lower revenue base and higher raw material costs at Altor during the quarter.

Selling, general and administrative expense

	Three months ended			
	June 30, 2026	June 30, 2025	Increase (Decrease)	
Selling, general and administrative expense	\$ 134,337	\$ 162,112	\$(27,775)	(17.1)%

Consolidated selling, general and administrative expense decreased approximately \$27.8 million during the three months ended June 30, 2026, compared to the corresponding period in 2025, driven primarily by expense incurred by Lugano (\$28.6 million) in the prior year quarter which was nonrecurring due to the Lugano bankruptcy in November 2025, the sale of Sterno on May 1, 2026 and non-recurring exit costs and the impact of a workforce reduction at Altor (\$4.5 million decrease in expense quarter over quarter). These decreases were offset by increases in selling, general and administrative expense at the corporate level (\$3.1 million increase), and at The Honey Pot Co. (\$2.7 million increase) due to increased product innovation and marketing investment.

At the corporate level, general and administrative expense was \$16.3 million in the second quarter of 2026 and \$13.2 million in the second quarter of 2025, an increase of \$3.1 million. The increase in general and administrative expense in the second quarter of 2026 relates to costs associated with our Lugano subsidiary and the ongoing lawsuits, as well as corporate governance changes and internal control remediation that we are implementing.

Management fees

	Three months ended			
	June 30, 2026	June 30, 2025	Increase (Decrease)	
Management fees	\$ 13,817	\$ 19,035	\$(5,218)	(27.4)%

Under the Management Services Agreement ("MSA"), we pay CGM (i) a base management fee equal to (a) 2% of the Company's adjusted net assets when the adjusted net assets are less than or equal to \$3.5 billion (the "Initial Threshold Fee"), and (b) an incentive fee if the adjusted net assets are greater than \$3.5 billion. Such incentive management fee is subject to approval by the Compensation Committee of the Company's board of directors. For the three months ended June 30, 2026, we incurred approximately \$13.8 million in management fees as compared to \$19.0 million in fees in the three months ended June 30, 2025. The decrease in the management fee in 2026 is primarily due to the deconsolidation of Lugano in November 2025 and the sale of Sterno in May 2026, which reduced the net assets used in the calculation of the management fee. The Management fee incurred in the three months ended June 30, 2025 reflects the amount incurred prior to the restatement of the Company's financial statements as the Company is not permitted under the MSA to adjust the amount owed to the Manager until the time when the restated financial information was available, which occurred upon the filing of the Company's 10-K/A on December 8, 2025. Therefore the expense recorded in the quarter ended June 30, 2025 reflects the amount that would have been due to the Manager at the time calculated, prior to the restatement of the Company's financial statements. While the MSA did not contain an express mechanism that permitted the Company to immediately clawback the overpayment of management fees, the MSA provided that future payments under the MSA would be reduced, on a dollar-for-dollar basis, by the aggregate amount of all overpaid management fees. The Company will reduce future management fee payments until the overpayment has been fully recouped. The total cash paid for Management fees in the quarter ended June 30, 2026 was \$8.8 million as compared to total cash paid for Management fees for the quarter ended June 30, 2025 of \$18.6 million.

Refer to ["Note N - Related Party Transactions"](#) in the "Notes to the Condensed Consolidated Financial Statements" for a description of the effect of the restatement on the Management Fees.

Amortization expense

	Three months ended			
	June 30, 2026	June 30, 2025	Increase (Decrease)	
Amortization expense	\$ 22,686	\$ 23,117	\$ (431)	(1.9)%

Amortization expense for the three months ended June 30, 2026 decreased \$0.4 million as compared to the three months ended June 30, 2025 due to the effect of the sale of Sterno on May 1, 2026.

Interest expense, net

	Three months ended			
	June 30, 2026	June 30, 2025	(Increase) Decrease	
Interest expense, net	(23,895)	(34,096)	\$10,201	(29.9)%

We recorded interest expense totaling \$23.9 million for the three months ended June 30, 2026 compared to \$34.1 million for the comparable period in 2025, a decrease of \$10.2 million. During 2026, the Company has paid down approximately \$300 million of principal on the 2022 Term Loan, reducing the total interest expense incurred. In the three months ended June 30, 2026, interest expense associated with the 2022 Term Loan was approximately \$6.3 million as compared to \$9.8 million in the three months ended June 30, 2025. Interest expense in the three months ended June 30, 2025 also included \$6.9 million related to financing arrangements at Lugano, which was deconsolidated in November 2025. The decrease in interest expense was partially offset by higher interest expense on the Company's Senior Notes resulting from the increased principal amount of the Senior Notes following the paid-in-kind payments made in 2025 in connection with the indenture forbearance agreement described in the 2025 Form 10-K.

Loss on debt modification

During the second quarter of 2025, the Company entered into a forbearance agreement which reduced the aggregate borrowing amount available for revolving commitments to \$100 million from \$600 million. As a result of the reduction in available revolving commitments, the Company recognized \$2.8 million in loss on debt modification in the second quarter of 2025.

Decrease in fair value of receivable due from unconsolidated affiliate

The receivable due from an unconsolidated affiliate represents the Company's estimate of the fair value of its secured claim related to intercompany loans to Lugano, which is currently subject to bankruptcy proceedings. On June 24, 2026, the Company entered into a settlement agreement and a plan support agreement relating to the proposed resolution of claims alleged against the Company and its related parties by or on behalf of Lugano or its bankruptcy estate. The terms of those agreements changed the estimated amount and timing of the Company's expected recoveries on its secured claim, resulting in a \$58 million decrease in the fair value of the receivable at June 30, 2026.

Gain on sale of product division

On May 1, 2026, the Company sold the Sterno food service product division. The Company received approximately \$282 million of total proceeds at closing, representing amounts received with respect to the Company's outstanding loans to Sterno, including accrued interest, and its equity interests in Sterno. The Company recorded a gain on the sale of Sterno in the quarter ending June 30, 2026 of \$182.3 million.

Other income (expense)

	Three months ended			
	June 30, 2026	June 30, 2025	(Increase) Decrease	
Other income (expense), net	(121)	1,713	\$(1,834)	(107.1)%

For the quarter ended June 30, 2026, we recorded \$0.1 million in other expense as compared to \$1.7 million in other income in the quarter ended June 30, 2025, an increase in expense of \$1.8 million. Other income (expense) typically reflects the movement in foreign currency at our subsidiary businesses with international operations, gains or (losses) realized on the sale of property, plant and equipment, and expenses incurred or income earned that are

not considered a part of our operations. In both the current quarter and prior year comparable quarter, the expense primary relates to foreign currency gains and losses.

Provision for income taxes

	Three months ended			
	June 30, 2026		June 30, 2025	
				Increase (Decrease)
Provision for income taxes	\$	45,379	\$	17,358
			\$	28,021
				161.4 %
Effective tax rate		35.7 %		(27.4)%

We had an income tax provision of \$45.4 million during the three months ended June 30, 2026 compared to an income tax provision of \$17.4 million during the same period in 2025, an increase of \$28.0 million. Our tax rate is affected by recurring items, such as tax rates in foreign jurisdictions and the relative amounts of income we earn in those jurisdictions. It is also affected by discrete items that may occur in any given year but are not consistent from year to year. In the current year, the effective tax rate was impacted by the sale of Sterno and the tax effect at the Trust, the effect of foreign taxes and changes in valuation allowances, while in the prior year, the primary item affecting the effective tax rate was changes in valuation allowance. In connection with the sale of Sterno, we recorded a liability for unrecognized tax benefits of \$21.3 million in the quarter ended June 30, 2026, and approximately \$5.5 million in interest associated with certain previously recognized uncertain tax positions that had not been accrued in prior reporting periods, substantially all of which relates to prior years.

Results of Operations - Operating Segments - Quarter-to-Date

Three months ended June 30, 2026 compared to three months ended June 30, 2025

Branded Consumer Businesses

5.11

	Three months ended			
	June 30, 2026	June 30, 2025	Increase (Decrease)	
Net sales	\$ 126,499	\$ 131,442	\$ (4,943)	(3.8)%

Net sales for the three months ended June 30, 2026 were \$126.5 million as compared to net sales of \$131.4 million for the three months ended June 30, 2025, a decrease of \$4.9 million, or 3.8%. The decrease was primarily attributable to a decrease in direct-to-consumer sales of approximately \$4.0 million, reflecting an intentional reduction in promotional activity compared to the prior year period, and a decrease in domestic wholesale sales of approximately \$3.7 million, due to customer inventory reductions. These decreases were partially offset by an increase in international sales of approximately \$2.4 million, driven by growth in EMEA, Australia, and Canada.

	Three months ended			
	June 30, 2026	June 30, 2025	Increase (Decrease)	
Segment operating income	\$ 12,249	\$ 9,754	\$ 2,495	25.6 %
Segment operating margin	9.7 %	7.4 %	2.3%	

Segment operating income for the three months ended June 30, 2026 was \$12.2 million, an increase of \$2.5 million when compared to segment operating income of \$9.8 million for the same period in 2025. The increase was primarily attributable to improved gross margin and disciplined operating expense management, which more than offset the impact of lower net sales. Gross margin benefited from a higher mix of full-price sales and from refunds of duties previously paid under IEEPA tariffs, which were recognized as a credit to cost of goods sold upon receipt of cash, consistent with the accounting for gain contingencies. Selling, general and administrative expenses were essentially flat compared to the prior year period, as lower payroll expense was offset by higher performance-based bonus accruals and increased investment in brand marketing. Segment operating margin was 9.7% in the second quarter of 2026 and 7.4% in the second quarter of 2025.

BOA

	Three months ended			
	June 30, 2026	June 30, 2025	Increase (Decrease)	
Net sales	\$ 59,068	\$ 48,369	\$ 10,699	22.1 %

Net sales for the three months ended June 30, 2026 were \$59.1 million as compared to net sales of \$48.4 million for the three months ended June 30, 2025, an increase of \$10.7 million, or 22.1%. BOA adult premium performance sales increased across key industries including Athletic, Workwear, Cycling, Snowsports, Outdoor, Helmets, and Performance Bracing, partially offset by reduced kids-based business in China.

	Three months ended			
	June 30, 2026	June 30, 2025	Increase (Decrease)	
Segment operating income	\$ 20,051	\$ 14,046	\$ 6,005	42.8 %
Segment operating margin	33.9 %	29.0 %	4.9%	

Segment operating income for the three months ended June 30, 2026 was \$20.1 million, an increase of \$6.0 million when compared to segment operating income of \$14.0 million for the same period in 2025. The increase in segment

operating income was driven by higher net sales, improved product margins, partially offset by an increase in selling, general, and administrative expense related to BOA's bonus plan. Segment operating margin increased to 33.9% in the second quarter of 2026 from 29.0% in the second quarter of 2025, primarily driven by improved gross margins.

PrimaLoft

	Three months ended			
	June 30, 2026	June 30, 2025	Increase (Decrease)	
Net sales	\$ 29,749	\$ 24,855	\$ 4,894	19.7 %

Net sales for the three months ended June 30, 2026 were \$29.7 million, an increase of \$4.9 million as compared to net sales of \$24.9 million for the three months ended June 30, 2025. The increase in net sales in the current quarter versus the quarter ended June 30, 2025 is primarily attributable to higher sales to Asia-based brand partners, reflecting continued strong demand for outdoor products in the region, as well as the Company's ongoing success in establishing new brand partnerships that have expanded its customer base.

	Three months ended			
	June 30, 2026	June 30, 2025	Increase (Decrease)	
Segment operating income	\$ 7,731	\$ 4,890	\$ 2,841	58.1 %
Segment operating margin	26.0 %	19.7 %	6.3%	

Segment operating income for the three months ended June 30, 2026 was \$7.7 million, an increase of \$2.8 million when compared to segment operating income of \$4.9 million for the same period in 2025, driven by higher net sales and improved gross margins in the current quarter. Segment operating margin was 26.0% in the second quarter of 2026 as compared to 19.7% in the second quarter of 2025.

The Honey Pot Co.

	Three months ended			
	June 30, 2026	June 30, 2025	Increase (Decrease)	
Net sales	\$ 38,387	\$ 32,798	\$ 5,589	17.0 %

Net sales for the three months ended June 30, 2026 were \$38.4 million, an increase of \$5.6 million or 17.0% from net sales of \$32.8 million for the three months ended June 30, 2025. The increase in net sales was primarily due to strong volume growth and market share gains in the Period Care product line, particularly in mass retail, drugstores and online channels, and the net pricing benefit related to Period Care pack price optimization implemented in late 2025. Overall, volume and share growth continued to be supported by compelling innovation, targeted investments in demand generation, and disciplined investments in capabilities to accelerate growth.

	Three months ended			
	June 30, 2026	June 30, 2025	Increase (Decrease)	
Segment operating income	\$ 6,356	\$ 3,705	\$ 2,651	71.6 %
Segment operating margin	16.6 %	11.3 %	5.3%	

Segment operating income for the three months ended June 30, 2026 was \$6.4 million, an increase of \$2.7 million when compared to segment operating income of \$3.7 million for the same period in 2025. The increase was primarily driven by higher net sales and improved operating leverage, partially offset by increased investments in marketing and human capital. Selling, general and administrative expense as a percentage of net sales was 34.2% in the second quarter of 2026 and 31.9% in the second quarter of 2025. Segment operating margin in the second quarter of 2026 was 16.6% as compared to 11.3% in the second quarter of 2025.

Velocity Outdoor

	Three months ended			
	June 30, 2026	June 30, 2025	Increase (Decrease)	
Net sales	\$ 17,109	\$ 15,213	\$ 1,896	12.5 %

Net sales for the three months ended June 30, 2026 were \$17.1 million, an increase of \$1.9 million or 12.5%, compared to net sales of \$15.2 million in the same period in 2025. The increase in net sales for the three months ended June 30, 2026 was primarily driven by increased archery and apparel sales through national retailer channels.

	Three months ended			
	June 30, 2026	June 30, 2025	Increase (Decrease)	
Segment operating loss	\$ (877)	\$ (911)	\$ 34	(3.7)%
Segment operating margin	(5.1)%	(6.0)%	0.9%	

Segment operating loss for the three months ended June 30, 2026 was flat compared to the same period in 2025, reflecting an improvement of 3.7%. The modest improvement was driven by higher net sales combined with flat operating expenses. Segment operating margin was (5.1)% in the second quarter of 2026 as compared to (6.0)% in the second quarter of 2025.

Industrial Businesses

Altor Solutions

	Three months ended			
	June 30, 2026	June 30, 2025	Increase (Decrease)	
Net sales	\$ 65,662	\$ 83,305	\$ (17,643)	(21.2)%

Net sales for the quarter ended June 30, 2026 were \$65.7 million, a decrease of \$17.6 million, or 21.2%, compared to net sales of \$83.3 million in the quarter ended June 30, 2025. The decrease in net sales during the second quarter was primarily attributable to lower sales volumes resulting from reduced demand in the industrial white goods market and shifting market conditions in the perishable and cold chain markets.

	Three months ended			
	June 30, 2026	June 30, 2025	Increase (Decrease)	
Segment operating income	\$ 1,028	\$ 7,266	\$ (6,238)	(85.9)%
Segment operating margin	1.6 %	8.7 %	(7.1)%	

Segment operating income was \$1.0 million in the three months ended June 30, 2026, a decrease of \$6.2 million as compared to the three months ended June 30, 2025. Segment operating margin was 1.6% in the second quarter of 2026 as compared to 8.7% in the second quarter of 2025, with the decrease driven by lower sales volumes, the deleveraging effect of fixed costs, as well as a 21% increase in the index driving the main raw materials purchase price and freight inflation driven by rising oil costs. Gross margin was 18.3% in the three months ended June 30, 2026 and 27.3% in the three months ended June 30, 2025.

Arnold

	Three months ended			
	June 30, 2026		June 30, 2025	Increase (Decrease)
Net sales	\$ 43,222	\$	38,432	\$ 4,790 12.5 %

Net sales for the three months ended June 30, 2026 were approximately \$43.2 million, an increase of \$4.8 million compared to net sales of \$38.4 million in the same period in 2025. The increase in net sales was primarily attributable to growing demand for non-China sourced permanent magnets, partially offset by material and production constraints.

	Three months ended			
	June 30, 2026		June 30, 2025	Increase (Decrease)
Segment operating income	\$ 3,582	\$	180	\$ 3,402 NM
Segment operating margin	8.3 %		0.5 %	7.8%

Segment operating income for the three months ended June 30, 2026 was approximately \$3.6 million, an increase of \$3.4 million when compared to the same period in 2025. The increase in segment operating income was driven by higher revenue and the resulting operating leverage, and non-recurring costs incurred in the first half of 2025. Segment operating margin was 8.3% in the second quarter of 2026 as compared to 0.5% in the second quarter of 2025.

Rimports (including Sterno's food service business through May 1, 2026)

	Three months ended			
	June 30, 2026		June 30, 2025	Increase (Decrease)
Net sales	\$ 44,346	\$	77,505	\$ (33,159) (42.8)%

Net sales for the three months ended June 30, 2026 were approximately \$44.3 million, a decrease of \$33.2 million, or 42.8%, compared to net sales of \$77.5 million in the same period in 2025. The decrease was primarily attributable to the sale of Sterno Products' food service business in May 2026. Excluding Sterno, Rimports-only net sales for the quarter-to-date period ended June 30, 2026 were \$30.9 million, a decrease of \$5.4 million, or 14.8%, compared to \$36.3 million in the same period in 2025. The Rimports variance was primarily driven by a reduction in key distribution within the private label business.

	Three months ended			
	June 30, 2026		June 30, 2025	Increase (Decrease)
Segment operating income	\$ 7,396	\$	11,111	\$ (3,715) (33.4)%
Segment operating margin	16.7 %		14.3 %	2.3%

Segment operating income for the three months ended June 30, 2026 was approximately \$7.4 million, a decrease of \$3.7 million compared to the three months ended June 30, 2025. The decrease was primarily attributable to the sale of Sterno Products' food service business in May 2026. Segment operating margin was 16.7% in the second quarter of 2026 as compared to 14.3% in the second quarter of 2025. Excluding Sterno, Rimports-only operating income for the quarter-to-date period ended June 30, 2026 was \$3.7 million, a decrease of \$0.2 million, or 6.0%, compared to \$3.9 million in the same period in 2025. The Rimports variance was primarily driven by the reduction in revenue partially offset by IEEPA tariff refunds received within the quarter, which were recognized as a credit to cost of goods sold upon receipt of cash.

Consolidated Results of Operations - Year-to-Date

Six months ended June 30, 2026 compared to six months ended June 30, 2025

The following table sets forth our unaudited results of operations for the periods indicated, in dollars and as a percentage of net revenues:

	Six months ended			
	June 30, 2026		June 30, 2025	
Net revenues	\$	850,897	100.0 %	\$ 932,465 100.0 %
Cost of revenues		461,576	54.2 %	527,892 56.6 %
Gross profit		389,321	45.8 %	404,573 43.4 %
Selling, general and administrative expense		266,347	31.3 %	312,489 33.5 %
Management fees		29,751	3.5 %	37,898 4.1 %
Amortization expense		45,530	5.4 %	46,468 5.0 %
Impairment expense		20,500	2.4 %	31,515 3.4 %
Other operating (income) expense		(10,234)	(1.2)%	— — %
Operating income (loss)		37,427	4.4 %	(23,797) (2.6)%
Interest expense		(51,390)	(6.0)%	(69,947) (7.5)%
Amortization of debt issuance costs		(4,094)	(0.5)%	(2,096) (0.2)%
Loss on debt modification		—	— %	(2,827) (0.3)%
Decrease in fair value of receivable due from unconsolidated affiliate		(58,000)	(6.8)%	— — %
Gain on sale of Stermo		182,342	21.4 %	— — %
Other income (expense)		(2,799)	(0.3)%	(11,968) (1.3)%
Income (loss) from continuing operations before income taxes		103,486	12.2 %	(110,635) (11.9)%
Provision for income taxes		52,443	6.2 %	19,896 2.1 %
Net income (loss) from continuing operations	\$	51,043	6.0 %	\$ (130,531) (14.0)%

Net revenues

	Six months ended			
	June 30, 2026		June 30, 2025	
5.11	\$	250,470	\$ 260,812	\$ (10,342) (4.0)%
BOA		111,176	97,246	13,930 14.3 %
Lugano		—	53,616	(53,616) (100.0)%
PrimaLoft		51,666	48,500	3,166 6.5 %
The Honey Pot Co.		83,546	68,989	14,557 21.1 %
Velocity		30,935	28,414	2,521 8.9 %
Total Branded Consumer	\$	527,793	\$ 557,577	\$ (29,784) (5.3)%
Altor		130,304	159,562	(29,258) (18.3)%
Arnold		83,404	72,440	10,964 15.1 %
Rimports		109,396	142,886	(33,490) (23.4)%
Total Industrial	\$	323,104	\$ 374,888	\$ (51,784) (13.8)%
Consolidated net revenues	\$	850,897	\$ 932,465	\$ (81,568) (8.7)%

Consolidated net revenues for the six months ended June 30, 2026 decreased by approximately \$81.6 million, or 8.7%, compared to the corresponding period in 2025. During the six months ended June 30, 2026 compared to 2025, we saw notable increases in net revenues at BOA (\$13.9 million increase), The Honey Pot Co. (\$14.6 million increase), and Arnold (\$11.0 million increase). These increases in net revenue were offset by decreases in net

revenue at 5.11 (\$10.3 million decrease) and Altor (\$29.3 million decrease). Lugano recognized \$53.6 million in revenue in the six months ended June 30, 2025 which was nonrecurring due to the Lugano bankruptcy in November 2025. Rimports revenue decreased \$33.5 million due to the sale of the Sterno product division on May 1, 2026. Refer to "Results of Operations - Operating Segments - Year-to-Date" for a more detailed analysis of net revenues by operating segment.

We do not generate any revenues apart from those generated by our subsidiaries. We may generate interest income on the investment of available funds, but expect such earnings to be minimal. We make loans from the Company to our subsidiary businesses and also hold equity interests in those businesses. Cash flows coming to the Trust and the LLC are the result of interest payments on those loans, amortization of those loans and additional principal payments on those loans. However, on a consolidated basis, these items will be eliminated.

Gross Profit

	Six months ended			
	June 30, 2026	June 30, 2025	Increase (Decrease)	
5.11	\$ 140,501	\$ 140,210	\$ 291	0.2 %
BOA	73,512	62,223	11,289	18.1 %
Lugano	—	26,624	(26,624)	(100.0)%
PrimaLoft	33,404	31,035	2,369	7.6 %
The Honey Pot Co.	50,575	38,458	12,117	31.5 %
Velocity	9,593	8,316	1,277	15.4 %
Total Branded Consumer	\$ 307,585	\$ 306,866	\$ 719	0.2 %
Altor	25,138	41,751	(16,613)	(39.8)%
Arnold	21,939	16,204	5,735	35.4 %
Sterno	34,659	39,752	(5,093)	(12.8)%
Total Industrial	\$ 81,736	\$ 97,707	\$ (15,971)	(16.3)%
Consolidated gross profit	\$ 389,321	\$ 404,573	\$ (15,252)	(3.8)%
Gross Margin				
Branded Consumer	58.3 %	55.0 %	3.2%	
Industrial	25.3 %	26.1 %	(0.8)%	
Consolidated gross margin	45.8 %	43.4 %	2.4%	

On a consolidated basis, gross profit decreased approximately \$15.3 million during the six months ended June 30, 2026 compared to the corresponding period in 2025. We saw notable increases in gross profit at BOA (\$11.3 million increase), The Honey Pot Co. (\$12.1 million increase) and Arnold (\$5.7 million increase) during the six month period. We saw decreases in gross profit at Altor (\$16.6 million decrease) and Rimports (\$5.1 million due to the sale of Sterno in May 2026) which correspond to the decrease in net revenue in the first six months of 2026. Lugano recognized \$26.6 million in gross profit during the six months ended June 30, 2025 that was nonrecurring due to the Lugano bankruptcy.

Gross margin was 45.8% in the six months ended June 30, 2026 and 43.4% the six months ended June 30, 2025. Our branded consumer businesses had gross margin of 58.3% in the six months ended June 30, 2026 as compared to 55.0% in the six months ended June 30, 2025, with increases at each of our branded consumer business during the six months ended June 30, 2026. Gross margin at several of our businesses benefited from refunds of duties previously paid under IEEPA tariffs, which were recognized as a credit to cost of goods sold upon receipt of cash, consistent with the accounting for gain contingencies. Our industrial businesses had gross margin of 25.3% in the six months ended June 30, 2026 as compared to 26.1% in the six months ended June 30, 2025. The decrease in gross margin at our industrial businesses was attributable to higher fixed overhead costs absorbed on a lower revenue base at Altor, offset by improved gross margins at Arnold and Rimports during the six months ended June 30, 2026.

Selling, general and administrative expense

	Six months ended			
	June 30, 2026	June 30, 2025	Increase (Decrease)	
Selling, general and administrative expense	\$ 266,347	\$ 312,489	\$ (46,142)	(14.8)%

Consolidated selling, general and administrative expense decreased approximately \$46.1 million during the six months ended June 30, 2026, compared to the corresponding period in 2025, driven primarily by the impact of Lugano's bankruptcy. Lugano had selling, general and administrative expense of \$55.2 million in the six months ended June 30, 2025 that was nonrecurring due to the November 2025 bankruptcy of Lugano. This decrease was offset by an increase in corporate expenses of \$11.5 million in 2026 versus the same period in 2025 due to costs associated with the Lugano investigation, litigation, governmental-investigation, governance and internal-control remediation.

At the corporate level, general and administrative expense was \$29.3 million in the six months ended June 30, 2026 and \$17.8 million in the six months ended June 30, 2025. The increase was primarily attributable to costs associated with Lugano and the ongoing lawsuits and corporate governance changes that we are making. Because the Lugano investigation commenced in April 2025, the prior-year expense included lower related costs. We continue to incur significant investigation-related and other associated costs, which may pressure corporate expenses in subsequent periods.

Management fees

	Six months ended			
	June 30, 2026	June 30, 2025	Increase (Decrease)	
Management fees	\$ 29,751	\$ 37,898	\$ (8,147)	(21.5)%

For the six months ended June 30, 2026, we incurred \$29.8 million in management fees as compared to \$37.9 million in fees in the six months ended June 30, 2025. The decrease in the management fee in 2026 is primarily due to the deconsolidation of Lugano in November 2025 and the sale of Sterno in May 2026, which reduced the net assets used in the calculation of the management fee. The Management fee incurred in the six months ended June 30, 2025 reflects the amount incurred prior to the restatement of the Company's financial statements as the Company is not permitted under the MSA to adjust the amount owed to the Manager until the time when the restated financial information was available, which occurred upon the filing of the Company's 10-K/A on December 8, 2025. Therefore the expense recorded in the six months ended June 30, 2025 reflects the amount that would have been due to the Manager at the time calculated, prior to the restatement of the Company's financial statements. While the MSA did not contain an express mechanism that permitted the Company to immediately clawback the overpayment of management fees, the MSA provided that future payments under the MSA would be reduced, on a dollar-for-dollar basis, by the aggregate amount of all overpaid management fees. The Company will reduce future management fee payments until the overpayment has been fully recouped. The total cash paid for Management fees in the six months ended June 30, 2026 was \$15.4 million as compared to total cash paid for Management fees for the six months ended June 30, 2025 of \$37.7 million.

Refer to "[Note N - Related Party Transactions](#)" in the "Notes to the Condensed Consolidated Financial Statements" for a description of the effect of the restatement on the Management Fees.

Amortization expense

	Six months ended			
	June 30, 2026	June 30, 2025	Increase (Decrease)	
Amortization expense	\$ 45,530	\$ 46,468	\$ (938)	(2.0)%

Amortization expense for the six months ended June 30, 2026 decreased \$0.9 million as compared to the six months ended June 30, 2025 due to the effect of the sale of Sterno on May 1, 2026.

Impairment expense

	Six months ended			
	June 30, 2026	June 30, 2025	Increase (Decrease)	
Impairment expense	\$ 20,500	\$ 31,515	\$ (11,015)	(35.0)%

In connection with the Company's annual goodwill impairment test in 2026, the Company recorded a goodwill impairment charge at the PrimaLoft reporting unit of \$20.5 million. Refer to "Note E - Goodwill and Other Intangible Assets" in the "Notes to the Condensed Consolidated Financial Statements" for additional information. In the prior year period, the Company recorded \$31.5 million in impairment expense related to long-lived assets at Lugano.

Other operating (income) expense

	Six months ended			
	June 30, 2026	June 30, 2025	Increase (Decrease)	
Other (income) expense	(10,234)	—	\$ (10,234)	— %

Other operating income represents the gain on the sale leaseback completed at Altor in the six months ended June 30, 2026.

Interest expense, net

	Six months ended			
	June 30, 2026	June 30, 2025	(Increase) Decrease	
Interest expense	(51,390)	(69,947)	\$ 18,557	(26.5)%

We recorded interest expense totaling \$51.4 million for the six months ended June 30, 2026 compared to \$69.9 million for the comparable period in 2025, a decrease of \$18.6 million. Interest expense in the six months ended June 30, 2025 includes \$15.8 million related to financing arrangements at Lugano, which was deconsolidated in November 2025. Excluding the impact of the Lugano financing arrangement in the prior-year period, interest expense decreased \$2.8 million, primarily due to pay down of the Company's 2022 Credit Facility during 2026, offset by higher interest expense on the Company's Senior Notes resulting from the increased principal amount of the Senior Notes following the paid-in-kind payments made in 2025 in connection with the indenture forbearance agreement described in the 2025 Form 10-K.

Loss on debt modification

During the second quarter of 2025, the Company entered into a forbearance agreement which reduced the aggregate borrowing amount available for revolving commitments to \$100 million from \$600 million. As a result of the reduction in available revolving commitments, the Company recognized \$2.8 million in loss on debt modification in the second quarter of 2025.

Decrease in fair value of receivable due from unconsolidated affiliate

The receivable due from an unconsolidated affiliate represents the Company's estimate of the fair value of its secured claim related to intercompany loans to Lugano, which is currently subject to bankruptcy proceedings. On June 24, 2026, the Company entered into a settlement agreement and a plan support agreement relating to the proposed resolution of claims alleged against the Company and its related parties by or on behalf of Lugano or its bankruptcy estate. The terms of those agreements changed the estimated amount and timing of the Company's expected recoveries on its secured claim, resulting in a \$58 million decrease in the fair value of the receivable at June 30, 2026.

Gain on sale of product division

On May 1, 2026, the Company sold the Sterno food service product division. The Company received approximately \$282 million of total proceeds at closing, representing amounts received with respect to the Company's outstanding

loans to Sterno, including accrued interest, and its equity interests in Sterno. The Company recorded a gain on the sale of Sterno in the quarter ending June 30, 2026 of \$182.3 million.

Other income (expense)

	Six months ended		
	June 30, 2026	June 30, 2025	(Increase) Decrease
Other income (expense)	(2,799)	(11,968)	\$ 9,169 (76.6)%

For the six months ended June 30, 2026, other expense, net was \$2.8 million, compared to \$12.0 million in other expense in the six months ended June 30, 2025. Other income (expense) generally reflects foreign currency movements at our subsidiary businesses with international operations, gains or (losses) realized on the sale of property, plant and equipment, and expenses incurred a finance charge at the corporate entity related to Lugano. The other expense in the three months ended June 30, 2025 primarily represents expense recognized at Lugano related to losses resulting from the accounting for the transactions associated with the off-balance sheet arrangements (\$11.7 million in expense in the six months ended June 30, 2025). The \$10.2 million Altor sale-leaseback gain is presented separately in other operating (income) expense and is not included in this caption.

Income taxes

	Six months ended		
	June 30, 2026	June 30, 2025	Increase (Decrease)
Provision for income taxes	\$ 52,443	\$ 19,896	\$ 32,547 163.6 %
Effective tax rate	50.7 %	(18.0)%	

We had an income tax provision of \$52.4 million during the six months ended June 30, 2026 compared to an income tax provision of \$19.9 million during the same period in 2025, an increase of \$32.5 million due to the reduction in the loss from continuing operation before income taxes and driven by the tax effect at the Trust of the sale of the Sterno product division. Our effective tax rate in the six months ended June 30, 2026 was 50.7%, compared to an effective income tax rate of 18.0% during the same period in 2025. Our tax rate is affected by recurring items, such as tax rates in foreign jurisdictions and the relative amounts of income we earn in those jurisdictions. It is also affected by discrete items that may occur in any given year but are not consistent from year to year. In the current year, the effective tax rate was impacted by the sale of the Sterno product division, the goodwill impairment at PrimaLoft, the effect of state taxes and changes in valuation allowances. In connection with the sale of Sterno, we recorded a liability for unrecognized tax benefits of \$21.3 million in the six months ended June 30, 2026, and approximately \$5.5 million in interest associated with certain previously recognized uncertain tax positions that had not been accrued in prior reporting periods, substantially all of which relates to prior years.

Results of Operations - Operating Segments - Year-to-Date

Six months ended June 30, 2026 compared to six months ended June 30, 2025

Branded Consumer Businesses

5.11

	Six months ended		
	June 30, 2026	June 30, 2025	Increase (Decrease)
Net sales	\$ 250,470	\$ 260,812	\$ (10,342) (4.0)%

Net sales for the six months ended June 30, 2026 were \$250.5 million as compared to net sales of \$260.8 million for the six months ended June 30, 2025, a decrease of \$10.3 million, or 4.0%. The decline was primarily attributable to a decrease in direct-to-consumer sales of approximately \$7.9 million, reflecting an intentional reduction in promotional activity compared to the prior year period, and a decrease in domestic wholesale sales of approximately \$3.4 million, due to customer inventory reductions. These decreases were partially offset by increases in international sales of approximately \$0.6 million, driven by growth in Australia and Canada.

	Six months ended			
	June 30, 2026	June 30, 2025	Increase (Decrease)	
Segment operating income	\$ 19,960	\$ 18,327	\$ 1,633	8.9 %
Segment operating margin	8.0 %	7.0 %	0.9%	

Segment operating income for the six months ended June 30, 2026 was \$20.0 million, an increase of \$1.6 million when compared to segment operating income of \$18.3 million for the same period in 2025. The increase was primarily attributable to improved gross margin and disciplined operating expense management, which more than offset the impact of lower net sales. Gross margin performance benefited from a higher mix of full-price sales, and included refunds of duties in the second quarter previously paid under IEEPA tariffs, which were recognized as a credit to cost of goods sold upon receipt of cash, consistent with the accounting for gain contingencies. Selling, general and administrative expenses decreased modestly compared to the prior year period, driven by lower payroll expense, partially offset by higher performance-based bonus accruals and increased investment in brand marketing. Segment operating margin was 8.0% in the six months ended June 30, 2026 and 7.0% in the six months ended June 30, 2025.

BOA

	Six months ended			
	June 30, 2026	June 30, 2025	Increase (Decrease)	
Net sales	\$ 111,176	\$ 97,246	\$ 13,930	14.3 %

Net sales for the six months ended June 30, 2026 were \$111.2 million as compared to net sales of \$97.2 million for the six months ended June 30, 2025, an increase of \$13.9 million, or 14.3%. BOA adult premium performance sales increased across key industries including Athletic, Workwear, Cycling, Snowsports, Outdoor, Helmets, and Performance Bracing, partially offset by reduced kids-based business in China. This continued momentum was primarily a result of market share gains in many of BOA's key industries.

	Six months ended			
	June 30, 2026	June 30, 2025	Increase (Decrease)	
Segment operating income	\$ 36,181	\$ 27,701	\$ 8,480	30.6 %
Segment operating margin	32.5 %	28.5 %	4.1%	

Segment operating income for the six months ended June 30, 2026 was \$36.2 million, as compared to segment operating income of \$27.7 million for the same period in 2025, an increase of \$8.5 million or 30.6%. The increase in operating income was driven by higher net sales and improved gross profit margins, partially offset by an increase in selling, general, and administrative expense related to BOA's bonus plan. Segment operating margin was 32.5% in the six months ended June 30, 2026 and 28.5% in the six months ended June 30, 2025.

PrimaLoft

	Six months ended			
	June 30, 2026	June 30, 2025	Increase (Decrease)	
Net sales	\$ 51,666	\$ 48,500	\$ 3,166	6.5 %

Net sales for the six months ended June 30, 2026 were \$51.7 million, an increase of \$3.2 million as compared to net sales of \$48.5 million for the six months ended June 30, 2025. The increase in net sales in the current period versus the six months ended June 30, 2025 is primarily attributable to higher sales to Asia-based brand partners, reflecting continued strong demand for outdoor products in the region, as well as the Company's ongoing success in establishing new brand partnerships that have expanded its customer base.

	Six months ended			
	June 30, 2026	June 30, 2025	Increase (Decrease)	
Segment operating income (loss)	\$ (9,867)	\$ 9,048	\$ (18,915)	(209.1)%
Segment operating margin	(19.1)%	18.7 %	(37.8)%	

Segment operating loss for the six months ended June 30, 2026 was \$9.9 million, a decrease of \$18.9 million when compared to segment operating income of \$9.0 million for the same period in 2025. PrimaLoft recorded a goodwill impairment charge of \$20.5 million in the first quarter of 2026, which was the primary driver of the decrease. The decrease was partially offset by higher sales volume during the period. Segment operating margin was (19.1)% in the six months ended June 30, 2026 as compared to 18.7% in the six months ended June 30, 2025.

The Honey Pot Co.

	Six months ended			
	June 30, 2026	June 30, 2025	Increase (Decrease)	
Net sales	\$ 83,546	\$ 68,989	\$ 14,557	21.1 %

Net sales for the six months ended June 30, 2026 were \$83.5 million, an increase of \$14.6 million or 21.1% from net sales of \$69.0 million for the six months ended June 30, 2025. The increase in net sales is primarily due to strong volume growth across retail channels, the benefits of price pack architecture optimization implemented in late 2025, and modestly lower trade investment versus the prior year.

	Six months ended			
	June 30, 2026	June 30, 2025	Increase (Decrease)	
Segment operating income	\$ 15,923	\$ 8,541	\$ 7,382	86.4 %
Segment operating margin	19.1 %	12.4 %	6.7%	

Segment operating income for the six months ended June 30, 2026 was \$15.9 million, an increase of \$7.4 million when compared to segment operating income of \$8.5 million for the same period in 2025. The increase was primarily driven by higher net sales and improved operating leverage, partially offset by increased investments in marketing and human capital. Selling, general and administrative expense as a percentage of net sales was 31.3% in the first half of 2026 and 31.0% in the first half of 2025. Segment operating margin in the six months ended June 30, 2026 was 19.1% as compared to 12.4% in the six months ended June 30, 2025.

Velocity Outdoor

	Six months ended			
	June 30, 2026	June 30, 2025	Increase (Decrease)	
Net sales	\$ 30,935	\$ 28,414	\$ 2,521	8.9 %

Net sales for the six months ended June 30, 2026 were \$30.9 million, an increase of \$2.5 million or 8.9%, compared to net sales of \$28.4 million in the same period in 2025. The increase in net sales for the six months ended June 30, 2026 was primarily driven by increased archery and apparel sales through national retail chains and direct to consumer channels.

	Six months ended			
	June 30, 2026	June 30, 2025	Increase (Decrease)	
Segment operating loss	\$ (2,000)	\$ (3,736)	\$ 1,736	(46.5)%
Segment operating margin	(6.5)%	(13.1)%	6.7%	

Segment operating loss for the six months ended June 30, 2026 was \$2.0 million compared to segment operating loss of \$3.7 million for the same period in 2025. Segment operating margin was (6.5)% in the six months ended

June 30, 2026 as compared to (13.1)% in the six months ended June 30, 2025. The improvement was primarily driven by higher net sales and increased gross margins attributable to product mix along with favorable operating expenses, with gross margins of 31.0% in the six months ended June 30, 2026 as compared to 29.3% in the six months ended June 30, 2025.

Industrial Businesses

Altor Solutions

	Six months ended			
	June 30, 2026	June 30, 2025	Increase (Decrease)	
Net sales	\$ 130,304	\$ 159,562	\$ (29,258)	(18.3)%

Net sales for the six months ended June 30, 2026 were \$130.3 million, a decrease of \$29.3 million, or (18.3)%, compared to net sales of \$159.6 million in the six months ended June 30, 2025. The decrease in net sales during the period was primarily attributable to reduced consumer demand in the industrial white goods market, the introduction of alternative shipping materials in the GLP-1 market, and a life science customer's transition from a direct supply model to third-party distribution. Net sales in the perishables market increased in the current year, reflecting a recovery from the prior-year decline in the market.

	Six months ended			
	June 30, 2026	June 30, 2025	Increase (Decrease)	
Segment operating income	\$ 12,595	\$ 12,252	\$ 343	2.8 %
Segment operating margin	9.7 %	7.7 %	2.0%	

Segment operating income was \$12.6 million in the six months ended June 30, 2026, a decrease of \$0.3 million as compared to the six months ended June 30, 2025. Segment operating income in the current year includes income of \$10.2 million from a sale leaseback transaction that occurred in the first quarter of 2026. Excluding the income from the sale leaseback transaction, Altor would have had a decrease in segment operating income driven by reduced sales volumes the deleveraging effect of fixed costs and increases in raw material costs as a result of increasing oil prices, which negatively impacted gross margins in the current period. Gross margin was 19.3% in the six months ended June 30, 2026 and 26.2% in the six months ended June 30, 2025. Segment operating margin was 9.7% in the first six months of 2026 as compared to 7.7% in the first six months of 2025.

Arnold

	Six months ended			
	June 30, 2026	June 30, 2025	Increase (Decrease)	
Net sales	\$ 83,404	\$ 72,440	\$ 10,964	15.1 %

Net sales for the six months ended June 30, 2026 were approximately \$83.4 million, an increase of \$11.0 million compared to net sales of \$72.4 million in the same period in 2025. The increase in net sales was primarily attributable to growing demand for non-China sourced permanent magnets. The uncertain geopolitical climate and heightened licensing requirements to export certain rare earth and strategic minerals out of China are causing significant supply chain disruptions. As a result, Arnold is seeing increased demand from customers seeking more predictable and sustainable, non-China sourced magnet materials. Arnold also benefitted during the six-month period from a softer year-over-year comparison, as the first half of 2025 had lower demand and delays in production startup at new facilities.

	Six months ended			
	June 30, 2026	June 30, 2025	Increase (Decrease)	
Segment operating income	\$ 5,913	\$ (732)	\$ 6,645	NM
Segment operating margin	7.1 %	(1.0)%	8.1%	

Segment operating income for the six months ended June 30, 2026 was approximately \$5.9 million, an increase of \$6.6 million when compared to the same period in 2025. The improvement in segment operating results was driven primarily by strong sales growth and resulting operating leverage, combined with non-recurring costs incurred in the first half of 2025. Segment operating margin was 7.1% in the first six months of 2026 as compared to (1.0)% in the first six months of 2025.

Rimports (including Sterno's food service business through May 1, 2026)

	Six months ended			
	June 30, 2026	June 30, 2025	Increase (Decrease)	
Net sales	\$ 109,396	\$ 142,886	\$ (33,490)	(23.4)%

Net sales for the six months ended June 30, 2026 were approximately \$109.4 million, a decrease of \$(33.5) million, or 23.4%, compared to net sales of \$142.9 million in the same period in 2025. The decrease was primarily attributable to the sale of Sterno Products' food service business in May 2026. Sterno had net sales of \$45.1 million for the six months ended June 30, 2026 (through the date of disposition of May 1, 2026) and net sales of \$71.5 million for the six months ended June 30, 2025. The Rimports variance was primarily driven by a reduction in key distribution within the private label business.

	Six months ended			
	June 30, 2026	June 30, 2025	Increase (Decrease)	
Segment operating income	\$ 14,618	\$ 17,469	\$ (2,851)	(16.3)%
Segment operating margin	13.4 %	12.2 %	1.2 %	

Segment operating income for the six months ended June 30, 2026 was approximately \$14.6 million, a decrease of \$2.9 million compared to the six months ended June 30, 2025. The decrease was primarily attributable to the sale of Sterno Products' food service business in May 2026. Segment operating margin was 13.4% in the first six months of 2026 as compared to 12.2% in the first six months of 2025. Sterno had segment operating income of \$8.5 million for the six months ended June 30, 2026 (through the date of disposition of May 1, 2026) and segment operating income of \$11.9 million for the six months ended June 30, 2025. The Rimports variance was primarily driven by IEEPA tariff refunds received within the period partially offset by the decline in revenue.

Liquidity and Capital Resources

We generate cash primarily from the operations of our subsidiaries, and we have the ability to borrow under our 2022 Credit Facility to fund our operating, investing and financing activities. Our principal uses of cash are operating expenses, management fees, capital expenditures, working capital needs, debt service, distributions on the preferred shares of the Trust and strategic growth initiatives, including acquisitions. In connection with the Lugano Investigation and the restatement of our previously issued financial statements, we incurred significant accounting, financing, legal and other professional costs, including costs related to litigation, governmental investigations, financing arrangements and internal control remediation. We also expect to continue to incur costs associated with ongoing securities litigation, derivative litigation, governmental investigations and efforts to remediate and strengthen internal controls.

Beginning in 2027, the Ninth MSA will reduce the base management fee rates, cap the 2027 base management fee at \$30.0 million, establish the 2027 Aggregate Fee Cap and replace the existing incentive management fee with the Share Alignment Award and Performance-Based Award. The revised fee and award structure is expected to reduce total management fees for 2027 relative to the amounts that otherwise would have been payable under the Eighth MSA, although actual amounts will depend on the Company's Adjusted Net Assets, the level of payout under the Performance-Based Award and other applicable factors.

As of June 30, 2026, we had \$1,029.4 million of indebtedness associated with our 5.250% Senior Notes due 2029, \$308.8 million of indebtedness associated with our 5.000% Senior Notes due 2032, \$252.3 million outstanding under the term loans under our 2022 Credit Facility, and no revolving borrowings outstanding under the 2022 Credit Facility. At June 30, 2026, net availability under the 2022 Credit Facility was \$97.2 million after giving effect to approximately \$0.8 million of outstanding letters of credit. Long-term debt liquidity requirements consist of payment

in full of the Senior Notes upon their respective maturity dates, principal and interest payments under the term loans under the 2022 Credit Facility, and repayment of any revolving borrowings under the 2022 Credit Facility upon maturity. Amounts outstanding under the 2022 Credit Facility mature on July 12, 2027. In addition, on December 19, 2025, the LLC entered into a Fifth Amendment to the 2022 Credit Facility (the "Fifth Amendment") and a related transaction letter (the "Transaction Letter") and, pursuant to the Transaction Letter, if (i) the Consolidated Total Leverage Ratio is not less than 4.50:1.00 and (ii) the Consolidated Senior Secured Leverage Ratio is not less than 1:00 to 1:00, as of the last day of the fiscal quarters ending June 30, 2026, September 30, 2026, December 31, 2026 and March 31, 2027, respectively, the Company is required to pay to the Administrative Agent, for the ratable benefit of the Lenders, the milestone fees in the amount of \$5,000,000, \$6,500,000, \$8,000,000 and \$9,500,000, respectively, subject to certain conditions. No amount is due at June 30, 2026 related to the Transaction Letter as the Consolidated Total Leverage Ratio and the Consolidated Senior Secured Leverage Ratio were less than the required ratios. At June 30, 2026, approximately 16% of our outstanding debt was subject to interest rate changes.

At June 30, 2026, we had approximately \$87.4 million of cash and cash equivalents on hand, an increase of \$19.4 million as compared to the year ended December 31, 2025. The majority of our cash is held in non-interest bearing checking accounts or invested in short-term money market accounts in accordance with the Company's investment policy, which identifies allowable investments and specifies credit quality standards.

Below is a summary of the change in cash and cash equivalents for the six months ended June 30, 2026 and 2025 is as follows :

	Six months ended	
	June 30, 2026	June 30, 2025
<i>(in thousands)</i>		
Net cash provided by (used in):		
Operating activities	\$ 53,617	\$ (64,508)
Investing activities	289,127	(22,187)
Financing activities	(322,464)	98,378
Effect of exchange rates on cash and cash equivalents	(852)	2,415
Net increase (decrease) in cash and cash equivalents	19,428	14,098
Cash and cash equivalents — beginning of period	68,015	59,659
Cash and cash equivalents — end of period	\$ 87,443	\$ 73,757

Operating Activities:

For the six months ended June 30, 2026, net cash provided by operating activities totaled approximately \$53.6 million, which represents a \$118.1 million decrease in cash use compared to cash used in operating activities of \$64.5 million during the six-month period ended June 30, 2025. This change reflects improvements in operating results and other operating cash flow drivers, including working capital activity. Cash provided by working capital for the six months ended June 30, 2026 was \$40.9 million, as compared to cash used for working capital of \$50.8 million for the six months ended June 30, 2025. We typically use more cash for working capital in the first half of the year as we build inventories following the fourth quarter of the prior year. The prior year period included accelerated certain inventory receipts ahead of anticipated tariff implementations, which increased inventory levels and contributed to higher working capital cash outflows, and Lugano operating activity (cash from operating activities of \$13.1 million), while the current-year period was affected by the May 2026 sale of the Sterno food service product division.

Investing Activities:

Cash flows provided by investing activities for the six months ended June 30, 2026 totaled \$289.1 million, compared to cash used in investing activities of \$22.2 million in the same period of 2025. In the current year, cash provided by investing activities reflects cash proceeds from a sale leaseback transaction that occurred in the first quarter at our Altor business and the proceeds from the sale of the Sterno product division in the second quarter. The remainder of investing activities in the current year and investing activities in the prior year is primarily capital expenditures. Capital expenditures decreased \$12.6 million during the six months ended June 30, 2026 as compared to the six months ended June 30, 2025, with \$11.3 million in capital expenditures in 2026 and \$24.0 million in capital expenditures in 2025. Capital expenditures in the prior year included expenditures at Lugano, which is no longer an

operating segment of the Company after filing for bankruptcy in November 2025, and higher than usual capital expenditures at Arnold as they relocated two of their product divisions to a new facility in the United States. We expect capital expenditures for the full year of 2026 to be approximately \$30 million to \$40 million.

Financing Activities:

Cash used by financing activities was \$322.5 million during the six months ended June 30, 2026 compared to cash flows provided by financing activities of \$98.4 million during the six months ended June 30, 2025. Financing activities in the current year included \$300.3 million of term-loan repayments, including the use of proceeds from a sale leaseback transaction in the first quarter of 2026 and the proceeds from the sale of the Sterno product division in the second quarter, payment of the Trust preferred share distribution of \$19.4 million and transactions with noncontrolling shareholders at the Company's subsidiaries. Prior year financing activities included \$200 million in term-loan borrowings, a portion of which was used to repay amounts outstanding under our revolving credit facility. Financing activities in the first six months of 2025 also reflects \$58.9 million in proceeds from the issuance of Trust preferred shares, the payment of the Company's preferred share distribution of \$18.1 million and the payment of the Company's common share distribution of \$37.6 million. The Company suspended common share distributions in May 2025, therefore no common distribution was made subsequent to May 2025.

Our Lugano business entered into various financing arrangements with third parties that were accounted for as debt in the consolidated financial statements. In the six months ended June 30, 2025, the net cash flows provided by these financing arrangements totaled \$18.7 million.

Intercompany Debt

A component of our acquisition financing strategy that we utilize in acquiring the subsidiary businesses we own and manage is to provide both equity capital and debt capital, raised at the parent level through our existing credit facility. Our strategy of providing intercompany debt financing within the capital structure of our subsidiaries allows us the ability to distribute cash to the parent company through monthly interest payments and amortization of the principal on these intercompany loans. Each loan to our subsidiary businesses has a scheduled maturity and each subsidiary business is entitled to repay all or a portion of the principal amount of the outstanding loans, without penalty, prior to maturity. Certain of our subsidiaries have paid down their respective intercompany debt balances through the cash flow generated by these subsidiaries and we have recapitalized, and expect to continue to recapitalize, these subsidiaries in the normal course of our business. The recapitalization process involves funding the intercompany debt using either cash on hand at the parent or our applicable credit facility, and serves the purpose of optimizing the capital structure at our subsidiaries and providing the noncontrolling shareholders with a distribution on their ownership interest in a cash flow positive business.

We will from time to time, amend the intercompany credit agreements to reflect changes in the business or funding needs of our businesses. The following amendments have been made in the time period indicated:

In the second quarter of 2026, we amended the Altor intercompany credit agreement to amend the applicable fixed charge coverage ratio covenant as Altor was not expected to be in compliance with the ratio through the remainder of 2026 based on their forecast for the remainder of 2026.

In the first quarter of 2025, we amended the Velocity intercompany credit agreement to amend the applicable fixed charge coverage ratio covenant and the applicable Total Debt to EBITDA ratio covenant. Velocity was not in compliance with the fixed charge coverage ratio or leverage ratio in their intercompany credit agreement at September 30, 2025, December 31, 2025, March 31, 2026 and June 30, 2026 and was granted a waiver for the covenant violations in each period.

At September 30, 2025, Arnold was not in compliance with the fixed charge coverage ratio and leverage ratio covenants contained within its intercompany credit agreement. In the fourth quarter of 2025, we amended the Arnold credit agreement to increase the amount of availability under the revolving credit facility and to waive the covenant violations that existed as of September 30, 2025. Arnold was not in compliance with the fixed charge coverage ratio and leverage ratio covenants contained within its intercompany credit agreement at December 31, 2025, and was not in compliance with the fixed charge coverage ratio at March 31, 2026 and was granted a waiver for the covenant violations in each period.

All of our subsidiaries were in compliance with the financial covenants under their intercompany credit arrangements at June 30, 2026 except Velocity and Altor, each of which received waivers for the applicable covenant violations.

All intercompany loans eliminate in consolidation and are not reflected in the consolidated balance sheet. As of June 30, 2026, we had the following outstanding loans due from each of our subsidiary businesses (*in thousands*):

Subsidiary	Intercompany loan
5.11	\$ 93,633
BOA	93,211
PrimaLoft	141,676
The Honey Pot Co.	63,000
Velocity Outdoor	67,100
Altor	155,085
Arnold	90,379
Sterno	—
Total intercompany debt	\$ 704,084
Corporate and eliminations	(704,084)
Total	\$ —

Our primary source of cash is from the receipt of interest and principal on the outstanding loans to our subsidiaries. Accordingly, we are dependent upon the earnings of and cash flow from these businesses, which are available for (i) operating expenses; (ii) payment of principal and interest under our applicable credit facility and interest on our Senior Notes; (iii) payments to CGM due pursuant to the MSA and payments to Sostratus LLC pursuant to the LLC Agreement; (iv) cash distributions to our shareholders; and (v) investments in future acquisitions. Payments made under (iii) above are required to be paid before distributions to shareholders and may be significant and exceed the funds held by us, which may require us to dispose of assets or incur debt to fund such expenditures.

Financing Arrangements

Debt and Capital Structure

Our capital structure includes (i) the 2022 Credit Facility and (ii) the Senior Notes. See “[Note G — Debt](#)” included in the “Notes to the Consolidated Financial Statements” in this Form 10-Q for additional detail regarding our debt instruments, including outstanding balances, borrowing terms, covenant requirements, and availability under the 2022 Credit Facility.

Net availability under the 2022 Revolving Credit Facility after giving effect to the Fifth Amendment was approximately \$97.2 million at June 30, 2026. The outstanding borrowings under the 2022 Revolving Credit Facility include \$0.8 million of outstanding letters of credit at June 30, 2026, which are not reflected on our balance sheet.

Interest Expense

The components of interest expense and periodic interest charges on outstanding debt are as follows (*in thousands*):

	Six months ended June 30,	
	2026	2025
Interest on credit facilities	\$ 16,665	\$ 19,511
Interest on Senior Notes	34,762	33,750
Unused fee on Revolving Credit Facility	246	1,112
Other interest expense ⁽¹⁾	366	16,075
Interest income	(649)	(501)
Interest expense, net	\$ 51,390	\$ 69,947

⁽¹⁾ Other interest expense in the six months ended June 30, 2025 includes interest amounts related to Lugano financing arrangements.

The following table provides the effective interest rate of the Company's outstanding debt at June 30, 2026 and December 31, 2025 (*in thousands*):

	June 30, 2026		December 31, 2025	
	Effective Interest Rate	Amount	Effective Interest Rate	Amount
2029 Senior Notes	5.25%	1,029,371	8.15%	1,029,371
2032 Senior Notes	5.00%	308,811	7.93%	308,811
2022 Credit Facility - Term Loan	7.13%	252,250	10.14%	552,500
2022 Credit Facility - Revolving Loans	8.52%	2,000	—%	—
Unamortized debt issuance costs		(10,502)		(13,365)
Total debt outstanding		<u>\$ 1,581,930</u>		<u>\$ 1,877,317</u>

Reconciliation of Non-GAAP Financial Measures

GAAP or U.S. GAAP refer to generally accepted accounting principles in the United States. From time to time we may publicly disclose certain "non-GAAP" financial measures in the course of our investor presentations, earnings releases, earnings conference calls or other venues. A non-GAAP financial measure is a numerical measure of historical or future performance, financial position or cash flow that excludes amounts, or is subject to adjustments that effectively exclude amounts, included in the most directly comparable measure calculated and presented in accordance with GAAP in our financial statements, and vice versa for measures that include amounts, or are subject to adjustments that effectively include amounts, that are excluded from the most directly comparable measure as calculated and presented.

We have included information to reconcile non-GAAP financial measures for the periods presented to the most directly comparable GAAP financial measure. We use non-GAAP information for financial and operational decision-making purposes and as a means to evaluate the underlying performance of our business and/or in forecasting our business. We believe that the presentation of such non-GAAP information, when considered in conjunction with the most directly comparable GAAP information, provides additional useful information for investors in their assessment of the underlying performance of our business. The presentation of these non-GAAP financial measures supplements other metrics we use to internally evaluate our subsidiary businesses and facilitate the comparison of past and present operations. These measures are not intended to replace the presentation of financial results in accordance with U.S. GAAP, and may be different from or otherwise inconsistent with non-GAAP financial measures used by other companies.

The tables below reconcile the most directly comparable GAAP financial measures to Adjusted earnings before Interest, Income Taxes, Depreciation and Amortization ("Adjusted EBITDA") and Adjusted Earnings.

Adjusted EBITDA — EBITDA is calculated as net income (loss) from continuing operations before interest expense, income tax expense (benefit), depreciation expense and amortization expense. Amortization expenses consist of amortization of intangibles, amortization of inventory step-up associated with purchase price allocations of our acquisitions, and debt charges, including debt issuance costs. Adjusted EBITDA is calculated utilizing the same calculation as described in arriving at EBITDA further adjusted by: (i) non-controlling stockholder compensation, which generally consists of non-cash stock option expense; (ii) successful acquisition costs, which consist of transaction costs (legal, accounting, due diligence, etc.) incurred in connection with the successful acquisition of a business expensed during the period in compliance with ASC 805, *Business Combinations*; (iii) impairment charges, which reflect write downs to goodwill or other intangible assets; (iv) changes in the fair value of contingent consideration subsequent to initial purchase accounting, (v) integration service fees, which reflect fees paid by newly acquired companies to the Manager for integration services performed during the first year of ownership; and (vi) items of other income or expense that are material to a subsidiary and non-recurring in nature.

Adjusted Earnings — Adjusted Earnings is calculated as net income (loss) adjusted to include the cost of the distributions to preferred shareholders, and adjusted to exclude the impact of certain costs, expenses, gains and losses and other specified items the exclusion of which management believes provides insight regarding our ongoing operating performance. Depending on the period presented, these adjusted measures exclude the impact of certain of the following items: gains (losses) and income (loss) from discontinued operations, income (loss) from noncontrolling interest, amortization expense, subsidiary stock compensation expense, acquisition-related expenses and items of other income or expense that may be material to a subsidiary and non-recurring in nature.

Adjusted EBITDA and Adjusted Earnings are non-GAAP measures used by the Company to assess its performance. We believe that Adjusted EBITDA and Adjusted Earnings provide useful information to investors and reflect important financial measures that are used by management in the monthly analysis of our operating results and in preparation of our annual budgets. We believe that investors' understanding of our performance is enhanced by disclosing these performance measures as this presentation allows investors to view the performance of our businesses in a manner similar to the methods used by us and the management of our subsidiary businesses, provides additional insight into our operating results and provides a measure for evaluating targeted businesses for acquisition.

Adjusted EBITDA and Adjusted Earnings exclude the effects of items which reflect the impact of long-term investment decisions, rather than the performance of near-term operations. When compared to net income (loss) and net income (loss) from continuing operations, Adjusted Earnings and Adjusted EBITDA, respectively, are each limited in that they do not reflect the periodic costs of certain capital assets used in generating revenues of our subsidiary businesses or the non-cash charges associated with impairments, as well as certain cash charges. The presentation of Adjusted Earnings provides insight into our operating results. Adjusted EBITDA and Adjusted Earnings are not meant to be a substitute for GAAP, and may be different from or otherwise inconsistent with non-GAAP financial measures used by other companies.

Reconciliation of Net income (loss) from continuing operations to Adjusted EBITDA

The following tables reconcile net income (loss) from continuing operations, which we consider to be the most comparable GAAP financial measure, to *Adjusted EBITDA (in thousands)*:

Adjusted EBITDA
Six months ended June 30, 2026

	Corporate	5.11	BOA	PrimaLoft	THP	Velocity Outdoor	Altor	Arnold	Rimports ⁽¹⁾	Consolidated
Net income (loss) from continuing operations	\$ 14,235	\$ 12,476	26,472	\$ (19,279)	\$ 9,306	\$ (4,952)	\$ 2,458	\$ 553	\$ 9,774	\$ 51,043
Adjusted for:										
Provision (benefit) for income taxes	35,910	1,793	3,871	1,980	2,907	125	1,704	708	3,445	52,443
Interest expense, net	51,199	(2)	—	(16)	11	16	—	288	(106)	51,390
Intercompany interest	(38,345)	5,517	5,322	7,285	3,653	3,115	7,767	4,254	1,432	—
Depreciation and amortization	2,643	11,444	10,545	10,644	8,307	2,779	13,161	5,448	6,923	71,894
EBITDA	<u>65,642</u>	<u>31,228</u>	<u>46,210</u>	<u>614</u>	<u>24,184</u>	<u>1,083</u>	<u>25,090</u>	<u>11,251</u>	<u>21,468</u>	<u>226,770</u>
Other (income) expense ⁽²⁾	(121,538)	28	124	11	(66)	(314)	404	2	(194)	(121,543)
Noncontrolling shareholder compensation	—	1,297	1,952	1,182	683	8	350	52	315	5,839
Impairment expense	—	—	—	20,500	—	—	—	—	—	20,500
Other ⁽³⁾	—	—	—	—	—	—	(9,698)	—	225	(9,473)
Adjusted EBITDA	<u>\$ (55,896)</u>	<u>\$ 32,553</u>	<u>\$ 48,286</u>	<u>\$ 22,307</u>	<u>\$ 24,801</u>	<u>\$ 777</u>	<u>\$ 16,146</u>	<u>\$ 11,305</u>	<u>\$ 21,814</u>	<u>\$ 122,093</u>

⁽¹⁾ Rimports includes the Adjusted EBITDA of the Sterno food service product division from January 1, 2026 through the date of sale, May 1, 2026.

⁽²⁾ The amount of Other (income) expense at corporate includes the change in the fair value of the receivable due from unconsolidated affiliate (\$58.0 million) and the gain on the sale of the Sterno food service product division (\$182.3 million).

⁽³⁾ Other in the six months ended June 30, 2026 includes the add-back of a gain on sale leaseback at Altor.

Adjusted EBITDA
Six months ended June 30, 2025

	Corporate	5.11	BOA	Lugano	PrimaLoft	THP	Velocity Outdoor	Altor	Arnold	Sterno	Consolidated
Net income (loss) from continuing operations	\$ (28,023)	\$ 8,764	\$ 17,257	\$ (120,442)	\$ (176)	\$ 2,589	\$ (6,731)	\$ 1,206	\$ (14,941)	\$ 9,966	\$ (130,531)
Adjusted for:											
Provision (benefit) for income taxes	—	2,462	2,223	(255)	928	770	113	642	9,815	3,198	19,896
Interest expense, net	53,926	(2)	(2)	15,762	(13)	(7)	(13)	—	296	—	69,947
Intercompany interest	(80,936)	7,091	7,720	31,805	8,143	5,024	3,096	9,553	4,034	4,470	—
Loss on debt modification	2,827	—	—	—	—	—	—	—	—	—	2,827
Depreciation and amortization	(32)	11,303	10,496	3,068	10,654	8,319	2,737	13,115	5,281	6,986	71,927
EBITDA	(52,238)	29,618	37,694	(70,062)	19,536	16,695	(798)	24,516	4,485	24,620	34,066
Other (income) expense	12	(137)	105	11,729	12	39	(210)	590	21	(193)	11,968
Noncontrolling shareholder compensation	—	1,167	2,714	1,542	1,168	444	122	487	8	549	8,201
Impairment expense	—	—	—	31,515	—	—	—	—	—	—	31,515
Integration services fee	—	—	—	—	—	875	—	—	—	—	875
Other ⁽¹⁾	—	—	—	—	—	—	—	3,054	2,210	163	5,427
Adjusted EBITDA	\$ (52,226)	\$ 30,648	\$ 40,513	\$ (25,276)	\$ 20,716	\$ 18,053	\$ (886)	\$ 28,647	\$ 6,724	\$ 25,139	\$ 92,052

⁽¹⁾ Other represents specified operating expenses that are included by management in the calculation of Adjusted EBITDA when analyzing monthly operating results of our subsidiaries. In the current year, the calculation of Adjusted EBITDA for Arnold includes the add-back of certain expenses that have been incurred related to the relocation of two of Arnold's facilities in the United States and costs related to the retirement of the chief executive officer at Arnold. For Altor, other includes the add-back of certain expenses incurred related to restructuring of their facilities after the acquisition of Lifoam.

Reconciliation of Net income (loss) to both Adjusted Earnings and Adjusted EBITDA

The following table reconciles Net income (loss), which we consider the most comparable GAAP financial measure, to both Adjusted Earnings and Adjusted EBITDA (in thousands):

	Six months ended June 30,	
	2026	2025
Net income (loss)	\$ 52,680	\$ (127,682)
Gain on sale of discontinued operations, net of tax	1,637	2,849
Net income (loss) from continuing operations	\$ 51,043	\$ (130,531)
Less: income (loss) from continuing operations attributable to noncontrolling interest	2,350	(46,472)
Net income (loss) attributable to Holdings - continuing operations	\$ 48,693	\$ (84,059)
Adjustments:		
Distributions paid - preferred shares	(19,429)	(18,148)
Amortization expense - intangibles and inventory step-up	45,530	46,468
Impairment expense	20,500	31,515
Noncontrolling shareholder stock compensation	5,839	8,201
Integration Services Fee	—	875
Change in fair value of receivable due from unconsolidated affiliate	58,000	—
Gain on sale of product division	(182,342)	—
Tax effect of gain on sale of product division	21,348	—
Other	(9,473)	5,427
Adjusted Earnings	\$ (11,334)	\$ (9,721)
Plus (less):		
Depreciation expense	22,270	23,363
Income tax provision	52,443	19,896
Tax effect of gain on sale of product division	(21,348)	—
Interest expense	51,390	69,947
Amortization of debt issuance costs	4,094	2,096
Loss on debt modification	—	2,827
Income (loss) from continuing operations attributable to noncontrolling interest	2,350	(46,472)
Distributions paid - preferred shares	19,429	18,148
Other (income) expense	2,799	11,968
Adjusted EBITDA	\$ 122,093	\$ 92,052

Seasonality

Earnings of certain of our operating segments are seasonal in nature due to various recurring events, holidays and seasonal weather patterns, as well as the timing of our acquisitions during a given year. Historically, the third and fourth quarter have produced the highest net sales in our fiscal year.

Related Party TransactionsManagement Services Agreement

The LLC entered into a MSA with CGM effective May 16, 2006, as amended. CGM is managed by Wayfinder Partners LLC, of which Zachary T. Sawtelle, the Company's Chief Operating Officer, is the managing member. Elias J. Sabo, the Company's Chief Executive Officer, is also member of CGM. CGM performs services for the LLC in

exchange for a management fee. The management fee is required to be paid prior to the payment of any distributions to shareholders.

Pursuant to the MSA, CGM is entitled to enter into off-setting management service agreements with each of the operating segments. The amount of the fee is negotiated between CGM and the operating management of each segment and is based upon the value of the services to be provided. The fees paid directly to CGM by the segments offset on a dollar for dollar basis the amount due CGM by the LLC under the MSA.

Amendment to Management Services Agreement

On February 23, 2026, the LLC and CGM entered into an Eighth Amended and Restated Management Services Agreement (the "Eighth MSA amendment"), which amended and restated the parties' MSA. The Eighth MSA Amendment, among other things, (i) established a repayment protocol for previously overpaid management fees, including permitting the Company, subject to interest, to fund all or a portion of otherwise payable quarterly fees while an overpayment balance remains outstanding, (ii) provided for a dollar-for-dollar reduction of fees payable under the MSA for certain services outsourced by the Company to third-party service providers and excluded such services from the scope of services to be provided by CGM, (iii) clarified requirements and restrictions applicable to personnel seconded by CGM to the Company, and (iv) updated certain operational, governance, authority and indemnification provisions. On July 12, 2026, the LLC and CGM entered into the Ninth MSA, which became effective upon execution and amends and restates the Eighth MSA. The fee and incentive-award provisions of the Ninth MSA become effective January 1, 2027, and the fee provisions of the Eighth MSA remain applicable through December 31, 2026. Refer to [Note P - "Subsequent Events."](#)

For the three and six months ended June 30, 2026 and 2025, the Company incurred the following management fees to CGM, by entity:

(in thousands)	Three months ended June 30,		Six months ended June 30, 2025	
	2026	2025	2026	2025
5.11	\$ 250	\$ 250	\$ 500	\$ 500
BOA	250	250	500	500
Lugano ⁽¹⁾	—	125	—	313
PrimaLoft	250	250	500	500
The Honey Pot Co.	250	250	500	500
Velocity	125	125	250	250
Altor	187	187	375	375
Arnold Magnetics	125	125	250	250
Rimports	125	125	250	250
Corporate	12,255	17,348	26,626	34,460
	\$ 13,817	\$ 19,035	\$ 29,751	\$ 37,898

⁽¹⁾ Lugano ceased paying a management fee to CGM in June 2025.

Effect of Restatement on Management Fees

As a result of the restatement of the financial statements as of December 31, 2024, 2023 and 2022 and for the years ended December 31, 2024, 2023 and 2022, as well as for the period ended December 31, 2021 and revisions made in the quarter ended March 31, 2025, the management fees paid to CGM were in excess of the amounts that should have been due under the MSA. While the MSA did not, prior to the Eighth MSA amendment, contain an express mechanism that permitted the Company to immediately clawback the overpayment of management fees during these periods, the MSA provided that future payments would be reduced, on a dollar-for-dollar basis, by the aggregate amount of all overpaid management fees. The Company calculated the total aggregate amount of excess management fees paid as a result of the restatement of the financial statements as \$50.4 million. In 2025, restrictions under the Company's financing arrangements limited the Company's ability to pay management fees, resulting in management fee expense being incurred but not fully paid. The Company determined that the amount of management fees that had been overpaid at December 31, 2025 was \$33.8 million, which was recorded as an asset ("Due from CGM") and reduced management fee expense for the year ended December 31, 2025. For the six months ended June 30, 2026, the Company recorded management fee expense of \$29.8 million. During the six

months ended June 30, 2026, the Company reduced the Due from CGM balance by \$14.9 million for management fees applied against the prior overpayment by reducing the management fee due to CGM. As of June 30, 2026, the Due from CGM balance of \$6.3 million reflects amounts due from CGM of \$19.3 million including interest expense in accordance with the Eighth MSA Amendment, net of management fees accrued of \$13.0 million. After June 30, 2026, the Company elected to fund \$6.365 million of the quarterly management fee that otherwise would have been payable for the second quarter of 2026.

The Company expects to continue to reduce future management fee payments until the overpayment has been fully recouped.

Integration Services Agreement

No integration service fees were incurred during the six months ended June 30, 2026. During the first quarter of 2025, The Honey Pot Co. paid CGM \$0.9 million in integration service fees under an integration services agreement that has since been fully paid. An amendment to the Management Services Agreement entered into in January 2025 eliminated integration service fees for future acquisitions.

Allocation Interests

We have issued Allocation Interests, governed by our LLC agreement, to Sostratus, LLC (the "Holder") to receive distributions pursuant to a profit allocation formula upon the occurrence of certain events. The Holder is entitled to receive, if due pursuant to the profit allocation formula, an allocation payment upon the sale of a business (a "Sale Event") and upon election of the Holder during the 30-day period following the fifth anniversary of the date upon which we acquired a controlling interest in a business (a "Holding Event"). Payments of profit allocation to the Holder are accounted for as dividends declared on Allocation Interests and recorded in stockholders' equity once they are approved by the Company's board of directors.

The Lugano Bankruptcy was a Sale Event and any corresponding loss on such Sale Event will have the effect of reducing future allocation payments. The LLC Agreement also contains a mechanism to adjust future profit allocation payments by over-paid and under-paid profit distributions. The Company intends to cause future allocation payments to be adjusted, as necessary, to reflect the impact of the restatement of the Company's financial statements.

The sale of the Sterno food service product division in the second quarter of 2026 was a Sale Event. Although the sale of Sterno resulted in the calculation of a positive profit allocation distribution, no amount will be paid to the Holder as a result of the sale of Sterno as the amount of profit allocation payment due was not sufficient to exceed the high water mark in the profit allocation formula.

5.11

Related Party Vendor Purchases - 5.11 purchases inventory from a vendor who is a related party to 5.11 through one of the executive officers of 5.11 via the executive's 40% ownership interest in the vendor. 5.11 purchased approximately \$0.2 million and \$0.3 million during the three and six months ended June 30, 2026, respectively, and \$0.2 million and \$0.6 million during the three and six months ended June 30, 2025, respectively in inventory from the vendor.

BOA

Related Party Vendor Purchases - A contract manufacturer used by BOA as the primary supplier of molded injection parts is a noncontrolling shareholder of BOA. BOA purchased approximately \$12.9 million and \$24.0 million from this supplier during the three and six months ended June 30, 2026, respectively, and \$11.1 million and \$23.1 million from this supplier during the three and six months ended June 30, 2025, respectively.

Off-Balance Sheet Arrangements

We have no special purpose entities or off-balance sheet arrangements.

Critical Accounting Policies and Estimates

The preparation of our financial statements in conformity with GAAP requires management to adopt accounting policies and make estimates and judgments that affect the amounts reported in the financial statements and accompanying notes. Actual results could differ from these estimates under different assumptions and judgments and uncertainties, and potentially could result in materially different results under different conditions. These critical accounting policies and estimates are reviewed periodically by our independent auditors and the audit committee of our board of directors.

Except as set forth below, our critical accounting estimates have not changed materially from those disclosed in Management's Discussion and Analysis of Financial Condition and Results of Operations included in the 2025 Form 10-K.

Goodwill and Indefinite-lived Intangible Asset Impairment Testing

Goodwill represents the excess amount of the purchase price over the fair value of the assets acquired. Our goodwill and indefinite lived intangible assets are tested for impairment on an annual basis as of March 31st, and if current events or circumstances require, on an interim basis. Goodwill is allocated to various reporting units, which are generally an operating segment. Each of our subsidiary businesses represents a reporting unit.

Goodwill is tested for impairment at least annually and more frequently when events or changes in circumstances indicate that it is more-likely-than-not that the fair value of a reporting unit is less than its carrying amount. The determination of whether goodwill is impaired is a critical accounting estimate because it requires management to make significant judgments and assumptions when estimating the fair value of a reporting unit, and small changes in those judgments and assumptions could result in materially different fair value estimates and impairment conclusions. When qualitative factors are not sufficient to conclude that fair value exceeds carrying amount, we perform a quantitative goodwill impairment test and estimate reporting unit fair value using the income approach (discounted cash flow method), the market approach (guideline company multiples), or a weighting of the two methods. Key assumptions and estimates include projected revenue growth, operating margins, terminal growth rate, discount rate (including the weighted-average cost of capital and company-specific risk adjustments), and market multiples for comparable companies. These assumptions are based on historical performance, current and expected market and economic conditions, and our expectations regarding future operating performance; however, actual results may differ from those assumptions. Changes in the assumptions described above, including as a result of adverse changes in macroeconomic conditions, industry trends, competitive dynamics, customer demand, or our operating performance, could reduce the estimated fair value of a reporting unit and result in additional goodwill impairment charges in future periods.

In addition, certain reporting units may have fair values that exceed carrying values by a limited margin and therefore may be more sensitive to changes in key valuation assumptions or adverse business conditions. We continue to monitor these reporting units, including changes in forecasted operating results, customer demand, input costs, interest rates, market multiples and other macroeconomic or industry-specific factors. With respect to the Altor reporting unit, management continues to monitor the impact of adverse macroeconomic conditions, including sustained pressure on material costs, freight and distribution costs, customer demand, and related operating margins. Although these factors have not resulted in the identification of a goodwill impairment triggering event as of June 30, 2026, Altor's estimated fair value may not continue to exceed its carrying value by a sufficient margin if financial performance declines relative to forecast or if valuation assumptions, including projected revenue growth, margin recovery, discount rates or market multiples, change unfavorably. Accordingly, if current trends persist or worsen, or if Altor does not achieve the operating improvements reflected in management's forecasts, the reporting unit could become more susceptible to failing a future quantitative impairment assessment, which could result in a goodwill impairment charge in a future period.

Annual Impairment Testing

2026 Annual Impairment Testing

For the Company's annual goodwill impairment test as of March 31, 2026, the Company performed a qualitative assessment of its reporting units with goodwill balances to determine whether it was more-likely-than-not that the fair value of each reporting unit was less than its carrying amount. Based on this assessment, the Company concluded that it was more-likely-than-not that the fair value of each reporting unit exceeded its carrying amount, except for the PrimaLoft reporting unit. As a result, the Company performed a quantitative goodwill impairment test for the PrimaLoft reporting unit.

The Company estimated the fair value of the PrimaLoft reporting unit using a combination of the income approach (discounted cash flow method) and the market approach (guideline company multiples). Significant assumptions used in the quantitative test included, among others, projected revenue growth, operating margins, the terminal growth rate and the discount rate, each of which reflects management's best estimates based on historical performance, current market conditions and expectations of future operating performance. The discount rate used in the income approach was 13.4%. The quantitative test indicated that the fair value of the PrimaLoft reporting unit was less than its carrying amount; accordingly, the Company recorded a goodwill impairment charge of \$20.5 million during the quarter ended March 31, 2026, which is included in operating income/(loss) in the consolidated statements of operations.

2025 Annual Impairment Testing

For our annual impairment testing at March 31, 2025, we performed a qualitative assessment of our reporting units with goodwill balances. The results of the qualitative analysis indicated that it was more-likely-than-not that the fair value of each of our reporting units except PrimaLoft exceeded their carrying value. Based on our analysis, we determined that the PrimaLoft operating segment required quantitative testing because we could not conclude that the fair value of the reporting unit significantly exceeded the carrying value based on qualitative factors alone. We performed a quantitative test of PrimaLoft using an income approach and a market approach to determine the fair value of the PrimaLoft reporting unit. The discount rate used in the income approach was 11.3%. The results of the testing indicated that the fair value of PrimaLoft exceeded the carrying value by 12.1%.

2025 Interim Impairment Testing

Arnold - During 2025, Arnold was negatively impacted by both production delays related to facility transitions, and supply chain constraints caused by export controls and disruption in the market for rare earth minerals, a key component in certain of Arnold's products. As a result, the operating results of Arnold were below our forecast and prior year results for the business. While Arnold's backlog continued to grow, the production delays and supply chain disruption caused by the export controls led us to determine that a triggering event occurred in the fourth quarter of 2025 and we performed an interim impairment test of goodwill as of October 31, 2025. We performed the impairment test using an income approach. The prospective financial information used in the income approach considered macroeconomic and geopolitical factors, industry and reporting unit specific data, and our best estimate of operational results and cash flows for the Arnold reporting unit as of the date of the impairment testing. The discount rate used in the income approach was 14.2%. The results of the testing indicated that the fair value of Arnold exceeded the carrying value by 77%.

Indefinite-lived intangible asset

The Company's indefinite lived intangible asset consisted of a tradename of approximately \$30.8 million related to the Sterno food service business which was held for sale at March 31, 2026, and subsequently sold on May 1, 2026. Accordingly, the Company no longer has an indefinite intangible asset at June 30, 2026. Refer to "[Note B - Dispositions](#)" of the condensed consolidated financial statements.

Recent Accounting Pronouncements

Refer to [Note A - "Presentation and Principles of Consolidation"](#) of the condensed consolidated financial statements for a discussion of recent accounting pronouncements.

ITEM 3. QUANTITATIVE AND QUALITATIVE DISCLOSURES ABOUT MARKET RISK

There have been no material changes to our market risk since December 31, 2025. For a further discussion of our exposure to market risk, refer to the section entitled "Quantitative and Qualitative Disclosures about Market Risk" in Part II, Item 7A of our 2025 Form 10-K.

ITEM 4. CONTROLS AND PROCEDURES

Disclosure Controls and Procedures

Management, with the participation of the Company's Chief Executive Officer and Chief Financial Officer, evaluated the effectiveness of the Company's disclosure controls and procedures as of the end of the period covered by this Form 10-Q. As previously disclosed in the 2025 Form 10-K, management identified material weaknesses in internal control over financial reporting. Because these material weaknesses described in the 2025 Form 10-K had not been

fully remediated as of June 30, 2026, management concluded that the Company's disclosure controls and procedures were not effective as of that date.

Notwithstanding the identified material weaknesses, management, including the Chief Executive Officer and Chief Financial Officer, believes that the condensed consolidated financial statements included in this Quarterly Report fairly present, in all material respects, the Company's financial position, results of operations and cash flows for the periods presented, in accordance with accounting principles generally accepted in the United States.

Changes in Internal Control Over Financial Reporting

As previously disclosed in the 2025 Form 10-K, management developed a remediation plan to address the material weaknesses in the Company's internal control over financial reporting. During the quarter ended June 30, 2026, the Company continued remediation activities, including the remediation activities described in the 2025 Form 10-K. These remediation activities were ongoing as of June 30, 2026 and had not fully remediated the material weaknesses as of that date. Except for the ongoing remediation activities described above, there were no changes in the Company's internal control over financial reporting during the quarter ended June 30, 2026 that materially affected, or are reasonably likely to materially affect, the Company's internal control over financial reporting.

PART II
OTHER INFORMATION

ITEM 1. LEGAL PROCEEDINGS

Information regarding the Company's legal proceedings incorporated by reference from [Note M - Commitments and Contingencies](#) of the accompanying Notes to the condensed consolidated financial statements and should be read together with the section entitled "Legal Proceedings" that was disclosed in Part I, Item 3 of the 2025 Form 10-K.

ITEM 1A. RISK FACTORS

The risk factors disclosed in our 2025 Form 10-K for the fiscal year ended December 31, 2025 should be considered together with information included in this Quarterly Report on Form 10-Q for the quarter ended June 30, 2026 and should not be considered the only risks to which we are exposed. Additional risks and uncertainties not currently known to us or that we currently believe are immaterial also may impair our business, including our results of operations, liquidity and financial condition. We believe there have been no material changes from the risk factors previously disclosed.

ITEM 6. EXHIBITS

Exhibit Number	Description
3.1	<u>Third Amended and Restated Trust Agreement of the Trust (incorporated by reference to Exhibit 3.1 of the Form 8-K filed on August 4, 2021 (File No. 001-34927)).</u>
3.2	<u>First Amendment to Third Amended and Restated Trust Agreement of the Trust (incorporated by reference to Exhibit 3.1 of the Form 8-K filed on September 3, 2024 (File No. 001-34926)).</u>
3.3	<u>Sixth Amended and Restated Operating Agreement of the Company (incorporated by reference to Exhibit 3.2 of the Form 8-K filed on August 4, 2021 (File No. 001-34927)).</u>
3.4	<u>First Amendment to the Sixth Amended and Restated Operating Agreement of the Company (incorporated by reference to Exhibit 3.1 of the Form 8-K filed on February 14, 2022 (File No. 001-34927)).</u>
3.5	<u>Second Amendment to the Sixth Amended and Restated Trust agreement of the Trust (incorporated by reference to Exhibit 3.2 of the Form 8-K filed on September 3, 2024 (File No. 001-34926)).</u>
3.6	<u>Amended and Restated Share Designation of Compass Diversified Holdings with respect to Series A Preferred Shares (incorporated by reference to Exhibit 3.3 of the Form 8-K filed on August 4, 2021 (File No. 001-34927)).</u>
3.7	<u>First Amendment to Amended and Restated Share Designation of Compass Diversified Holdings with respect to Series A Preferred Shares (incorporated by reference to Exhibit 3.1 of the Form 8-K filed on March 20, 2024 (File No. 001-34926)).</u>
3.8	<u>Second Amendment to Amended and Restated Share Designation of Compass Diversified Holdings with respect to Series A Preferred Shares (incorporated by reference Exhibit 4.11 of the Form S-3 filed on September 4, 2024 (File No. 333-281931)).</u>
3.9	<u>Compass Group Diversified Holdings LLC Trust Interest Designation of Series A Trust Preferred Interests (incorporated by reference to Exhibit 3.2 of the Form 8-K filed on June 28, 2017 (File No. 001-34927)).</u>
3.10	<u>First Amendment to Trust Interest Designation of Compass Group Diversified Holdings LLC with respect to Series A Trust Preferred Interests (incorporated by reference to Exhibit 3.4 of the Form 8-K filed on March 20, 2024 (File No. 001-34926)).</u>
3.11	<u>Second Amendment to Trust Interest Designation of Compass Group Diversified Holdings LLC with respect to Series A Trust Preferred Interests (incorporated by reference Exhibit 4.14 of the Form S-3 filed on September 4, 2024 (File No. 333-281931)).</u>
3.12	<u>Amended and Restated Share Designation of Compass Diversified Holdings with respect to Series B Preferred Shares (incorporated by reference to Exhibit 3.4 of the Form 8-K filed on August 4, 2021 (File No. 001-34927)).</u>
3.13	<u>First Amendment to Amended and Restated Share Designation of Compass Diversified Holdings with respect to Series B Preferred Shares (incorporated by reference to Exhibit 3.2 of the Form 8-K filed on March 20, 2024 (File No. 001-34926)).</u>
3.14	<u>Second Amendment to Amended and Restated Share Designation of Compass Diversified Holdings with respect to Series B Preferred Shares (incorporated by reference Exhibit 4.17 of the Form S-3 filed on September 4, 2024 (File No. 333-281931)).</u>
3.15	<u>Trust Interest Designation of Compass Group Diversified Holdings LLC with respect to Series B Trust Preferred Interests (incorporated by reference to Exhibit 3.2 of the Form 8-K filed on March 13, 2018 (File No. 001-34927)).</u>
3.16	<u>First Amendment to Trust Interest Designation of Compass Group Diversified Holdings LLC with respect to Series B Trust Preferred Interests (incorporated by reference to Exhibit 3.5 of the Form 8-K filed on March 20, 2024 (File No. 001-34926)).</u>
3.17	<u>Second Amendment to Trust Interest Designation of Compass Group Diversified Holdings LLC with respect to Series B Trust Preferred Interests (incorporated by reference Exhibit 4.20 of the Form S-3 filed on September 4, 2024 (File No. 333-281931)).</u>

3.18	<u>Amended and Restated Share Designation of Compass Diversified Holdings with respect to Series C Preferred Shares (incorporated by reference to Exhibit 3.5 of the Form 8-K filed on August 4, 2021 (File No. 001-34927)).</u>
3.19	<u>First Amendment to Amended and Restated Share Designation of Compass Diversified Holdings with respect to Series C Preferred Shares (incorporated by reference to Exhibit 3.3 of the Form 8-K filed on March 20, 2024 (File No. 001-34926)).</u>
3.20	<u>Second Amendment to Amended and Restated Share Designation of Compass Diversified Holdings with respect to Series C Preferred Shares (incorporated by reference Exhibit 4.23 of the Form S-3 filed on September 4, 2024 (File No. 333-281931)).</u>
3.21	<u>Trust Interest Designation of Compass Group Diversified Holdings LLC with respect to Series C Trust Preferred Interests (incorporated by reference to Exhibit 3.2 of the Form 8-K filed on November 20, 2019 (File No. 001-34927)).</u>
3.22	<u>First Amendment to Trust Interest Designation of Compass Group Diversified Holdings LLC with respect to Series C Trust Preferred Interests (incorporated by reference to Exhibit 3.6 of the Form 8-K filed on March 20, 2024 (File No. 001-34926)).</u>
3.23	<u>Second Amendment to Trust Interest Designation of Compass Group Diversified Holdings LLC with respect to Series C Trust Preferred Interests (incorporated by reference Exhibit 4.26 of the Form S-3 filed on September 4, 2024 (File No. 333-281931)).</u>
10.1	<u>Ninth Amended and Restated Management Services Agreement by and between Compass Group Diversified Holdings LLC and Compass Group Management LLC, dated as of July 12, 2026 and originally effective as of May 16, 2006 (incorporated by reference to Exhibit 10.1 of the Form 8-K filed on July 13, 2026 (File Nos. 001-34926 and 001-34927)).</u>
10.2* **	<u>Settlement Agreement and Mutual Release, dated as of June 24, 2026, by and among Compass Group Diversified Holdings LLC, Lugano Holding, Inc., the Official Committee of Unsecured Creditors and the other parties thereto.</u>
10.3* **	<u>Plan Support Agreement, dated as of June 24, 2026, by and among Compass Group Diversified Holdings LLC, Lugano Holding, Inc., the Official Committee of Unsecured Creditors and the other parties thereto.</u>
10.4*	<u>Sixth Amendment to Credit Agreement, dated August 6, 2026, by and among Compass Group Diversified Holdings LLC, the Lenders party thereto, and Bank of America, N.A., in its capacity as Administrative Agent for the Lenders, Swing Line Lender and L/C Issuer</u>
31.1*	<u>Rule 13a-14(a)/15d-14(a) Certification of Chief Executive Officer of Registrant</u>
31.2*	<u>Rule 13a-14(a)/15d-14(a) Rule 13a-14(a)/15d-14(a) Certification of Chief Financial Officer of Registrant</u>
32.1**	<u>Certification of Chief Executive Officer of Registrant pursuant to 18 U.S.C. Section 1350, as adopted pursuant to Section 906 of the Sarbanes-Oxley Act of 2002</u>
32.2**	<u>Certification of Chief Financial Officer of Registrant pursuant to 18 U.S.C. Section 1350, as adopted pursuant to Section 906 of the Sarbanes-Oxley Act of 2002</u>
101.INS*	Inline XBRL Instance Document - the instance document does not appear in the Interactive Data File because its XBRL tags are embedded within the Inline XBRL document.
101.SCH*	Inline XBRL Taxonomy Extension Schema Document
101.CAL*	Inline XBRL Taxonomy Extension Calculation Linkbase Document
101.DEF*	Inline XBRL Taxonomy Extension Definition Linkbase Document
101.LAB*	Inline XBRL Taxonomy Extension Label Linkbase Document
101.PRE*	Inline XBRL Taxonomy Extension Presentation Linkbase Document

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Filed herewith.

Denotes management contracts and compensatory plans or arrangements.

In accordance with Item 601(b)(32)(ii) of Regulation S-K and SEC Release No. 34-47986, the certifications furnished in Exhibit 32.1 and Exhibit 32.2 hereto are deemed to accompany this Form 10-Q and will not be deemed "filed" for purposes of Section 18 of the Exchange Act. Such certifications will not be deemed to be incorporated by reference into any filing under the Securities Act or the Exchange Act.

Schedules and similar attachments have been omitted in reliance on Item 601(a)(5) of Regulation S-K. The registrant will provide, on a supplemental basis, a copy of any omitted schedule or attachment to the SEC or its staff upon request.

SIGNATURES

Pursuant to the requirements of the Securities Exchange Act of 1934, as amended, the registrant has duly caused this report to be signed on its behalf by the undersigned thereunto duly authorized.

Date: August 10, 2026

COMPASS DIVERSIFIED HOLDINGS

By: /s/ Stephen Keller
Stephen Keller
Regular Trustee

SIGNATURES

Pursuant to the requirements of the Securities Exchange Act of 1934, as amended, the registrant has duly caused this report to be signed on its behalf by the undersigned thereunto duly authorized.

Date: August 10, 2026

COMPASS GROUP DIVERSIFIED HOLDINGS LLC

By: /s/ Stephen Keller
Stephen Keller
Chief Financial Officer
(Principal Financial and Accounting Officer)

EXHIBIT INDEX

Exhibit Number	Description
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3.3	<u>Sixth Amended and Restated Operating Agreement of the Company (incorporated by reference to Exhibit 3.2 of the Form 8-K filed on August 4, 2021 (File No. 001-34927)).</u>
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3.6	<u>Amended and Restated Share Designation of Compass Diversified Holdings with respect to Series A Preferred Shares (incorporated by reference to Exhibit 3.3 of the Form 8-K filed on August 4, 2021 (File No. 001-34927)).</u>
3.7	<u>First Amendment to Amended and Restated Share Designation of Compass Diversified Holdings with respect to Series A Preferred Shares (incorporated by reference to Exhibit 3.1 of the Form 8-K filed on March 20, 2024 (File No. 001-34926)).</u>
3.8	<u>Second Amendment to Amended and Restated Share Designation of Compass Diversified Holdings with respect to Series A Preferred Shares (incorporated by reference Exhibit 4.11 of the Form S-3 filed on September 4, 2024 (File No. 333-281931)).</u>
3.9	<u>Compass Group Diversified Holdings LLC Trust Interest Designation of Series A Trust Preferred Interests (incorporated by reference to Exhibit 3.2 of the Form 8-K filed on June 28, 2017 (File No. 001-34927)).</u>
3.10	<u>First Amendment to Trust Interest Designation of Compass Group Diversified Holdings LLC with respect to Series A Trust Preferred Interests (incorporated by reference to Exhibit 3.4 of the Form 8-K filed on March 20, 2024 (File No. 001-34926)).</u>
3.11	<u>Second Amendment to Trust Interest Designation of Compass Group Diversified Holdings LLC with respect to Series A Trust Preferred Interests (incorporated by reference Exhibit 4.14 of the Form S-3 filed on September 4, 2024 (File No. 333-281931)).</u>
3.12	<u>Amended and Restated Share Designation of Compass Diversified Holdings with respect to Series B Preferred Shares (incorporated by reference to Exhibit 3.4 of the Form 8-K filed on August 4, 2021 (File No. 001-34927)).</u>
3.13	<u>First Amendment to Amended and Restated Share Designation of Compass Diversified Holdings with respect to Series B Preferred Shares (incorporated by reference to Exhibit 3.2 of the Form 8-K filed on March 20, 2024 (File No. 001-34926)).</u>
3.14	<u>Second Amendment to Amended and Restated Share Designation of Compass Diversified Holdings with respect to Series B Preferred Shares (incorporated by reference Exhibit 4.17 of the Form S-3 filed on September 4, 2024 (File No. 333-281931)).</u>
3.15	<u>Trust Interest Designation of Compass Group Diversified Holdings LLC with respect to Series B Trust Preferred Interests (incorporated by reference to Exhibit 3.2 of the Form 8-K filed on March 13, 2018 (File No. 001-34927)).</u>
3.16	<u>First Amendment to Trust Interest Designation of Compass Group Diversified Holdings LLC with respect to Series B Trust Preferred Interests (incorporated by reference to Exhibit 3.5 of the Form 8-K filed on March 20, 2024 (File No. 001-34926)).</u>
3.17	<u>Second Amendment to Trust Interest Designation of Compass Group Diversified Holdings LLC with respect to Series B Trust Preferred Interests (incorporated by reference Exhibit 4.20 of the Form S-3 filed on September 4, 2024 (File No. 333-281931)).</u>

3.18	<u>Amended and Restated Share Designation of Compass Diversified Holdings with respect to Series C Preferred Shares (incorporated by reference to Exhibit 3.5 of the Form 8-K filed on August 4, 2021 (File No. 001-34927)).</u>
3.19	<u>First Amendment to Amended and Restated Share Designation of Compass Diversified Holdings with respect to Series C Preferred Shares (incorporated by reference to Exhibit 3.3 of the Form 8-K filed on March 20, 2024 (File No. 001-34926)).</u>
3.20	<u>Second Amendment to Amended and Restated Share Designation of Compass Diversified Holdings with respect to Series C Preferred Shares (incorporated by reference Exhibit 4.23 of the Form S-3 filed on September 4, 2024 (File No. 333-281931)).</u>
3.21	<u>Trust Interest Designation of Compass Group Diversified Holdings LLC with respect to Series C Trust Preferred Interests (incorporated by reference to Exhibit 3.2 of the Form 8-K filed on November 20, 2019 (File No. 001-34927)).</u>
3.22	<u>First Amendment to Trust Interest Designation of Compass Group Diversified Holdings LLC with respect to Series C Trust Preferred Interests (incorporated by reference to Exhibit 3.6 of the Form 8-K filed on March 20, 2024 (File No. 001-34926)).</u>
3.23	<u>Second Amendment to Trust Interest Designation of Compass Group Diversified Holdings LLC with respect to Series C Trust Preferred Interests (incorporated by reference Exhibit 4.26 of the Form S-3 filed on September 4, 2024 (File No. 333-281931)).</u>
10.1	<u>Ninth Amended and Restated Management Services Agreement by and between Compass Group Diversified Holdings LLC and Compass Group Management LLC, dated as of July 12, 2026 and originally effective as of May 16, 2006 (incorporated by reference to Exhibit 10.1 of the Form 8-K filed on July 13, 2026 (File Nos. 001-34926 and 001-34927)).</u>
10.2**	<u>Settlement Agreement and Mutual Release, dated as of June 24, 2026, by and among Compass Group Diversified Holdings LLC, Lugano Holding, Inc., the Official Committee of Unsecured Creditors and the other parties thereto.</u>
10.3**	<u>Plan Support Agreement, dated as of June 24, 2026, by and among Compass Group Diversified Holdings LLC, Lugano Holding, Inc., the Official Committee of Unsecured Creditors and the other parties thereto.</u>
10.4*	<u>Sixth Amendment to Credit Agreement, dated August 6, 2026, by and among Compass Group Diversified Holdings LLC, the Lenders party thereto, and Bank of America, N.A., in its capacity as Administrative Agent for the Lenders, Swing Line Lender and L/C Issuer.</u>
31.1*	<u>Rule 13a-14(a)/15d-14(a) Certification of Chief Executive Officer of Registrant</u>
31.2*	<u>Rule 13a-14(a)/15d-14(a) Certification of Chief Financial Officer of Registrant</u>
32.1**	<u>Certification of Chief Executive Officer of Registrant pursuant to 18 U.S.C. Section 1350, as adopted pursuant to Section 906 of the Sarbanes-Oxley Act of 2002</u>
32.2**	<u>Certification of Chief Financial Officer of Registrant pursuant to 18 U.S.C. Section 1350, as adopted pursuant to Section 906 of the Sarbanes-Oxley Act of 2002</u>
101.INS*	Inline XBRL Instance Document - the instance document does not appear in the Interactive Data File because its XBRL tags are embedded within the Inline XBRL document.
101.SCH*	Inline XBRL Taxonomy Extension Schema Document
101.CAL*	Inline XBRL Taxonomy Extension Calculation Linkbase Document
101.DEF*	Inline XBRL Taxonomy Extension Definition Linkbase Document
101.LAB*	Inline XBRL Taxonomy Extension Label Linkbase Document
101.PRE*	Inline XBRL Taxonomy Extension Presentation Linkbase Document

- * Filed herewith.
- † Denotes management contracts and compensatory plans or arrangements.
- + In accordance with Item 601(b)(32)(ii) of Regulation S-K and SEC Release No. 34-47986, the certifications furnished in Exhibit 32.1 and Exhibit 32.2 hereto are deemed to accompany this Form 10-Q and will not be deemed "filed" for purposes of Section 18 of the Exchange Act. Such certifications will not be deemed to be incorporated by reference into any filing under the Securities Act or the Exchange Act.
- ** Schedules and similar attachments have been omitted in reliance on Item 601(a)(5) of Regulation S-K. The registrant will provide, on a supplemental basis, a copy of any omitted schedule or attachment to the SEC or its staff upon request.

NOTHING CONTAINED IN THIS SETTLEMENT AGREEMENT AND MUTUAL RELEASE SHALL BE AN ADMISSION OF FACT OR LIABILITY OR, UNTIL THE OCCURRENCE OF THE EFFECTIVE DATE ON THE TERMS DESCRIBED IN THIS AGREEMENT, DEEMED BINDING ON ANY OF THE PARTIES TO THIS AGREEMENT.

SETTLEMENT AGREEMENT AND MUTUAL RELEASE

This SETTLEMENT AGREEMENT AND MUTUAL RELEASE (this, “**Agreement**”) is made and entered into by and among (i) Lugano Diamonds & Jewelry Inc., (ii) Lugano Buyer, Inc., (iii) K.L.D. Jewelry, LLC, (iv) Lugano Prive, LLC, (v) Lugano Holding, Inc. (together with the entities identified in (i)-(iv), the “**Debtors**”), (vi) Compass Diversified Holdings (“**CODI Parent**”), (vii) Compass Group Diversified Holdings LLC (“**CODI**”), (viii) Compass Group Management LLC (“**CGM**”), (ix) Sostratus, LLC (“**Sostratus**”), and (x) the Official Committee of Unsecured Creditors of the Debtors (the “**UCC**”). The Debtors, CODI, CGM, Sostratus, and the UCC are each referred to herein individually as a “**Party**” and collectively as the “**Parties**.”

RECITALS

WHEREAS, the Debtors were established by Mordechai Haim Ferder and his wife, Idit Ferder, in 2004 as a designer, manufacturer, and retailer of high-end jewelry.

WHEREAS, in 2021, CODI acquired an indirect majority interest in Lugano Diamonds & Jewelry Inc. from Mr. Ferder and his affiliated entities. Following the transaction, Lugano Holding, Inc. was the sole shareholder of Lugano Buyer, Inc., and Lugano Buyer, Inc. was the sole shareholder of Lugano Diamonds & Jewelry Inc. In connection with the transaction, Mr. Ferder and his affiliated entities acquired a significant portion of the equity of Lugano Holding, Inc. and CODI became the majority equity holder of Lugano Holding, Inc. Mr. Ferder continued as chief executive officer and a member of the board of directors of certain Debtors.

WHEREAS, Lugano Diamonds & Jewelry Inc. and Lugano Buyer, Inc., as co-borrowers (the “**Borrowers**”), and CODI, as lender, entered into a Credit Agreement (as amended, the “**Credit Agreement**”) dated as of September 3, 2021. The other Debtors are guarantors (the “**Guarantors**”) under the Credit Agreement. Pursuant to a Guarantee and Collateral Agreement dated as of September 3, 2021, the Borrowers’ obligations under the Credit Agreement are secured by liens on substantially all of the Debtors’ personal property and the obligations under the Credit Agreement are guaranteed by the Guarantors. The outstanding obligations under the Credit Agreement, including principal, prepetition interest, and fees, exceed \$718 million.

WHEREAS, on May 7, 2025, CODI and its parent entity filed a Form 8-K (the “**May 8-K**”) disclosing that CODI had commenced an internal investigation into the financing, accounting, and inventory practices of Lugano Holding, Inc., based on concerns reported to CODI management. The May 8-K also disclosed that Mr. Ferder had resigned from his position

as Chief Executive Officer of Lugano Holding, Inc. and from all offices and directorships previously held with the applicable Debtors and their subsidiaries and affiliates.

WHEREAS, on June 24, 2025, Lugano Diamonds & Jewelry, Inc. commenced an action against Mr. Ferder and a related trust for which he is a trustee, asserting Claims for fraud, concealment, constructive fraud, and breach of fiduciary duty.

WHEREAS, on July 9, 2025, Mr. Thomas FitzGerald and Mr. L. Spencer Wells joined the board of directors for Lugano Diamonds & Jewelry Inc. (the “**Lugano Board**”), and a week later, on July 16, 2025, the Lugano Board delegated certain matters to a newly formed Special Committee of the Board of Directors of Lugano Diamonds (the “**Special Committee**”), which is comprised of Messrs. FitzGerald and Wells. The Lugano Board delegated authority to the Special Committee to investigate, bring and resolve potential claims.

WHEREAS, the Special Committee retained independent advisors and commenced an internal investigation surrounding the fraud allegations, including to determine what Claims may exist as a result thereof. The Special Committee and the full board of Lugano Diamonds & Jewelry Inc., and the board of directors, board of managers, or manager/member of the other Debtors, authorized the commencement of the Chapter 11 Cases.

WHEREAS, on November 16, 2025 (the “**Petition Date**”), each of the Debtors filed voluntary petitions for relief under chapter 11 of the Bankruptcy Code. The Debtors remain in possession of their assets as debtors-in-possession pursuant to Section 1107 and 1108 of the Bankruptcy Code.

WHEREAS, on November 25, 2025, the U.S. Trustee appointed the UCC.

WHEREAS, the UCC, working with the Special Committee, on behalf of the Debtors, also commenced an investigation into the fraud allegations and the extent and validity of the liens and Claims (as defined below) asserted by CODI.

WHEREAS, on January 27, 2026, CODI filed a secured Claim against the Debtors, identified in the Debtors’ Claims register as proof of claim number 153 in the amount of \$718,222,591.91 (the “**CODI Prepetition Claim**”) and withdrew two proofs of claim filed on January 19, 2026.

WHEREAS, in addition to the CODI Prepetition Claim, CODI has asserted Claims arising under the DIP Order and the Cash Collateral Order for, among other things, the interim financing and adequate protection (the “**CODI Postpetition Claims**”).

WHEREAS, as part of the on-going investigations, the Debtors (through the Special Committee), CODI, and the UCC agreed to non-binding mediation (the “**Mediation**”). The Mediation resulted in an agreement in principle to material terms to resolve the disputes between the Parties, each of which is memorialized herein.

AGREEMENT

NOW, THEREFORE, in consideration of the covenants and agreements contained in this Agreement and for other valuable consideration, the receipt and sufficiency of which are acknowledged, each Party, intending to be legally bound by this Agreement, agrees as follows:

1. **Defined Terms.** Unless otherwise defined in this Agreement, the capitalized terms shall have the following meanings. Any capitalized terms not defined herein shall have the meaning set forth in the Plan.

a. “**Agency Order**” means that *Final Approval Order (I) Authorizing the Debtors to Assume the Agency Agreement, (II) Approving the Sale Guidelines, Dispute Resolution Procedures, Waiver of Various Lease Restrictions, and Modifications to The Debtors’ Customer Programs, and (III) Granting Related Relief* [Docket No. 263].

b. “**Affiliate**” has the meaning ascribed thereto in Section 101(2) of the Bankruptcy Code as if such entity were a debtor in a case under the Bankruptcy Code.

c. “**Agreement**” has the meaning ascribed thereto in the Preamble of this Agreement.

d. “**Avoidance Actions**” means any and all actual or potential avoidance, recovery, subordination, or other Claims, Causes of Action, or remedies that may be brought by or on behalf of the Debtors or their Estates or other authorized parties-in-interest under Bankruptcy Code §§ 510, 544, 547, 548, 549, 550, 551, 553(b) and 724(a) or applicable non-bankruptcy Law, including Claims, Causes of Action, or remedies arising under chapter 5 and Bankruptcy Code § 724(a) or under similar or related local, state, federal, or foreign statutes or common Law, including fraudulent transfer Law or other Law.

e. “**Bankruptcy Code**” means title 11 of the United States Code, 11 U.S.C. §§101-1532, as amended.

f. “**Bankruptcy Court**” means the United States Bankruptcy Court for the District of Delaware having jurisdiction over the Chapter 11 Cases, including to the extent of the withdrawal of any reference under 28 U.S.C. § 157, the United States District Court of the District of Delaware, or in the event such court ceases to exercise jurisdiction over any Chapter 11 Case.

g. “**Bankruptcy Release Parties**” means each of, and in each case in its capacity as such: (i) the Debtors and each of the Estates; (ii) the UCC (and its individual members solely in their capacities as members of the UCC and not in their capacity as parties that conducted business with or otherwise transacted with the Debtors or any Excluded Party); and (iii) each Related Party of each entity in clauses (i) and (ii); *provided, however*, no Excluded Party shall be a Bankruptcy Release Party.

h. “**Business Day**” means any day other than a Saturday, a Sunday, a “legal holiday” (as defined in Bankruptcy Rule 9006(a)), or any other day on which commercial banks in New York, New York are required or authorized to close by Law or executive order.

i. “**Cash**” means cash and cash equivalents, including bank deposits, wire transfers, checks representing good funds, and legal tender of the United States of America or instrumentalities thereof.

j. “**Cash Collateral Order**” means that *Final Order (I) Authorizing the Debtors to Use Cash Collateral; (II) Granting Adequate Protection to the Prepetition Lender; (III) Modifying the Automatic Stay; and (IV) Granting Related Relief* entered by the Bankruptcy Court on February 10, 2026 [Docket No. 364].

k. “**Causes of Action**” mean any and all Claims (including Investment Contract Claims), rights, actions, Avoidance Actions, Contributed Claims, proceedings, causes of action, liabilities, obligations, suits, debts, remedies, dues, sums of money, accounts, reckonings, bonds, bills, specialties, covenants, contracts, controversies, agreements, promises, variances, trespasses, rights of setoff, third-party claims, subordination claims, subrogation claims, contribution claims, reimbursement claims, indemnity claims, counterclaims, and cross claims, legal remedies, equitable remedies, claims, damages, judgments whatsoever, whether known or unknown, reduced to judgment, liquidated or unliquidated, fixed or contingent, matured or unmatured, disputed or undisputed, foreseen or unforeseen, asserted or unasserted, existing or hereafter arising, secured or unsecured, whether asserted directly or derivatively, in Law, at equity, or otherwise, by statute, whether for tort, fraud, contract, or otherwise, including any recharacterization, subordination, avoidance or other claim under any other similar provision of applicable state or federal Law.

l. “**CGM**” has the meaning ascribed thereto in the Preamble of this Agreement.

m. “**Chapter 11 Cases**” means with respect to all Debtors, the chapter 11 bankruptcy cases commenced by the Debtors, which are being jointly administered under the case caption *In re Lugano Diamonds & Jewelry Inc. et al.*, Case No. 25-12055 (BLS) (Bankr. D. Del.), and with respect to a particular Debtor, the chapter 11 bankruptcy case of such Debtor pending in the Bankruptcy Court.

n. “**Claim**” means any “claim,” as defined in Bankruptcy Code § 101(5) against any of the Debtors or against any property of the Debtors.

o. “**CODI**” has the meaning ascribed thereto in the Preamble of this Agreement.

p. “**CODI Auditor Claim**” means all Causes of Action CODI now holds or could hold against GT arising from or related to GT’s services to any of the Debtors and services GT rendered to CODI in connection with the Debtors.

q. “**CODI Auditor Recovery**” means the recovery set forth in Paragraph 3.b of this Agreement.

r. “**CODI Claims**” mean the CODI Prepetition Claim and CODI Postpetition Claims.

s. “**CODI Parent**” has the meaning ascribed thereto in the Preamble of this Agreement.

t. “**CODI Parties**” means CODI Parent, CODI, CGM, Sostratus, and each of their subsidiaries in their individual capacities and collectively as context requires, provided that no Excluded Party and no Debtor or any of its subsidiaries is a CODI Party.

u. “**CODI Related Parties**” means the Related Parties of the CODI Parties, which includes Patrick A Maciariello and Raj U. Dalal, in each case solely in its or their capacity as such; *provided, however* that: (i) none of the Excluded Parties are CODI Related Parties; and (ii) the Debtors and their subsidiaries shall not be considered CODI Related Parties.

v. “**CODI Release Parties**” means the CODI Parties and CODI Related Parties.

w. “**CODI Recoveries**” mean the CODI Specified Asset Recoveries, CODI Auditor Recovery, CODI Remainder Recovery, and CODI Residual Recovery.

x. “**CODI Remainder Recovery**” means the recovery set forth in Paragraph 3.c of this Agreement.

y. “**CODI Residual Recovery**” means the recovery set forth in Paragraph 3.d of this Agreement.

z. “**CODI Specified Asset Recoveries**” means the recovery set forth in Paragraph 3.a of this Agreement.

aa. “**Confirmation Order**” means the order of the Bankruptcy Court confirming the Plan pursuant to Bankruptcy Code § 1129 and approving this Agreement, which order must be acceptable to CODI and the UCC in all respects.

bb. “**Debtors**” has the meaning ascribed thereto in the Preamble of this Agreement.

cc. “**DIP Order**” means the *Interim Order (I) Authorizing the Debtors to (A) Obtain Postpetition Financing, and (B) Use Cash Collateral; (II) Granting Liens and Providing Superpriority Administrative Expense Claims; (III) Granting Adequate Protection to the Prepetition Lender; (IV) Modifying the Automatic Stay; (V) Scheduling a Final Hearing; and (VI) Granting Related Relief* [Docket No. 66].

dd. “**Disclosure Statement**” means the disclosure statement relating to the Plan, including all exhibits and schedules thereto, as approved by the Bankruptcy Court pursuant to Bankruptcy Code § 1125, as it subsequently may be amended, modified, or supplemented by the Debtors.

ee. “**Effective Date**” has the meaning set forth in Paragraph 2 of this Agreement.

ff. “**Estates**” mean the chapter 11 estates of the Debtors created by Bankruptcy Code § 541(a).

gg. “**Excluded Parties**” mean, collectively, (a) Ferder Affiliated Parties, (b) GT, (c) Josh Gaynor, (d) Investment Contract Counterparties, (e) any Person or entity set forth on Exhibit I. to the Plan Supplement, (f) any relative, shareholder, member, advisor, attorney, professional, Related Party, or beneficiaries of any of the persons or entities listed in the foregoing (a) – (e), and (g) any immediate or mediate transferee of property from any of the foregoing, *provided* that the following are not Excluded Parties: (i) the CODI Parties, (ii) the Debtors, (iii) the Lugano Prive Investment Trust, (iv) the Creditors’ Committee and its members only in their capacities as members of the Creditors’ Committee, and (v) the Related Parties of the Persons or entities listed in the foregoing (i) – (iv) who are not Ferder Related Parties and who are not specifically identified in the preceding clauses of this definition.

hh. “**GT**” means Grant Thornton LLP and its affiliates, which served as auditor for the Debtors and CODI.

ii. “**Investment Contract**” means any contract or agreement with one or more of the Debtors or with any Ferder Affiliated Party under which an Investment Contract Counterparty provided consideration purportedly for the shared purchase of, or a loan in connection with the purported acquisition of, or secured by, diamonds, precious stones or minerals, or jewelry in exchange for a return of principal or invested amount with interest or other additional return on principal or other investment and guarantee of such a contract or agreement. The CODI Claims are not Investment Contracts.

jj. “**Investment Contract Claims**” means any Claim or Cause of Action a Debtor may have against an Investment Contract Counterparty or a Related Party to such Investment Contract Counterparty.

kk. “**Investment Contract Counterparty**” means a non-Debtor party to an Investment Contract.

ll. “**Law**” means any federal, state, local, or foreign law (including common law), statute, code, ordinance, rule, regulation, order, listing rule, ruling, or judgment, in each case, that is validly adopted, promulgated, issued, or entered by a governmental authority of competent jurisdiction (including the Bankruptcy Court) or stock exchange.

mm. “**Liquidation Trust**” means a liquidation trust established on the Effective Date for the benefit of the Liquidation Trust Beneficiaries in accordance with the terms of the Plan and the Liquidation Trust Agreement.

nn. “**Liquidation Trust Agreement**” means the agreement establishing and delineating the terms and conditions of the Liquidation Trust, including the rights and duties of the Liquidation Trustee and the Liquidation Trust Oversight Board.

oo. “**Liquidation Trust Assets**” mean all assets of the Estates, including all Causes of Action, Cash in the Estates, any proceeds of the Tax Refund realized by the Post-Confirmation Debtor and transferred to the Liquidation Trust on receipt as provided in the Plan, the equity in the Post-Confirmation Debtor, any proceeds realized or received from such assets, all rights of setoff, recoupment, and other defenses with respect, relating to, or arising from the assets but excluding (a) the Tax Refund, (b) the Effective Date Reserves, and (c) the Professional Fee Reserve.

pp. “**Liquidation Trust Oversight Board**” means the board set forth in Paragraph 11 of this Agreement.

qq. “**Liquidation Trustee**” means Michael Goldberg and any successor appointed pursuant to the Liquidation Trust Agreement.

rr. “**Mediation Materials**” mean all communications, documents, information, and other materials disclosed or submitted during the mediation held between May 6 and May 7, 2026.

ss. “**Net Proceeds**” mean Cash recoveries from Liquidation Trust Assets, less all reasonable expenses incurred in obtaining such recoveries.

tt. “**Ordinary Course Professional**” has the meaning as that term is defined in the *Order (A) Authorizing the Debtors to Retain and Compensate Professionals Used in the Ordinary Course of Business, and (B) Granting Related Relief* [Docket No. 194] and who has been retained by the Debtors in accordance with the order.

uu. “**Person**” means any person or organization created or recognized by Law, including any association, company, cooperative, corporation, entity, estate, fund, individual, joint stock company, joint venture, limited liability company, partnership,

trust, trustee, unincorporated organization, government (including any federal, state, local, municipal, or foreign government) or any political subdivision or agency, department, or instrumentality thereof, or any other entity or organization of whatever nature, and any other entity as defined in Bankruptcy Code § 101(15).

vv. “**Plan**” means the chapter 11 plan of the Debtors, which incorporates this Agreement, in the pending Chapter 11 Cases, including all exhibits, schedules, supplements, appendices, annexes and attachments thereto, as the same may be amended, modified, or supplemented in accordance with the Plan.

ww. “**Plan Effective Date**” means the date the Plan becomes effective in accordance with its terms.

xx. “**Plan Effective Date Cash**” means all Cash in the Estates on the Plan Effective Date, less the amount of Cash required to fund the Effective Date Reserves (as defined in the Plan).

yy. “**Post-Confirmation Debtor**” means Lugano Holding, Inc.

zz. “**PSA**” means the agreement by and among the CODI Parties, the Debtors, and the UCC establishing the Debtors’ obligations to, among other things, propose the Plan containing provisions consistent with all material terms of this Agreement and all such parties’ obligations to, among other things, vote to accept this Plan and support its confirmation.

aaa. “**Related Parties**” means, collectively, with respect to any Person or entity, and in each case solely in its capacity as such, all current and former directors, managers, officers, committee members, members of any governing body, shareholders, unitholders, equity holders (regardless of whether such interests are held directly or indirectly), affiliated investment funds or investment vehicles, managed accounts or funds, predecessors, assignors, participants, successors, assignees (whether by operation of Law or otherwise), subsidiaries, partners, limited partners, general partners, principals, members, management companies, fund advisors or managers, fiduciaries, employees, agents, trusts, trustees, advisory board members, financial advisors, attorneys (including any other attorneys or professionals retained by any current or former director or manager in his or her capacity as director or manager of an entity), accountants, investment bankers, consultants, representatives, and other professionals and advisors and any such Person’s or entity’s respective heirs, executors, estates, and nominees; *provided* that no Excluded Party is a Related Party. Related Parties of the Debtors include the Special Committee and its members, advisors, and attorneys.

bbb. “**Sostratus**” has the meaning ascribed thereto in the Preamble of this Agreement.

ccc. “**Specified Assets**” means, collectively, (a) the Agency Agreement Proceeds; (b) the Tax Refund; and (c) the Theft Policy, and (d) Causes of Action to establish, and realize upon, the amounts due to the Estates under any agreement or law with respect to clauses (a) – (c).

ddd. “**Tax Refund**” means any federal, state, and local income tax refunds or other tax refunds owing or that become owing to any of the Debtors, including refunds owing to the Post-Confirmation Debtor from any taxing authorities, including the United States government and any state and local governments.

eee. “**Theft Policy**” means the Primary and Excess All Risks (LDI) policies, policy numbers B080123941W24 and B080123942W24, issued by Lloyd’s (syndicated) that insure against, among other things, theft of certain of the Debtors’ precious stone inventory under which the Debtors are the insured.

fff. “**Third-Party Litigation**” means any litigation or investigation between a third-party and CODI relating to the Debtors.

ggg. “**UCC**” has the meaning ascribed thereto in the Preamble of this Agreement.

2. **Conditions to Effectiveness**. This Agreement shall become effective and binding upon each of the Parties at 12:00 a.m. (prevailing Eastern Time), on the Effective Date, which is the date on which all the following conditions have been satisfied or waived in accordance with this Agreement:

a. Entering into this Agreement must be approved and executed by the requisite majority of the members of the relevant boards of directors or managers of CODI Parent, CODI, CGM, and Sostratus in accordance with their respective governing documents;

b. Each of the Parties shall have executed and delivered counterpart signature pages of this Agreement and the PSA to counsel for the other Parties (as applicable); and

c. The Plan Effective Date shall have occurred.

3. **CODI Recoveries**. The Plan shall provide for the following treatment on account of the CODI Claims, which treatment shall be in full and final satisfaction of the CODI Claims:

a. *CODI Specified Asset Recoveries*.

i. On the Plan Effective Date, the Debtors shall pay CODI 34.79% of the amount of the Effective Date Cash.

ii. After the Plan Effective Date, the Liquidation Trustee shall pay CODI (A) a subsequent Distribution from the Liquidation Trust equal to 34.79%

of Cash released from the Effective Date Reserves and Professional Fee Reserve to the extent not necessary to satisfy all Allowed Administrative, Professional Fee, Priority, Priority Tax, Other Secured, and Convenience Claims; and (B) periodic Distributions from the Liquidation Trust pursuant to the Liquidation Trust Agreement equal to 34.79% of all Net Proceeds of Specified Assets received by the Liquidation Trust after the Effective Date.

b. *CODI Auditor Recovery.* The Liquidation Trust shall pay CODI 45% of any Net Proceeds of all GT Claims. The Liquidation Trustee shall ensure its professionals maintain a record of fees and expenses under a separate billing designation for all work associated with the CODI Auditor Recovery.

c. *CODI Remainder Recovery.* The Liquidation Trust shall pay CODI 25% of any Net Proceeds of Causes of Action (including recoveries under any representations and warranty policy and Avoidance Actions) other than the GT Claims and Specified Assets.

d. *CODI Residual Recovery.* The Liquidation Trust shall pay CODI any Net Proceeds remaining in the Liquidation Trust after Holders of General Beneficial Interests receive Distributions equal to the full amount of their Allowed General Unsecured Claims plus GUC Interest (as defined in the Plan).

4. CODI Recoveries Mechanics. All CODI Recoveries shall be made by wire transfer or similar transfer of immediately available funds pursuant to written directions provided by CODI to the Debtors or the Liquidation Trustee, as applicable.

5. Assignment of Certain Claims and Causes of Action to Liquidation Trust. CODI irrevocably assigns and transfers the CODI Auditor Claims to the Liquidation Trust. The Plan shall offer holders of general unsecured Claims in the Chapter 11 Cases the opportunity to assign any individual Claims or Causes of Action such creditor may have against GT to the Liquidation Trust in exchange for an enhanced recovery on such creditor's unsecured Claim against a Debtor; *provided* that such enhanced recovery shall not affect the treatment of the CODI Claims, reduce the CODI Recoveries, or have any material adverse effect of any kind on any of the CODI Parties or CODI Related Parties.

6. Disputes. After the Effective Date, the Parties agree that any disputes arising under or relating to this Agreement shall be decided by the Bankruptcy Court and hereby agree to the sole and exclusive jurisdiction of the Bankruptcy Court for purposes of such disputes.

7. Further Assurances. To the extent they remain in existence at the relevant time—it being understood that the Debtors (except for the Post-Confirmation Debtor) and the UCC cease to exist on the Plan Effective Date:

a. *Agreement Cooperation.* The Parties shall cooperate reasonably with each other and with each other's respective representatives in connection with any steps

required to be taken as part of their respective obligations under this Agreement, and shall (i) furnish upon request to each other such further information, (ii) execute and deliver to each other such other documents, and (iii) do such other acts as a Party may reasonably request for the purpose of carrying out the transactions and compromises contemplated by this Agreement. The Parties shall cooperate with each other as necessary to obtain all consents and authorizations of third-parties, if any, to make all filings with and give all notices to third-parties that may be necessary or reasonably required in order to carry out the intent of this Agreement and the transactions and compromises contemplated hereby.

b. *Third-Party Litigation Cooperation.* Each of the Parties agrees to (i) respond (at the requesting Party's expense) to each other's reasonable requests for information relating to any Third-Party Litigation for 24 months after the Effective Date and (ii) upon request from a Party, and to the extent a common interest or joint defense exists, enter into a reasonable Common Interest Agreement or Joint Defense Agreement to govern the sharing of such information as contemplated in this Paragraph 7b; *provided, however*, that no Party is required to participate in any Third-Party Litigation in which it is not a party, to create or provide work product or other documents that do not already exist, or to take, assist with, or support any position or action in any Third-Party Litigation that the responding Party does not support or agree with, in its sole or absolute discretion. Nothing in this subparagraph alters or is intended to alter any Party's obligation to respond to a valid subpoena or any Party's right to object to a subpoena pursuant to applicable Law. Nothing in this Agreement shall require any CODI Release Parties to incur any expenses or costs in providing such cooperation.

c. *No Cooperation Regarding Litigation Against the CODI Release Parties.* No Party to this Agreement shall encourage or voluntarily cooperate in any litigation or anticipated litigation against the CODI Release Parties.

8. Releases by the Bankruptcy Release Parties. Except as provided in Paragraph 10, the Bankruptcy Release Parties, to the extent controlled by a Party hereto, shall forever release the CODI Release Parties from any and all Claims, actions, Causes of Action, suits, debts, dues, sums of money, accounts, controversies, agreements, promises, damages, judgments, executions, and demands whatsoever, in Law or equity, whether known or unknown, liquidated or unliquidated, which the Bankruptcy Release Parties ever had, now have, or hereafter can, shall, or may have against any of the CODI Release Parties or Bankruptcy Release Parties for any matter, cause, thing, or reason whatsoever as of the Plan Effective Date, including but not limited to, for or arising out of, or related to, prepetition matters with the Debtors, the Debtors' business, the Debtors' actual or alleged fraud, the Chapter 11 Cases, the CODI Claims, and other actual or potential Claims that were or could have been asserted against any of the CODI Release Parties or any of the Bankruptcy Release Party.

9. Releases by the CODI Release Parties. Except as provided in Paragraph 10, the CODI Release Parties, to the extent controlled by a Party hereto, hereby forever release and discharge the Bankruptcy Release Parties from any and all Claims, actions, Causes of Action, suits, debts, dues, sums of money, accounts, controversies, agreements, promises, damages,

judgments, executions, and demands whatsoever, in Law or equity, whether known or unknown, liquidated or unliquidated, which the CODI Release Parties ever had, now have, or hereafter can, shall, or may have against any of the Bankruptcy Release Parties for any matter, cause, thing, or reason whatsoever as of the Plan Effective Date, including but not limited to, for or arising out of, or related to, prepetition matters with the Debtors, the Debtors' business, the Debtors' actual or alleged fraud, the Chapter 11 Cases, and any other actual or potential Claims that were or could have been asserted against any of the Bankruptcy Release Parties.

10. Exclusions from Releases. Notwithstanding anything to the contrary in Paragraph 8, Paragraph 9, or any other Paragraph of this Agreement, the Parties agree and acknowledge that, subject to their treatment in the Plan, this Agreement and the releases to be provided in the Plan shall not release or waive:

- a. The CODI Claims;
- b. The CODI Recoveries;
- c. Any and all Claims, Causes of Action, derivative claims and causes of action, obligations, suits, judgments, damages, debts, rights, remedies, and liabilities of any unmatured, known or unknown, foreseen or unforeseen, then existing or thereafter arising, in law equity, contract, tort, or otherwise, that a CODI Party would have been legally entitled to assert in their own right (whether individually, derivatively, or collectively) against another CODI Party or any of their officers, directors, members, managers, trustees, or employees;
- d. any obligation of a Party arising under or created by this Agreement; and
- e. any Claim or litigation by a Party against a third-party that is not expressly released pursuant to this Agreement and the Plan, including but not limited to, Claims or litigation by the Debtors, Estates, Liquidation Trust, or CODI Release Parties against (a) any Excluded Party, (b) against any member of the UCC (in a capacity other than as a member of the UCC, and (c) against any Investment Contract Counterparty.

11. Liquidation Trust Oversight Board. The Plan shall provide that the Liquidation Trust shall have a board comprising five members established under the Plan and Article III of the Liquidation Trust Agreement to oversee the Liquidation Trustee's performance of his duties and otherwise serve the functions set forth in the Liquidation Trust Agreement. The initial members of the Liquidation Trust Oversight Board are: (i) Stephen Keller; (ii) Adam Rothstein; (iii) Avi Wazana; (iv) Spencer Wells; and (v) Craig Barbarosh. The last two named Board Members are the independent board members of the Liquidation Trust Oversight Board.

12. Confidentiality. Except as explicitly provided in the Plan or required under applicable law, the Parties agree, and the Plan shall provide, that the Parties shall keep all Mediation Materials confidential to the maximum extent allowable by Law and that they shall not make, or cause any other person or entity to make, any public statements or other

communications concerning this Agreement or its subject matter. In the event a Party, in its sole discretion, makes a good faith determination that disclosure of any Mediation Materials is necessary to comply with its obligations, including but not limited to, in order to comply with direction of the Bankruptcy Court or to respond to request for compelled disclosure, such disclosing Party shall (to the extent reasonably possible) provide the other Parties with reasonably prompt, advance written notice so as to permit the other Parties an opportunity to consult with, and advise the disclosing Party of, the other Parties' position. In the event of a filing, subpoena, or similar request for compelled disclosure of the terms of any Mediation Materials, the Party receiving such filing, subpoena, or request shall provide a copy of such request to the other Parties promptly upon receipt. This notice and consultation requirement does not impose any obligation upon any Party to forego or resist disclosure if such Party determines in its good faith discretion that such disclosure is necessary to comply with such Party's obligations. The obligations of the Parties set forth in this Paragraph 12 shall survive the termination of this Agreement regardless of whether the Effective Date has occurred.

13. Miscellaneous. Each Party acknowledges, represents, and agrees that:

- a. no promise, inducement, or consideration has been offered or promised to any Party except as expressly set forth herein;
- b. this Agreement is executed without reliance upon any statement or representation by any other Party or other Party's attorneys or representatives concerning the nature and extent of any Claims and/or damages or legal liability therefor;
- c. this Agreement, together with the PSA and Plan, constitutes the final and fully-integrated agreement of the Parties concerning the subject matter hereof and supersedes all prior or contemporaneous oral and written statements, understandings, and agreements between them or their counsel regarding the subject matter hereof;
- d. this Agreement shall be governed by the Laws of the State of Delaware without regard to any choice of Law analysis that might call for application of some different Law;
- e. this Agreement may not be modified except in a writing signed by each Party and no Party shall be entitled to rely on any other manner of attempted modification, which shall be void (and not merely voidable);
- f. no Party has assigned or purported to assign any Claim that otherwise would be released or discharged by this Agreement;
- g. this Agreement may be executed in two or more counterparts, but all of which taken together shall constitute one and the same agreement; and

h. signatures exchanged by email or facsimile transmission shall be deemed original signatures for all purposes and shall indicate and evidence such Party's final and fully-enforceable agreement to the terms of this Agreement.

14. Authority. Each Party and each signatory below represents that the signatory has all necessary authority to enter into the terms of this Agreement on behalf of the Party for which she or he is signing and to bind that Party to the terms of this Agreement. Each Party acknowledge that each other Party is specifically relying on these representations in entering into this Agreement and that the Parties' respective signatories have actual, apparent, and inherent authority to bind the Parties to the terms of this Agreement. Each of the Parties agree that none of the Parties has an obligation to inquire into the authority of the signatories for any Party and the Parties' reliance on the representations in this Agreement and apparent authority is reasonable and justifiable.

15. Third-Party Beneficiaries.

a. Except as set forth in Paragraph 15(b), the Parties do not confer any rights or remedies upon any person other than the Parties to this Agreement and their respective successors and assigns.

b. The Parties hereby designate the Bankruptcy Release Parties and CODI Release Parties as third-party beneficiaries of this Agreement having the right to enforce the releases provided under this Agreement.

16. Conflicts. In the event of any inconsistency between this Agreement and the Plan, the Plan shall govern.

IN WITNESS WHEREOF, the Parties have caused this Agreement to be duly executed as of the dates indicated below.

[Signature Pages Intentionally Omitted]

THIS PLAN SUPPORT AGREEMENT IS NOT AN OFFER OR ACCEPTANCE WITH RESPECT TO ANY SECURITIES OR A SOLICITATION OF ACCEPTANCES OF A CHAPTER 11 PLAN WITHIN THE MEANING OF SECTION 1125 OF THE BANKRUPTCY CODE. ANY SUCH OFFER WILL COMPLY WITH ALL APPLICABLE SECURITIES LAWS AND/OR PROVISIONS OF THE BANKRUPTCY CODE. NOTHING CONTAINED IN THIS PLAN SUPPORT AGREEMENT SHALL BE AN ADMISSION OF FACT OR LIABILITY OR, UNTIL THE OCCURRENCE OF THE AGREEMENT EFFECTIVE DATE ON THE TERMS DESCRIBED IN THIS AGREEMENT, DEEMED BINDING ON ANY OF THE PARTIES TO THIS AGREEMENT.

PLAN SUPPORT AGREEMENT

This PLAN SUPPORT AGREEMENT (including all exhibits, annexes, and schedules attached to this agreement in accordance with Section 11.2, this “**Agreement**”) is made and entered into as of this 24th day of June 2026 (the “**Execution Date**”), by and among (i) Lugano Diamonds & Jewelry Inc. (“**Lugano Diamonds**”), (ii) Lugano Buyer, Inc. (“**Lugano Buyer**”), (iii) K.L.D. Jewelry, LLC, (iv) Lugano Prive, LLC, (v) Lugano Holding, Inc. (“**Lugano Holding**,” and together with the entities identified in (i)-(iv), the “**Debtors**”), (vi) Compass Group Diversified Holdings LLC (“**CODI**”) and (vii) the Official Committee of Unsecured Creditors of the Debtors (the “**UCC**”). The Debtors, CODI and the UCC are each referred to herein individually as a “**Party**” and collectively as the “**Parties**.” Capitalized terms used but not otherwise defined herein shall have the meanings ascribed to such terms in Settlement Agreement between the Parties (the “**Settlement Agreement**”) attached hereto as **Exhibit 1**.

RECITALS

WHEREAS, the Debtors were established by Mordechai Haim Ferder and his wife, Idit Ferder, in 2004 as a designer, manufacturer, and retailer of high-end jewelry.

WHEREAS, in 2021, CODI acquired an indirect majority interest in Lugano Diamonds & Jewelry Inc. from Mr. Ferder and his affiliated entities. Following the transaction, Lugano Holding, Inc. was the sole shareholder of Lugano Buyer, Inc., and Lugano Buyer, Inc. was the sole shareholder of Lugano Diamonds & Jewelry Inc. In connection with the transaction, Mr. Ferder and his affiliated entities retained a significant portion of the equity of Lugano Holding, Inc. and CODI became the majority equity holder of Lugano Holding, Inc. Mr. Ferder continued as chief executive officer and a member of the board of directors of certain Debtors.

WHEREAS, Lugano Diamonds & Jewelry, Inc. and Lugano Buyer, Inc., as co-borrowers (the “**Borrowers**”), and CODI, as lender, entered into a Credit Agreement (as amended, the “**Credit Agreement**”) dated as of September 3, 2021. The other Debtors are guarantors (the “**Guarantors**”) under the Credit Agreement. The Credit Agreement provided for both revolving and term loans. Pursuant to a Guarantee and Collateral Agreement dated as of September 3, 2021, the Borrowers’ obligations under the Credit Agreement are secured by liens

on substantially all of the Debtors' personal property and the obligations under the Credit Agreement are guaranteed by the Guarantors. The outstanding obligations under the Credit Agreement, including principal, prepetition interest, and fees, exceed \$718 million.

WHEREAS, on May 7, 2025, CODI and its parent entity filed a Form 8-K (the "May 8-K") disclosing that CODI had commenced an internal investigation into the financing, accounting, and inventory practices of Lugano Holding, based on concerns reported to CODI management. The May 8-K also disclosed that Mr. Ferder had resigned from his position as Chief Executive Officer of Lugano Holding and from all offices and directorships previously held with Lugano and its subsidiaries and affiliates.

WHEREAS, on June 24, 2025, Lugano Diamonds commenced an action against Mr. Ferder and a related trust for which he is a trustee, asserting claims for fraud, concealment, constructive fraud, and breach of fiduciary duty.

WHEREAS, beginning in early 2024, Lugano Diamonds brought in a new management team, including Mr. Joshua Gaynor as President and Christoph Pachler as Chief Financial Officer. On June 4, 2025, the Debtors instituted governance changes. Mr. Gaynor and Mr. Pachler were selected as directors of Lugano Holding, Lugano Buyer, and Lugano Diamonds. To address potential conflicts and to provide for independent governance where appropriate, the Board selected two independent directors (to supplement two legacy independent directors that remain on the Board) with no prior connection to the Debtors, CODI, or the Ferders. Mr. Thomas FitzGerald and Mr. L. Spencer Wells joined the Lugano Diamonds board of directors (the "***Lugano Board***") on July 9, 2025, and a week later, on July 16, 2025, the Lugano Board delegated certain matters to a newly formed Special Committee of the Board of Directors of Lugano Diamonds (the "***Special Committee***"), which comprises Messrs. FitzGerald and Wells.

WHEREAS, the Special Committee retained separate advisors and commenced an internal investigation surrounding the fraud allegations to determine, among other things, what happened and what claims may exist as a result thereof. The Special Committee and the full board of Lugano Diamonds & Jewelry Inc. and the boards of directors, boards of managers, or manager/member of the other Debtors, on behalf of the Debtors, also authorized the commencement of the Chapter 11 Cases.

WHEREAS, on November 16, 2025 (the "***Petition Date***"), each of the Debtors filed voluntary petitions for relief under chapter 11 of the Bankruptcy Code. The Debtors remain in possession of their assets as debtors-in-possession pursuant to section 1107 and 1108 of the Bankruptcy Code.

WHEREAS, on November 25, 2025, the United States Trustee appointed the UCC.

WHEREAS, the UCC, working with the Special Committee, on behalf of the Debtors, also commenced an investigation into the fraud allegations and the extent and validity of the liens and claims asserted by CODI.

WHEREAS, on January 27, 2026, CODI filed a secured claim identified in the Debtors' claims register as proof of claim number 153 in the amount of \$718,222,591.91 against the Debtors (the "**CODI Prepetition Claim**").

WHEREAS, in addition to the CODI Prepetition Claim, CODI has Claims arising under the *Interim Order (I) Authorizing the Debtors to (A) Obtain Postpetition Financing, and (B) Use Cash Collateral; (II) Granting Liens and Providing Superpriority Administrative Expense Claims; (III) Granting Adequate Protection to the Prepetition Lender; (IV) Modifying the Automatic Stay; (V) Scheduling a Final Hearing; and (VI) Granting Related Relief* [Docket No. 66] and the *Final Order (I) Authorizing the Debtors to Use Cash Collateral; (II) Granting Adequate Protection to the Prepetition Lender; (III) Modifying the Automatic Stay, and (IV) Granting Related Relief* [Dkt. No. 364] (the "**Cash Collateral Order**") for, among other things, the interim financing provided and adequate protection.

WHEREAS, as part of the on-going investigations, the Debtors (including the Special Committee), CODI and the UCC agreed to non-binding mediation (the "**Mediation**"), which mediation resulted in the resolution of the disputes between the Parties and which is memorialized in the Settlement Agreement attached hereto as Exhibit 1 (the "**Settlement**").

NOW, THEREFORE, in consideration of the covenants and agreements contained in this Agreement and for other valuable consideration, the receipt and sufficiency of which are acknowledged, each Party, intending to be legally bound by this Agreement, agrees as follows:

ARTICLE 1 DEFINITIONS

Section 1.1 Definitions and Interpretations. The following terms shall have the following meanings:

- (a) "**Affiliate**" has the meaning set forth in section 101(2) of the Bankruptcy Code.
- (b) "**Agreed Pre-Effective Date Fee Budget**" means the budget attached as Exhibit A to the Plan, agreed to among CODI, the Debtors, the Special Committee, and the Creditors' Committee, establishing the maximum amount of Professional Fees that CODI, the Debtors, the Special Committee, and the Creditors' Committee have agreed can be deducted from Effective Date Cash for purposes of determining the Effective Date Distribution on account of the CODI Claim, *provided* that the Agreed Pre-Effective Date Fee Budget is not a cap on the total amount of Professional Fees Allowable for the period between the Petition Date and the Effective Date.
- (c) "**Agreement**" has the meaning set forth in the preamble to this Agreement and, for the avoidance of doubt, includes all the exhibits, annexes, and schedules attached to this Agreement in accordance with Section 11.2.

(d) “**Agreement Effective Date**” means the date on which the conditions set forth in Section 2.1 have been satisfied or waived in accordance with this Agreement.

(e) “**Alternative Transaction Proposal**” means any inquiry, proposal, offer, bid, term sheet, discussion or agreement with respect to a sale, disposition, new-money investment, restructuring, reorganization, merger, amalgamation, acquisition, consolidation, dissolution, debt investment, equity investment, liquidation, tender offer, recapitalization, plan of reorganization, share exchange, business combination, or similar transaction involving any one or more Debtors or the debt, equity, or other interests in any one or more Debtors other than the transactions and agreements provided for in the Settlement Agreement.

(f) “**Avoidance Actions**” means any and all actual or potential avoidance, recovery, subordination, or other Claims, Causes of Action, or remedies that may be brought by or on behalf of the Debtors or their Estates or other authorized parties-in-interest under sections 510, 544, 547, 548, 549, 550, 551, 553(b) and 724(a) of the Bankruptcy Code or applicable non-bankruptcy Law, including Claims, Causes of Action, or remedies arising under chapter 5 and section 724(a) of the Bankruptcy Code or under similar or related local, state, federal, or foreign statutes or common Law, including fraudulent transfer Law or other Law.

(g) “**Bankruptcy Code**” means title 11 of the United States Code, 11 U.S.C. §§ 101–1532, as amended.

(h) “**Bankruptcy Court**” means the United States Bankruptcy Court for the District of Delaware having jurisdiction over the Chapter 11 Cases, including to the extent of the withdrawal of any reference under 28 U.S.C. § 157, the United States District Court of the District of Delaware, or in the event such court ceases to exercise jurisdiction over any Chapter 11 Case.

(i) “**Business Day**” means any day other than a Saturday, a Sunday, a “legal holiday” (as defined in Bankruptcy Rule 9006(a)), or any other day on which commercial banks in New York, New York are required or authorized to close by law or executive order.

(j) “**Causes of Action**” mean any and all Claims (including Investment Contract Claims), rights, actions, Avoidance Actions, Contributed Claims, proceedings, causes of action, liabilities, obligations, suits, debts, remedies, dues, sums of money, accounts, reckonings, bonds, bills, specialties, covenants, contracts, controversies, agreements, promises, variances, trespasses, rights of setoff, third-party claims, subordination claims, subrogation claims, contribution claims, reimbursement claims, indemnity claims, counterclaims, and cross claims, legal remedies, equitable remedies, claims, damages, or judgments whatsoever, whether known or unknown, reduced to judgment, liquidated or unliquidated, fixed or contingent, matured or unmatured, disputed or undisputed, foreseen or unforeseen, asserted or unasserted, existing or hereafter arising, secured or unsecured,

whether asserted directly or derivatively, in Law, at equity, or otherwise, by statute, whether for tort, fraud, contract, or otherwise, including any recharacterization, subordination, avoidance or other claim under any other similar provision of applicable state or federal Law.

(k) “**CGM**” means Compass Group Management LLC.

(l) “**Chapter 11 Cases**” means the Debtors’ jointly administered bankruptcy cases under lead case number 25-12055 (BLS), styled as *In re Lugano Diamonds & Jewelry Inc., et al.*, pending in the Bankruptcy Court.

(m) “**Claim**” means any “claim,” as defined in section 101(5) of the Bankruptcy Code, against any of the Debtors or against any property of the Debtors.

(n) “**Class**” means any group of Claims or Equity Interests classified by the Plan pursuant to section 1122(a) of the Bankruptcy Code.

(o) “**CODI Cash Collateral Claim**” means any and all Claims held by CODI arising from or in connection with the Cash Collateral Order, which are more specifically detailed in the Cash Collateral Order and which include any Claims for adequate protection due to the diminution in value of CODI’s collateral.

(p) “**CODI Claims**” means, collectively, any and all Claims of any CODI Party including the CODI Cash Collateral Claim, DIP Claims, CODI Secured Claim, and any other Claim arising under the *Credit Agreement* dated as of September 3, 2021, by and among each of the Debtors (whether in its capacity as a borrower, co-borrower, or a guarantor), and CODI as lender, as such credit agreement was thereafter amended, modified, and restated as of the Petition Date, including any Claims for diminution in value, any other Claims arising out of CODI’s relationship with the Debtors, and the Claim of Bank of America against the Debtors to which CODI is subrogated.

(q) “**CODI Parent**” means Compass Diversified Holdings LLC.

(r) “**CODI Parties**” means, collectively, CODI Parent, CODI, CGM, Sostratus, and each of their subsidiaries in their individual capacities and collectively, as context requires, provided that no Excluded Party and no Debtor or any of its subsidiaries is a CODI Party.

(s) “**CODI Related Parties**” means the Related Parties of the CODI Parties, which includes Patrick A Maciariello and Raj U. Dalal, in each case solely in its capacity as such; *provided, however* that none of the Excluded Parties are CODI Related Parties; *provided further*, that the Debtors and their subsidiaries shall not be considered CODI Related Parties.

- (t) “**CODI Secured Claim**” means the CODI Claims to the extent such Claims are Secured Claims, including to the extent Secured by any Lien.
- (u) “**Confirmation Order**” means the order of the Bankruptcy Court confirming the Plan pursuant to section 1129 of the Bankruptcy Code and approving the Settlement Agreement, which order must be acceptable to the CODI Parties and the UCC in all respects.
- (v) “**Debtors**” has the meaning ascribed thereto in the Preamble of this Agreement.
- (w) “**Definitive Documents**” means all of the definitive documents implementing the Settlement, including those set forth in Section 3.1.
- (x) “**Disclosure Statement**” means the disclosure statement relating to the Plan, including all exhibits and schedules thereto, as approved by the Bankruptcy Court pursuant to section 1125 of the Bankruptcy Code, as it subsequently may be amended, modified, or supplemented by the Debtors.
- (y) “**Effective Date**” has the meaning set forth in the Settlement Agreement.
- (z) “**Entity**” shall have the meaning set forth in Section 101(15) of the Bankruptcy Code.
- (aa) “**Equity Interests**” means any (or any class thereof) common stock, preferred stock, general or limited partnership interests or units, limited liability company interests or units, equity security (as defined in section 101(16) of the Bankruptcy Code), and any other equity, ownership or profit interest, options, warrants rights, stock appreciation rights, phantom stock rights, restricted stock units, redemption rights, repurchase rights, convertible, exercisable, exchangeable or other securities or agreements to acquire or subscribe for, or which are convertible into or based on the value of such shares (or any class thereof) of, common stock, preferred stock, general or limited partnership interests, limited liability company interests, or other equity, ownership, or profits interests (in each case whether or not arising under or in connection with any employment agreement).
- (bb) “**Excluded Parties**” mean, collectively, (a) Feder Affiliated Parties, (b) GT, (c) Josh Gaynor, (d) Investment Contract Counterparties, (e) any Person or Entity set forth on Exhibit I. to the Plan Supplement, (f) any relative, shareholder, member, advisor, attorney, professional, Related Party, or beneficiaries of any of the persons or entities listed in the foregoing (a) – (e), and (g) any immediate or mediate transferee of property from any of the foregoing, *provided* that the following are not Excluded Parties: (i) the CODI Parties, (ii) the Debtors, (iii) the Lugano Prive Investment Trust, (iv) the Creditors’ Committee and its members only in their capacities as members of the Creditors’ Committee, and (v) the Related Parties of the Persons or entities listed in the foregoing (i) – (iv) who are not Ferder Related Parties and who are not specifically identified in the preceding clauses of this definition.

(cc) “**Ferder Affiliated Party**” means, collectively, (a) Mordechai Haim Ferder, (b) Edit Ferder, (c) Tom Ferder, (d) RF 2021 Irrevocable Trust, dated August 30, 2021, (e) TF 2021 Irrevocable Trust, dated August 30, 2021, (f) Simba IL Holdings, LLC, (g) Serenade Newport, LLC, (h) The Haim Family Trust, dated February 24, 2009, (i) VAD & Company, Inc., and (j) any relative, shareholder, member, advisor, attorney, professional, Affiliate, or beneficiary of any of the persons or entities listed in the foregoing (a) – (i), and (k) any immediate or mediate transferee of property from any of the foregoing; *provided* that the Debtors and the CODI Parties are not Ferder Affiliated Parties.

(dd) “**Final Order**” mean, as applicable, an order or judgment of the Bankruptcy Court or other court of competent jurisdiction with respect to the relevant subject matter that has not been reversed, rescinded, stayed, modified, or amended and as to which the time to appeal, seek certiorari, or move for a new trial, reargument, or rehearing has expired and no appeal, petition for certiorari, or other proceeding for a new trial, reargument, or rehearing thereof has been timely sought or, if an appeal, writ of certiorari, new trial, reargument, or rehearing thereof has been sought, such order or judgment has been affirmed by the highest court to which such order was appealed or certiorari has been denied, or a new trial, reargument, or rehearing has been denied, or resulted in no modification of such order, and the time to take any further appeal, petition for certiorari, or move for a new trial, reargument, or rehearing has expired; *provided* that no order or judgment fails to be a “Final Order” solely because of the possibility that a motion under Rules 59 or 60 of the Federal Rules of Civil Procedure, Bankruptcy Rules 9023 or 9024 (or any analogous rules applying in another court of competent jurisdiction) or Bankruptcy Code § 502(j) or 1144 has been or may be Filed with respect to such order or judgment.

(ee) “**GT**” means Grant Thornton LLP and its affiliates, which served as auditors for the Debtors and CODI.

(ff) “**Investment Contract**” means any contract or agreement with one or more of the Debtors or with any Ferder Affiliated Party under which an Investment Contract Counterparty provided consideration purportedly for the shared purchase of, or a loan in connection with the purported acquisition of, or secured by, diamonds, precious stones or minerals, or jewelry in exchange for a return of principal or invested amount with interest or other additional return on principal or other consideration and guarantee of such a contract or agreement. The CODI Claims are not Investment Contracts.

(gg) “**Investment Contract Claims**” means any Claim or Cause of Action a Debtor may have against an Investment Contract Counterparty or a Related Party to such Investment Contract Counterparty.

(hh) “**Investment Contract Counterparty**” means a non-Debtor party to an Investment Contract.

(ii) “**Law**” means any federal, state, local, or foreign law (including common law), statute, code, ordinance, rule, regulation, order, listing rule, ruling, or judgment, in each case, that is validly adopted, promulgated, issued, or entered by a governmental authority of competent jurisdiction (including the Bankruptcy Court) or stock exchange.

(jj) “**Milestones**” means the milestones set forth in Article 4 hereof.

(kk) “**Parties**” has the meaning ascribed thereto in the Preamble of this Agreement.

(ll) “**Person**” means any person or organization created or recognized by Law, including any association, company, cooperative, corporation, Entity, estate, fund, individual, joint stock company, joint venture, limited liability company, partnership, trust, trustee, unincorporated organization, government (including any federal, state, local, municipal, or foreign government) or any political subdivision or agency, department, or instrumentality thereof.

(mm) “**Petition Date**” has the meaning ascribed thereto in the Recitals of this Agreement.

(nn) “**Plan**” means the chapter 11 plan of the Debtors, which incorporates the Settlement Agreement, in the pending Chapter 11 Cases, including all exhibits, schedules, supplements, appendices, annexes and attachments thereto.

(oo) “**Plan Supplement**” means the ancillary documents regarding the implementation and effectuation of the Plan Filed on or before the date that is seven calendar days prior to the Voting Deadline, as such documents may be amended and supplemented prior to the Confirmation Hearing.

(pp) “**Related Parties**” means, collectively, with respect to any Person or Entity, and in each case solely in its capacity as such, all current and former directors, managers, officers, committee members, members of any governing body, shareholders, unitholders, equity holders (regardless of whether such interests are held directly or indirectly), affiliated investment funds or investment vehicles, managed accounts or funds, predecessors, assignors, participants, successors, assignees (whether by operation of Law or otherwise), subsidiaries, partners, limited partners, general partners, principals, members, management companies, fund advisors or managers, fiduciaries, employees, agents, trusts, trustees, advisory board members, financial advisors, attorneys (including any other attorneys or professionals retained by any current or former director or manager in the capacity as director or manager of an Entity), accountants, investment bankers, consultants, representatives, and other professionals and advisors and any such Person’s or Entity’s respective heirs, executors, estates, and nominees; *provided* that no Excluded Party is a Related Party. Related Parties of the Debtors include the Special Committee and its members, advisors, and attorneys.

(qq) “**Releases & Exculpation Provisions**” means the releases and exculpation provisions to be included in the Plan, which shall be acceptable to the CODI in its sole discretion, and shall include Debtor and third party releases, on the terms set forth in the Settlement Agreement, by and for the benefit of (a) the CODI Parties and the CODI Related Parties, (b) the Debtors and each of their Related Parties, and (c) the UCC and each of their Related Parties.

(rr) “**Solicitation Materials**” means the Disclosure Statement, ballots, documents, forms and all other materials provided in connection with the solicitation of the Plan pursuant to sections 1125 and 1126 of the Bankruptcy Code, which shall be consistent with this Agreement and the Settlement Agreement.

(ss) “**Sostratus**” means Sostratus, LLC.

(tt) “**Termination Date**” means, with respect to a Party to this Agreement, the date on which termination of this Agreement as to a Party is effective in accordance with Section 9.1, Section 9.2, Section 9.3 or Section 9.4 hereof, as applicable.

(uu) “**Termination Event**” shall have the meaning set forth in, as applicable, Section 9.1 and Section 9.2.

Section 1.2 Interpretation. For purposes of this Agreement:

(a) in the appropriate context, each term, whether stated in the singular or the plural, shall include both the singular and the plural, and pronouns stated in the masculine, feminine, or neutral gender shall include the masculine, feminine, and the neutral gender;

(b) capitalized terms defined only in the plural or singular form shall nonetheless have their defined meanings when used in the opposite form;

(c) unless otherwise specified, any reference in this Agreement to a contract, lease, instrument, release, indenture, or other agreement or document being in a particular form or on particular terms and conditions means that such document shall be substantially in such form or substantially on such terms and conditions;

(d) unless otherwise specified, any reference in this Agreement to an existing document, schedule, or exhibit shall mean such document, schedule, or exhibit, as it may have been or may be amended, restated, supplemented, or otherwise modified from time to time; notwithstanding the foregoing, any capitalized terms in this Agreement that are defined with reference to another agreement, are defined with reference to such other agreement as of the date of this Agreement, without giving effect to any termination of such other agreement or amendments to such capitalized terms in any such other agreement following the date of this Agreement;

- (e) unless otherwise specified in this Agreement, the provisions of Bankruptcy Rule 9006(a) shall apply in computing any period of time prescribed or allowed herein. If any payment, distribution, act or deadline under the Plan is required to be made or performed or occurs on a day that is not a Business Day, then the making of such payment or distribution, the performance of such act, or the occurrence of such deadline shall be deemed to be on the next succeeding Business Day, but shall be deemed to have been completed or to have occurred as of the required date.
- (f) unless otherwise specified, all references in this Agreement to “Sections” are references to Sections of this Agreement;
- (g) the words “herein,” “hereof,” and “hereto” refer to this Agreement in its entirety rather than to any particular portion of this Agreement;
- (h) captions and headings to Sections are inserted for convenience of reference only and are not intended to be a part of or to affect the interpretation of this Agreement;
- (i) references to “shareholders,” “directors,” and/or “officers” shall also include “members” and/or “managers,” as applicable, as such terms are defined under the applicable limited liability company Laws;
- (j) the use of “include” or “including” is without limitation, whether stated or not; and
- (k) the word “or” shall not be exclusive.

ARTICLE 2

EFFECTIVENESS OF THIS AGREEMENT

Section 2.1 Conditions to Effectiveness. This Agreement shall become effective and binding upon each of the Parties at 12:00 a.m. (prevailing Eastern Time), on the Agreement Effective Date, which is the date on which all of the following conditions have been satisfied or waived in accordance with this Agreement:

- (a) The Debtors shall have delivered to CODI and the UCC a resolution of the Debtors (i) authorizing the Debtors to enter into the Settlement Agreement and (ii) authorizing the Debtors to execute the Settlement Agreement and this Agreement (the “**Resolution**”); and
- (b) Each of the Debtors, CODI, and the UCC shall have executed and delivered counterpart signature pages of this Agreement and the Settlement Agreement to counsel for the other Parties.

ARTICLE 3
DEFINITIVE DOCUMENTS

Section 3.1 The Definitive Documents governing the Settlement shall include the following (in each case, and any order, or amendment or modification of any order, entered by the Bankruptcy Court related to the below items):

- (a) The Plan (and all exhibits, ballots, solicitation procedures, and other documents and instruments related thereto), including any “Definitive Documentation” as defined therein and not explicitly so defined herein;
- (b) The Plan Supplement and all documents, annexes, exhibits, schedules contained therein, including any schedules of rejected contracts;
- (c) The Disclosure Statement and the Solicitation Materials;
- (d) The order of the Bankruptcy Court approving the Disclosure Statement and the other Solicitation Materials (which may also be the Confirmation Order);
- (e) The Confirmation Order and pleadings in support of entry of the Confirmation Order;
- (f) This Agreement, the Settlement Agreement attached hereto and all other exhibits to this Agreement or the Settlement Agreement; and
- (g) Any other material agreements, motions, pleadings, briefs, applications, orders and other filings with the Bankruptcy Court related to the Settlement Agreement.

Section 3.2 The Definitive Documents that are not executed or in a form attached to this Agreement as of the Execution Date remain subject to negotiation and completion. Upon completion, the Definitive Documents and every other document, deed, agreement, filing, notification, letter, or instrument related to the Settlement Agreement and the Plan shall contain terms, conditions, representations, warranties, and covenants not inconsistent with the terms of this Agreement, as they may be modified, amended, or supplemented in accordance with Article 10. All Definitive Documents shall be in form and substance acceptable to the Parties.

ARTICLE 4
MILESTONES

Section 4.1 The following Milestones shall apply to this Agreement unless extended or waived in writing by the Debtors, CODI and the UCC:

- (a) Restructuring Milestones:

- (i) This Agreement and the Settlement Agreement shall be executed no later than June 23, 2026 (the “**PSA Effective Date**”);
- (ii) The Plan, the Disclosure Statement, and a motion seeking approval thereof shall be filed no later than June 23, 2026;
- (iii) The Plan Supplement shall be filed no later than seven (7) days prior to the voting deadline;
- (iv) An order approving the Disclosure Statement (which may be combined with the order confirming the Plan) shall be entered no later than July 17, 2026;
- (v) An order confirming the Plan shall be entered no later than September 15, 2026 (the “**Confirmation Date**”); and
- (vi) The Effective Date shall occur no later than September 30, 2026 (the “**Outside Date**”).

ARTICLE 5 COMMITMENTS OF CODI

Section 5.1 Affirmative Commitments. CODI agrees to:

- (a) Support the Settlement and vote and exercise any powers or rights available to it (including in any creditors’ meeting or in any process requiring voting or approval to which they are legally entitled to participate) in each case in favor of any matter requiring approval to the extent necessary to implement the Settlement and the terms of this Agreement;
- (b) Negotiate in good faith any additional or alternative provisions or agreements necessary to address any legal, financial, or structural impediment that may arise that would prevent, hinder, impede, delay, or are necessary to effectuate the consummation of the Settlement in accordance with this Agreement and the Plan; and
- (c) Negotiate in good faith upon reasonable request of any other Party any modifications to the Settlement that improve the tax efficiency of the Settlement or are otherwise necessary to address any legal, financial, or structural impediment that may prevent the consummation of the Settlement, in each case to the extent such modifications can be implemented without any adverse effect on CODI or the Debtors;
- (d) Maintain all materials submitted by the Parties in the Mediation as confidential and prohibit the public disclosure or reproduction of the same, except as otherwise required by law, in which case any Party objecting to disclosure required by a subpoena must promptly exert reasonable efforts to either quash the subpoena or obtain a protective order restricting such disclosure; and

(e) To the extent the Confirmation Order is not entered by August 31, 2026, CODI shall, in good faith, negotiate an extension of the Agreed Pre-Effective Date Fee Budget with the Debtors, the UCC, and representatives of the Special Committee.

Section 5.2 Negative Commitments. CODI agrees that it shall not, directly or indirectly, and shall not direct any other Entity to:

(a) Object to, delay, impede, or take (directly or indirectly) any other action to interfere with acceptance, implementation, or consummation of the Settlement and the transactions contemplated by this Agreement;

(b) Knowingly pursue, propose, file, support, solicit support for or vote for any Alternative Transaction Proposal; or

(c) Initiate, or have initiated on its behalf, any litigation or proceeding of any kind with respect to this Agreement, the Settlement contemplated in this Agreement other than to enforce this Agreement or any Definitive Document or as otherwise permitted under this Agreement.

Section 5.3 Commitments with Respect to the Chapter 11 Cases. In connection with the Chapter 11 Cases:

(a) CODI shall:

(i) Vote each of its Claims to accept the Plan by delivering its duly executed and completed ballot accepting the Plan on a timely basis following the commencement of the solicitation of the Plan and its actual receipt of the Solicitation Materials and the ballot;

(ii) Support the Releases & Exculpation Provisions, which provisions shall be in form and substance acceptable to the Parties;

(iii) To the extent it is permitted to elect whether to opt in or opt out of the releases set forth in the Plan, as applicable, either opt in or elect not to opt out of the releases set forth in the Plan by timely delivering its duly executed and completed ballot(s) indicating that it either opts in or does not opt out of the releases;

(iv) Not change, withdraw, amend, or revoke (or cause to be changed, withdrawn, amended, or revoked) any vote or election referred to in clauses (a)(i) and (a)(ii) above; *provided, however*, such vote may be changed, withdrawn, amended or revoked (and, upon such revocation, deemed ineffective and void *ab initio*), by CODI at any time following the expiration or termination of this Agreement or the Settlement Agreement (it being understood that the termination of this Agreement or the Settlement Agreement shall entitle CODI to change its vote in accordance with section 1127(d) of

the Bankruptcy Code, and the Solicitation Materials with respect to the Plan shall be consistent with this proviso); and

(v) Not directly or indirectly, through any Person, seek, solicit, propose, support, assist, engage in negotiations in connection with or participate in the formulation, preparation, filing, or prosecution of any Alternative Transaction Proposal or object to or take any other action that would reasonably be expected to prevent, interfere with, delay, or impede the solicitation, approval of the Disclosure Statement, or the confirmation and consummation of the Plan and the Settlement;

(vi) Not file any motion, pleading or other document with the Bankruptcy Court or any other court (including any modifications or amendments thereof) that, in whole or in part, is not consistent with this Agreement or the Plan; or

(vii) Not object to, delay, impede or take any other action to interfere with the Debtors' ownership and possession of its assets, wherever located, or interfere with the automatic stay arising under section 362 of the Bankruptcy Code.

(b) Subject to Section 5.4 hereof, CODI will support, and will not directly or indirectly object to, delay, impede, or take any other action to interfere with any motion or other pleading or document filed by a Debtor in the Bankruptcy Court that is not inconsistent with this Agreement subject in each case to the consent rights set forth herein.

Section 5.4 Additional Provisions Regarding CODI's Commitments. Notwithstanding anything contained in this Agreement, nothing in this Agreement shall:

(a) Impair or waive the rights of CODI to appear as a party in interest in any matter to be adjudicated in any court of competent jurisdiction, including the Bankruptcy Court, so long as such appearance and the positions advocated in connection therewith are not inconsistent with this Agreement or for the purpose of delaying, interfering, impeding, or taking any other action to delay, interfere or impede, directly or indirectly, the Settlement;

(b) Affect the ability of CODI to consult with the Debtors and the UCC or any other party in interest in any applicable proceeding so long as, in the case of consultation with any party in interest, the appearance, and positions advocated in connection therewith are not inconsistent with this Agreement or for the purpose of delaying, interfering, impeding, or taking any other action to delay, interfere or impede, directly or indirectly, the Settlement;

(c) Impair or waive the rights of CODI to assert or raise any objection permitted under this Agreement in connection with the Settlement;

(d) Prevent CODI from enforcing this Agreement or contesting whether any matter, fact, or thing is a breach of, or is inconsistent with, this Agreement;

(e) Prevent CODI from enforcing or exercising any rights, remedies, conditions, consents or approval requirements under any of the Definitive Documents; or

(f) Obligate CODI to deliver a vote to support the Plan or prohibit CODI from withdrawing such vote, in each case from and after the Termination Date (other than a Termination Date as a result of the occurrence of the Outside Date).

Section 5.5 Limitation on CODI Commitments. Notwithstanding any other provision of this Agreement to the contrary, including this Article 5, nothing in this Agreement shall require CODI to incur, assume, become liable for any expenses, liabilities or other obligations, or to commence litigation or agree to any commitments, undertakings, concessions, indemnities, or other arrangements to CODI that could result in expenses, liabilities, or other obligations to CODI.

ARTICLE 6 COMMITMENTS OF THE UCC

Section 6.1 Affirmative Commitments. The UCC agrees to:

(a) Support the Settlement and prepare a letter to be included in the solicitation materials that encourages all unsecured creditors to vote to accept the Plan, which incorporates the Settlement and the terms of this Agreement;

(b) Negotiate in good faith any appropriate additional or alternative provisions or agreements necessary to address any legal, financial, or structural impediment that may arise that would prevent, hinder, impede, delay, or are necessary to effectuate the consummation of the Settlement in accordance with this Agreement and the Plan;

(c) Negotiate in good faith upon reasonable request of any other Party any modifications to the Settlement that improve the tax efficiency of the Settlement or are otherwise necessary to address any legal, financial, or structural impediment that may prevent the consummation of the Settlement, in each case to the extent such modifications can be implemented without any adverse effect on the Debtors;

(d) Together with each member of the UCC solely in its capacity as a member of the UCC, maintain all materials submitted by the Parties in the Mediation as confidential and prohibit the public disclosure or reproduction of the same, except as otherwise required by Law, in which case any Party objecting to disclosure required by a subpoena must promptly exert reasonable efforts to either quash the subpoena or obtain a protective order restricting such disclosure; and

(e) To the extent the Confirmation Order is not entered by August 31, 2026, the UCC shall, in good faith, negotiate an extension of the Agreed Pre-Effective Date Fee Budget with the Debtors, CODI, and representatives of the Special Committee.

Section 6.2 Negative Commitments. The UCC, and each member thereof solely in its capacity as such severally, and not jointly, agrees that it shall not, directly or indirectly, and shall not direct any other Entity to:

- (a) Object to, delay, impede, or take (directly or indirectly) any other action to interfere with acceptance, implementation, or consummation of the Settlement;
- (b) Knowingly pursue, propose, file, support, solicit support for or vote for any Alternative Transaction Proposal;
- (c) Initiate, or have initiated on its behalf, any litigation or proceeding of any kind with respect to this Agreement, the Settlement other than to enforce this Agreement or any Definitive Document or as otherwise permitted under this Agreement; or
- (d) Encourage or voluntarily cooperate in litigation against CODI or any Related Party.

Section 6.3 Commitments with Respect to the Chapter 11 Cases. In connection with the Chapter 11 Cases:

- (a) The UCC agrees to encourage, through the delivery of a letter in the Solicitation Materials, each creditor that is entitled to vote to accept or reject the Plan pursuant to its terms, and support the Plan's exculpation provisions, which shall be in form and substance acceptable to the Parties;
- (b) Each member of the UCC agrees to (i) vote each of its Claims to accept the Plan by delivering its duly executed and completed ballot accepting the Plan on a timely basis following the commencement of the solicitation of the Plan and its actual receipt of the Solicitation Materials and the ballot, and (ii) not change, withdraw, amend, or revoke (or cause to be changed, withdrawn, amended, or revoked) its vote;
- (c) The UCC and each of its members agrees not, directly or indirectly, through any Person, to seek, solicit, propose, support, assist, engage in negotiations in connection with or participate in the formulation, preparation, filing, or prosecution of any Alternative Transaction Proposal or object to or take any other action that would reasonably be expected to prevent, interfere with, delay, or impede the solicitation, approval of the Disclosure Statement, or the confirmation and consummation of the Plan and the Settlement;
- (d) The UCC and each of its members (in its capacity as a UCC member) agrees not to file any motion, pleading or other document with the Bankruptcy Court or any other court (including any modifications or amendments thereof) that, in whole or in part, is not consistent with this Agreement or the Plan; or
- (e) The UCC and each of its members agrees not to object to, delay, impede or take any other action to interfere with the Debtors' ownership and possession of its assets, wherever located, or interfere with the automatic stay arising under section 362 of the Bankruptcy Code.

(f) Subject to Section 6.4 of this Agreement, the UCC and each of its members (in its capacity as a UCC member) agrees to support, and not directly or indirectly object to, delay, impede, or take any other action to interfere with, any motion or other pleading or document filed by a Debtor in the Bankruptcy Court that is consistent with this Agreement, subject in each case to the consent rights set forth in this Agreement.

Section 6.4 Additional Provisions Regarding the UCC's Commitments. Notwithstanding anything contained in this Agreement, nothing in this Agreement shall:

(a) Impair or waive the rights of the UCC to appear as a party in interest in any matter to be adjudicated in any court of competent jurisdiction, including the Bankruptcy Court, so long as such appearance and the positions advocated in connection therewith are not inconsistent with this Agreement or for the purpose of delaying, interfering, impeding, or taking any other action to delay, interfere or impede, directly or indirectly, the Settlement;

(b) Affect the ability of the UCC to consult with the Debtors or any other party in interest in any applicable proceeding so long as, in the case of consultation with any party in interest, the appearance, and positions advocated in connection therewith are not inconsistent with this Agreement or for the purpose of delaying, interfering, impeding, or taking any other action to delay, interfere or impede, directly or indirectly, the Settlement;

(c) Impair or waive the rights of the UCC to assert or raise any objection permitted under this Agreement in connection with the Settlement;

(d) Prevent the UCC from enforcing this Agreement or contesting whether any matter, fact, or thing is a breach of, or is inconsistent with, this Agreement; and

(e) Prevent the UCC from enforcing or exercising any rights, remedies, conditions, consents or approval requirements under any of the Definitive Documents.

ARTICLE 7 COMMITMENTS OF THE DEBTORS

Section 7.1 Affirmative Commitments. Except as set forth in Section 7.4, each of the Debtors, on behalf of themselves and the Special Committee and each member thereof, agrees to:

(a) Support, act in good faith and take all steps reasonably necessary and desirable to implement and consummate the Settlement in accordance with this Agreement and the Settlement Agreement;

(b) To the extent any legal or structural impediment arises that would prevent, hinder, or delay the consummation of the Settlement contemplated in this Agreement, support and take all steps reasonably necessary and desirable to address any such impediment;

(c) Use commercially reasonable efforts to obtain any and all necessary or required governmental, regulatory and/or third-party approvals and consents for the implementation or consummation for the Settlement;

(d) Maintain all materials submitted in the Mediation as confidential and prohibit the public disclosure or reproduction of the same, except as otherwise required by Law, in which case any Party objecting to disclosure required by a subpoena must promptly exert reasonable efforts to either quash the subpoena or obtain a protective order restricting such disclosure;

(e) Negotiate in good faith and use commercially reasonable efforts to finalize, execute and deliver the Definitive Documents and any other required agreements to effectuate and consummate the Settlement, as contemplated by this Agreement;

(f) To the extent the Confirmation Order is not entered by August 31, 2026, the Debtors and the Special Committee shall, in good faith, negotiate an extension of the Agreed Pre-Effective Date Fee Budget with CODI and the UCC;

(g) Provide counsel for the CODI and the UCC a reasonable opportunity (which, to the extent reasonably practicable, shall be no less than five Business Days) to review draft copies of all Definitive Documents that the Debtors intend to file with the Bankruptcy Court;

(h) Actively oppose and object to the efforts of any person seeking to object to, delay, impede, or take any other action to interfere with the acceptance, implementation, or consummation of the Settlement (including, if applicable, the filing of timely filed objections or written responses) to the extent such opposition or objection is reasonably necessary or desirable to facilitate implementation of the Settlement;

(i) Consult and negotiate in good faith with CODI and the UCC and their advisors regarding the preparation and execution of the Definitive Documents and the implementation of the Settlement;

(j) Comply with all Milestones;

(k) Inform advisors to CODI and the UCC as soon as reasonably practicable after becoming aware of (i) any matter or circumstance which they know, or have reason to believe, to be a material impediment to the implementation or consummation of the Settlement, (ii) a breach of this Agreement (including a breach by any Debtor); (iii) any representation or statement made by them under this Agreement which is or proves to have been incorrect or misleading in any material respect when made; (iv) the initiation, institution or commencement of any material proceeding by a Governmental Authority or other Person (or communications indicating that the same may be contemplated or threatened) (x) involving any of the Debtors or any of their respective current officers, employees, managers, directors, members or equity holders (in their capacities as such), or (y) challenging the validity of the transactions contemplated by this Agreement or any other Definitive Document or seeking to enjoin, restrain or prohibit this Agreement or any other Definitive Document or the consummation of the transactions

contemplated hereby or thereby; (v) the happening or existence of any event that shall have made any of the conditions precedent to any Party's obligations set forth in (or to be set forth in) the Settlement Agreement, the Plan or any of the other Definitive Documents, incapable of being satisfied so as to permit consummation of the Settlement prior to the Effective Date; or (vii) the occurrence of a Termination Event;

(l) Use commercially reasonable efforts to maintain their good standing under the Laws of the state or other jurisdictions in which they are incorporated or organized; and

(m) Negotiate in good faith upon reasonable request of any Party any modifications to the Settlement that improve tax efficiency of the Settlement or are otherwise necessary to address any legal, financial, or structural impediment that may prevent the consummation of the Settlement, in each case to the extent such modifications can be implemented without any adverse effect on such Debtor.

Section 7.2 Negative Commitments. Except as set forth in Section 7.4, each of the Debtors shall not directly or indirectly:

(a) Object to, delay, impede, or take any other action to interfere with acceptance, implementation, or consummation of the Settlement;

(b) Take any action that is inconsistent in any material respect with, or is intended to frustrate or impede approval, implementation and consummation of the Settlement described in, this Agreement or the Definitive Documents;

(c) File any motion, pleading or other document with the Bankruptcy Court or any other court (including any modifications or amendments thereof) that, in whole or in part, is materially inconsistent with this Agreement, the Plan or the Definitive Documents;

(d) Amend, alter, supplement, restate or otherwise modify any Definitive Document, in whole or in part, in a manner that is materially inconsistent with this Agreement or the Settlement;

(e) Except to the extent permitted, required, or contemplated by the Agency Agreement between Lugano Diamonds & Jewelry Inc. and Enhanced Retail Funding, LLC, dated as of November 16, 2025 (including the cessation of operations at one or more locations and any sales or lease rejections), (i) operate its business outside the ordinary course, taking into account the Settlement or (ii) other than the Settlement or any activities contemplated or required in connection with the Settlement, engage in any material merger, consolidation, disposition, acquisition, investment, dividend, incurrence of indebtedness or other similar transaction or transfer any asset or right of the Debtors or any asset or right used in the business of the Debtors to any Person or Entity outside the ordinary course of business, in each of cases (i) and (ii) and without the consent of the other Parties to this Agreement;

(f) Except to the extent required by this Agreement or otherwise required to consummate the Settlement, make or change any tax election, change any income allocation under a Definitive Document, change any annual tax accounting period, adopt or change any method of tax accounting, file any amended tax return, enter into any closing agreement, settle any tax claim or assessment, surrender any right to claim a tax refund, offset or other reduction in tax liability or consent to any extension or waiver of the limitation period applicable to any tax claim or assessment, in each case without the reasonable consent of the other Parties to this Agreement;

(g) Encourage or voluntarily cooperate in litigation against CODI or any Related Party;

(h) Amend or propose to amend any of their respective organizational documents; or

(i) Directly or indirectly solicit, through any Person, seek, propose, support, assist, engage in negotiations in connection with or participate in the formulation, preparation, filing, or prosecution of any Alternative Transaction Proposal without the consent of the other Parties to this Agreement, subject to Section 7.4.

Section 7.3 Commitments with Respect to the Chapter 11 Cases. Except as set forth in Section 7.4, each of the Debtors agrees to:

(a) Timely file a formal objection to any motion filed with the Bankruptcy Court by any Person seeking the entry of an order (i) directing the appointment of an examiner (with expanded powers beyond those set forth in sections 1106(a)(3) and (4) of the Bankruptcy Code) or a trustee, (ii) converting the Chapter 11 Cases to cases under chapter 7 of the Bankruptcy Code, (iii) dismissing the Chapter 11 Cases, (iv) modifying or terminating the Debtors' exclusive right to file and solicit acceptances of a plan of reorganization or (v) for relief that (A) is inconsistent with this Agreement in any respect or (B) would, or would reasonably be expected to, frustrate the purposes of this Agreement, including by preventing the consummation of the Settlement; and

(b) Timely file a formal objection to any motion, application, or adversary proceeding challenging the treatment of CODI's claims as set forth in the Settlement Agreement.

Section 7.4 Additional Provisions Regarding Debtors' Commitments.

(a) Notwithstanding anything to the contrary in this Agreement, nothing in this Agreement shall require a Debtor to take or refrain from taking any action (including termination of this Agreement under Article 9) to the extent such Debtor determines, based on the advice of counsel, that taking or refraining from taking such action, as applicable, would be inconsistent with applicable Law or its fiduciary obligations; *provided, however*, that the foregoing shall not be deemed to amend, supplement, or otherwise modify, or constitute a waiver of, any termination rights of the other Parties under this Agreement that may arise as a result of any such action or inaction. This Section 7.4(a) shall not impede any Party's right to terminate this Agreement

pursuant to Article 9, including, for the avoidance of doubt, CODI's rights to terminate in accordance with Section 9.1.

(b) Notwithstanding anything to the contrary in this Agreement, upon receipt of an Alternative Transaction Proposal, the Debtors and their respective directors, managers, officers, employees, investment bankers, attorneys, accountants, consultants, and other advisors or representatives shall have the right to consider, consistent with their fiduciary duties such Alternative Transaction Proposal; *provided* that if any Debtor or the UCC receives an Alternative Transaction Proposal, then such Debtor or the UCC shall (A) within three (3) calendar days of receiving such proposal, notify the other Parties of the receipt of such proposal and deliver to the advisors for the other Parties a copy of such proposal and all communications with the party concerning such proposal; (B) provide each advisor to the Parties with regular updates as to the status and progress of such Alternative Transaction Proposal; and (C) use commercially reasonable efforts to respond promptly to reasonable information requests and questions from advisors to the Parties relating to such Alternative Transaction Proposal. If the Debtors decide to file, support, make a written proposal or counterproposal to any party relating to an Alternative Transaction Proposal, the Debtors shall provide notice to CODI and the UCC at least two (2) Business Days prior to taking any such action, with such notice including any proposed communication with any such party, any proposal, counterproposal or other transaction related documents the Debtors intend to send to such party. Upon receipt of such notice, each of CODI and the UCC shall have the right to terminate this Agreement pursuant to Section 9.1(m) of this Agreement.

ARTICLE 8

REPRESENTATIONS AND WARRANTIES

Section 8.1 Representations and Warranties of CODI. CODI represents and warrants that, as of the date CODI executes and delivers this Agreement:

- (a) it is the owner of the CODI Claims;
- (b) it has the full power and authority to act on behalf of, vote and consent to matters concerning, such Claims;

(c) other than the liens granted to CODI's secured lenders, such Claims are free and clear of any pledge, lien, security interest, charge, claim, equity, option, proxy, voting restriction, right of first refusal, or other limitation on disposition, transfer, or encumbrances of any kind, that would adversely affect in any way CODI's ability to perform any of its obligations under this Agreement at the time such obligations are required to be performed;

(d) it has reviewed, or had the opportunity to review, with the assistance of professional and legal advisors of its choosing, all information it deems necessary and appropriate for it to evaluate the financial risks inherent in the Settlement and accept the terms of this Agreement; and

(e) it has knowledge and experience in financial and business matters of this type that it is capable of evaluating the merits and risks of entering into this Agreement and of making an informed investment decision, and has conducted an independent review and analysis of the business and affairs of the Debtors that it considers sufficient and reasonable for the purposes of entering into this Agreement.

Section 8.2 Representations and Warranties of the UCC. The UCC represents and warrants that, as of the date the UCC executes and delivers this Agreement and as of the Agreement Effective Date:

(a) it has reviewed, or had the opportunity to review, with the assistance of professional and legal advisors of its choosing, all information it deems necessary and appropriate for it to evaluate the financial risks inherent in the Settlement and accept the terms of this Agreement; and

(b) it has knowledge and experience in financial and business matters of this type that it is capable of evaluating the merits and risks of entering into this Agreement and of making an informed investment decision, and has conducted an independent review and analysis of the business and affairs of the Debtors that it considers sufficient and reasonable for the purposes of entering into this Agreement.

Section 8.3 Mutual Representations, Warranties and Covenants. Each of the Parties, severally, and not jointly, represents, warrants and covenants to each other Party that, as of the date such Party executes and delivers this Agreement and as of the Agreement Effective Date:

(a) except for the UCC, it is validly existing and in good standing under the Laws of the state of its organization, and this Agreement is a legal, valid, and binding obligation of such Party, enforceable against it in accordance with its terms, except as enforcement may be limited by applicable Laws relating to or limiting creditors' rights generally or by equitable principles relating to enforceability;

(b) except as expressly provided in this Agreement, the Plan and the Bankruptcy Code, no consent or approval is required by any other Entity in order for it to effectuate the Settlement contemplated by, and perform its respective obligations under, this Agreement;

(c) the entry into and performance by it of, and the transactions contemplated by, this Agreement do not, and will not, conflict in any material respect with any Law or regulation applicable to it or with any of its articles of association, memorandum of association, or other constitutional documents;

(d) except as expressly provided in this Agreement, it has (or will have, at the relevant time) all requisite corporate or other power and authority to enter into, execute, and deliver this Agreement and to effectuate the Settlement contemplated by, and perform its respective obligations under, this Agreement;

(e) except as expressly provided by this Agreement, it is not party to any restructuring or similar agreements or arrangements, with the other Parties to this Agreement that have not been disclosed to all Parties to this Agreement; and

(f) no Party is considering, or has any agreement or understanding with respect to, any Alternative Transaction Proposal that has not been disclosed to the other Parties.

ARTICLE 9

TERMINATION EVENTS

Section 9.1 CODI Termination Events. This Agreement may be terminated by CODI by the delivery to the Debtors and the UCC of a written notice in accordance with Section 11.10 hereof upon the occurrence of any of the following events (unless waived in writing by the CODI in its sole discretion);

(a) The breach in any material respect by a Debtor or the UCC of any of covenants of such Party set forth in this Agreement, which, solely for a breach that is curable, remains uncured for five (5) Business Days after CODI transmits a written notice in accordance with Section 11.10 of this Agreement detailing any such breach;

(b) Any representation or warranty in this Agreement made by any of the Debtors and the UCC shall have been untrue in any material respect when made or shall have become untrue in any material respect, which, solely for a breach that is curable, remains uncured five (5) Business Days after any of the Debtors (including acting through the Special Committee or a member thereof) or the UCC discovers the untrue nature of the representation or warranty;

(c) The issuance by any governmental authority, including any regulatory authority or court of competent jurisdiction, of any final, non-appealable ruling, judgment or order that (i) enjoins the consummation of a material portion of the Settlement and (ii) either (1) such ruling, judgment or order has been issued at the request of any of any of the Debtors (including the Special Committee or member thereof) or the UCC in contravention of any obligations set forth in this Agreement or (2) remains in effect for fifteen (15) Business Days after the issuance of such ruling, judgment or order; notwithstanding the foregoing, this termination right may not be exercised by any Party that sought or requested such ruling or order in contravention of any obligation set out in this Agreement; *provided, however*, that, for the avoidance of doubt, this provision shall not have the effect of amending, extending or waiving any of the Milestones;

(d) The entry of an order by the Bankruptcy Court, or the filing of a motion or application by any Debtor (including the Special Committee or member thereof) or the UCC seeking an order (without the prior written consent of CODI), (i) converting the Chapter 11 Cases to cases under chapter 7 of the Bankruptcy Code, (ii) appointing an examiner with expanded powers beyond those set forth in sections 1106(a)(3) and (4) of the Bankruptcy Code or a trustee in the Chapter 11 Cases, (iii) dismissing the Chapter 11 Cases, without the prior written consent of CODI, (iv) terminating exclusivity under Section 1121 of the Bankruptcy Code, or (v) rejecting this Agreement or declaring any material portion to be unenforceable;

(e) Entry of a final order that grants relief terminating, annulling, or modifying the automatic stay (as set forth in section 362 of the Bankruptcy Code) with regard to any material asset that, to the extent such relief were granted, would have a material adverse effect on the consummation of the Settlement or the Plan;

(f) The filing by the Debtors (including the Special Committee acting on behalf of the Debtors) or the UCC of any complaint or other action in the Bankruptcy Court or any other judicial body challenging the extent, validity or amount of the CODI Claim, including, but not limited to, the commencement of any action to subordinate or avoid the liens and Claims asserted in the CODI Claim;

(g) Any of the Debtors (including the Special Committee or member thereof) or the UCC files or otherwise makes public any of the Definitive Documents (including any modification or amendments thereto) (i) in a form that is materially inconsistent with this Agreement and (ii) without the consent of the required parties in accordance with this Agreement, which occurrence remains uncured (to the extent curable) for two (2) Business Days after CODI transmits a written notice in accordance with Section 9.2, except as otherwise required by Law, in which case any Party objecting to disclosure required by a subpoena must promptly exert reasonable efforts to either quash the subpoena or obtain a protective order restricting such disclosure;

(h) The Bankruptcy Court enters an order denying confirmation of the Plan, except for an order conditionally denying confirmation of the Plan without prejudice;

(i) The Debtors lose the exclusive right to file a Plan;

(j) The Confirmation Order is reversed or vacated, and the Bankruptcy Court does not enter a revised Confirmation Order reasonably acceptable to CODI within seven (7) Business Days;

(k) Any Debtor (including the Special Committee or member thereof) or the UCC publicly announces its intention not to support the Settlement;

(l) The Bankruptcy Court enters an order granting relief that is inconsistent with, or denies relief sought that is contemplated by, this Agreement or the Plan in any materially adverse respect to CODI;

(m) Any Debtor exercises its right, consistent with its fiduciary duties, to not pursue any the Settlement or take any action in reliance on Section 9.2 of this Agreement;

(n) Any Debtor (including the Special Committee or member thereof) or the UCC files, supports, makes a written proposal or counterproposal to any party relating to an Alternate Transaction Proposal that was not approved in advance by CODI;

(o) Any Debtor (including the Special Committee or member thereof) or the UCC terminates this Agreement with respect to itself in accordance with Section 9.2 of this Agreement;

(p) Any Debtor (including the Special Committee or member thereof) or the UCC (i) files any motion or objection seeking to avoid, disallow, subordinate, or recharacterize the CODI Claims or any other claim, lien, or interest held by CODI relating to any of the Debtors or (ii) shall have supported any application, adversary proceeding, or cause of action referred to in the immediately preceding clause (i) filed by a third party, or consents to the standing of any such third party to bring such application, adversary proceeding, or cause of action; or

(q) The occurrence of the Outside Date, subject to Section 4.1 and Section 9.4 of this Agreement.

Section 9.2 The Debtors and UCC Termination Events. Any of the Debtors or the UCC may terminate this Agreement with respect to their obligations under this Agreement upon written notice to CODI in accordance with Section 11.10 of this Agreement upon the occurrence of any of the following events:

(a) the breach in any material respect by CODI of any of the covenants of CODI set forth in this Agreement that would have, or could reasonably be expected to have, an adverse effect on the Settlement, which breach remains uncured for five Business Days after such terminating party transmits a written notice in accordance with Section 11.10 of this Agreement detailing any such breach;

(b) any representation or warranty in this Agreement made by CODI shall have been untrue in any material respect when made or shall have become untrue in any material respect, which remains uncured for ten (10) Business Days after CODI discovers the untrue nature of the representation or warranty;

(c) the issuance by any governmental authority, including any regulatory authority or court of competent jurisdiction, of any final, non-appealable ruling, judgment or order that (i) enjoins the consummation of a material portion of the Settlement and (ii) either (1) such ruling, judgment or order has been issued at the request of CODI in contravention of any obligations set forth in this Agreement or (2) remains in effect for ten (10) Business Days after such delivery of a written notice terminating this Agreement by the Debtors or the UCC, as applicable, in accordance with Section 11.10 of this Agreement detailing any such issuance; notwithstanding the foregoing, this termination right may not be exercised by any Party that sought or requested such ruling or order in contravention of any obligation set out in this Agreement;

(d) The entry of an order by the Bankruptcy Court, or the filing of a motion or application by any Debtor (including the Special Committee or member thereof) seeking an order (without the prior written consent of CODI), (i) converting the Chapter 11 Cases to cases under chapter 7 of the Bankruptcy Code, (ii) appointing an examiner with expanded powers beyond those set forth in sections 1106(a)(3) and (4) of the Bankruptcy Code or a trustee in the Chapter

11 Cases, (iii) dismissing the Chapter 11 Cases, without the prior written consent of CODI, (iv) terminating exclusivity under Section 1121 of the Bankruptcy Code, or (v) rejecting this Agreement or declaring any material portion to be unenforceable;

(e) Entry of a final order that grants relief terminating, annulling, or modifying the automatic stay (as set forth in section 362 of the Bankruptcy Code) with regard to any material asset that, to the extent such relief were granted, would have a material adverse effect on the consummation of the Settlement;

(f) The Debtors lose the exclusive right to file a Plan;

(g) The Confirmation Order is reversed or vacated, and the Bankruptcy Court does not enter a revised Confirmation Order reasonably acceptable to CODI or the UCC within seven (7) Business Days;

(h) Any Debtor (including the Special Committee or member thereof), the UCC, or CODI publicly announces its intention not to support the Settlement;

(i) The Bankruptcy Court enters an order granting relief that is inconsistent with, or denies relief sought that is contemplated by, this Agreement or the Plan in any materially adverse respect to CODI;

(j) Any Debtor exercises its right, consistent with its fiduciary duties, to not pursue any the Settlement or take any action in reliance on Section 9.2 of this Agreement;

(k) Any Debtor (including the Special Committee or member thereof) files, supports, makes a written proposal or counterproposal to any party relating to an Alternate Transaction Proposal that was not approved in advance by CODI or the UCC;

(l) CODI files, supports, makes a written proposal or counterproposal to any party relating to an Alternate Transaction Proposal;

(m) The occurrence of the Outside Date, subject to Section 4.1 and Section 9.4 of this Agreement; or

(n) the Bankruptcy Court enters an order denying confirmation of the Plan, except for an order conditionally denying confirmation of the Plan without prejudice.

Section 9.3 Mutual Termination. This Agreement, and all obligations of all Parties hereunder, may be terminated by mutual written agreement among all of the following: (a) CODI, (b) the Debtors and (c) the UCC.

Section 9.4 Automatic Termination. This Agreement shall terminate automatically without any further required action or notice if the Transaction Effective Date has not occurred on or before the Outside Date unless such date is extended by mutual consent of the Parties.

Section 9.5 Effect of Termination. After the occurrence of a Termination Date as to a Party, this Agreement shall be of no further force and effect to the Parties and each Party, subject to such termination shall be released from its commitments, undertakings, and agreements under or related to this Agreement and shall have the rights and remedies that it would have had, had it not entered into this Agreement, and shall be entitled to take all actions, whether with respect to the Settlement or otherwise, that it would have been entitled to take had it not entered into this Agreement, including with respect to any and all Claims or Causes of Action. Upon the occurrence of a Termination Date prior to the Confirmation Order being entered by a Bankruptcy Court, all Parties agree that any and all ballots tendered by the Parties subject to such termination before a Termination Date shall be deemed, for all purposes, to be null and void from the first instance and shall not be considered or otherwise used in any manner by the Parties in connection with the Settlement and this Agreement or otherwise. Nothing in this Agreement shall be construed as prohibiting a Party from contesting whether any such termination is in accordance with the terms or to seek enforcement of any rights under this Agreement that arose or existed before a Termination Date. Except as expressly provided in this Agreement, nothing in this Agreement is intended to, or does, in any manner waive, limit, impair, or restrict any right of any Party or the ability of any Party to protect and reserve its rights (including rights under this Agreement), remedies, and interests, including its claims against any other Party. No purported termination of this Agreement shall be effective under this Section 9.5 or otherwise if the Party seeking to terminate this Agreement is in material breach of this Agreement, except a termination pursuant to Section 9.3.

ARTICLE 10

AMENDMENTS AND WAIVERS

Section 10.1 This Agreement, may not be modified, amended, or supplemented, and no condition or requirement of this Agreement may be waived, in any manner except in accordance with this Article 10.

Section 10.2 This Agreement may be modified, amended, or supplemented, or a condition or requirement of this Agreement may be waived, (i) in writing signed by each Debtor, CODI and the UCC or (ii) confirmed by email by counsel to each Debtor, CODI and the UCC.

Section 10.3 Any proposed modification, amendment, waiver, or supplement that does not comply with this Article 10 shall be ineffective and void *ab initio*.

Section 10.4 The waiver by any Party of a breach of any provision of this Agreement shall not operate or be construed as a further or continuing waiver of such breach or as a waiver of any other or subsequent breach. No failure on the part of any Party to exercise, and no delay in exercising, any right, power, or remedy under this Agreement shall operate as a waiver of any such right, power, or remedy or any provision of this Agreement, nor shall any single or partial exercise of such right, power, or remedy by such Party preclude any other or further exercise of such right, power, or remedy or the exercise of any other right, power, or remedy. All remedies

under this Agreement are cumulative and are not exclusive of any other remedies provided by Law.

ARTICLE 11 MISCELLANEOUS

Section 11.1 Acknowledgements. Notwithstanding any other provision of this Agreement, this Agreement is not and shall not be deemed to be an offer with respect to any securities or solicitation of votes for the acceptance of a plan of reorganization for purposes of sections 1125 and 1126 of the Bankruptcy Code or otherwise. Any such offer or solicitation will be made only in compliance with all applicable securities Laws, provisions of the Bankruptcy Code and/or other applicable Law.

Section 11.2 Exhibits Incorporated by Reference; Conflicts. Each of the exhibits, annexes, signatures pages, and schedules attached to this Agreement (together with any exhibits, annexes or schedules thereto) is expressly incorporated and made a part of this Agreement, and all references to this Agreement shall include such exhibits, annexes, and schedules (it being understood and agreed that any actions and obligations required to be taken by any Party that are included in the exhibits attached to this Agreement, but not in this Agreement are to be considered “covenants” of such Party and therefore covenants of this Agreement, notwithstanding the failure of any specific provision in any of the exhibits to be re-copied into this Agreement). In the event of any inconsistency between this Agreement (without reference to the exhibits, annexes, and schedules attached to this Agreement) and the exhibits, annexes, and schedules attached to this Agreement, this Agreement (without reference to the exhibits, annexes, and schedules thereto) shall govern, *provided*, that in the event of any inconsistency between this Agreement and the Settlement Agreement, the Settlement Agreement shall govern until such time as the Plan has been confirmed, at which time, the terms and conditions set forth in the Plan, to the extent intended to supersede the Settlement Agreement, shall govern.

Section 11.3 Further Assurances. Subject to the other terms of this Agreement, the Parties agree to execute and deliver such other instruments and perform such acts, in addition to the matters specified in this Agreement, as may be reasonably appropriate or necessary, or as may be required by order of the Bankruptcy Court, from time to time, to effectuate the Settlement, as applicable.

Section 11.4 Complete Agreement. Except as otherwise explicitly provided in this Agreement, this Agreement constitutes the entire agreement among the Parties with respect to the subject matter of this Agreement and supersedes all prior agreements, oral or written, among the Parties with respect thereto, other than any confidentiality agreement. The Parties acknowledge and agree that they are not relying on any representations or warranties other than as set forth in this Agreement.

Section 11.5 GOVERNING LAW; SUBMISSION TO JURISDICTION; SELECTION OF FORUM. THIS AGREEMENT IS TO BE GOVERNED BY AND CONSTRUED IN

ACCORDANCE WITH THE LAWS OF THE STATE OF NEW YORK APPLICABLE TO CONTRACTS MADE AND TO BE PERFORMED IN THE CHOSEN STATE, WITHOUT GIVING EFFECT TO ITS CONFLICT OF LAWS PRINCIPLES. Each Party to this Agreement agrees that it shall bring any action or proceeding in respect of any claim arising out of or related to this Agreement, to the extent possible, in the Bankruptcy Court. Solely in connection with claims arising under this Agreement, each Party to this Agreement: (a) irrevocably submits to the exclusive jurisdiction of the Bankruptcy Court; (b) waives any objection to laying venue in any such action or proceeding in the Bankruptcy Court; and (c) waives any objection that the Bankruptcy Court is an inconvenient forum or does not have jurisdiction over any Party to this Agreement.

Section 11.6 TRIAL BY JURY WAIVER. EACH PARTY TO THIS AGREEMENT IRREVOCABLY WAIVES ANY AND ALL RIGHT TO TRIAL BY JURY IN ANY LEGAL PROCEEDING ARISING OUT OF OR RELATING TO THIS AGREEMENT OR THE TRANSACTIONS CONTEMPLATED BY THIS AGREEMENT.

Section 11.7 Execution of Agreement. This Agreement may be executed and delivered in any number of counterparts and by way of electronic signature and delivery, each such counterpart, when executed and delivered, shall be deemed an original, and all of which together shall constitute the same agreement. Except as expressly provided in this Agreement, each Person executing this Agreement on behalf of a Party has been duly authorized and empowered to execute and deliver this Agreement on behalf of said Party.

Section 11.8 Rules of Construction. This Agreement is the product of negotiations among the Debtors (including the Special Committee), CODI and the UCC, and in the enforcement or interpretation of this Agreement, is to be interpreted in a neutral manner, and any presumption with regard to interpretation for or against any Party by reason of that Party having drafted or caused to be drafted this Agreement, or any portion of this Agreement, shall not be effective in regard to the interpretation of this Agreement. The Debtors, CODI, the UCC and the Special Committee were each represented by counsel during the negotiations and drafting of this Agreement and continue to be represented by counsel.

Section 11.9 Successors and Assigns; Third Parties. This Agreement is intended to bind and inure to the benefit of the Parties and their respective successors and permitted assigns, as applicable. There are no third-party beneficiaries under this Agreement.

Section 11.10 Notices. All notices hereunder shall be deemed given if in writing and delivered, by electronic mail, courier, or registered or certified mail (return receipt requested), to the following addresses (or at such other addresses as shall be specified by like notice):

If to the Debtors:

J. Michael Issa and Christoph Pachler
c/o Lugano Diamonds & Jewelry Inc.
Newport Center Dr., Suite 100
Newport Beach, CA 92660
Emails missa@glassratner.com and cpachler@luganodiamonds.com

with a copy to:

Keller Benvenuti Kim LLP
101 Montgomery Street, Suite 1950
San Francisco, CA 94104
Attn: Tobias S. Keller (tkeller@kbbkllp.com) and Scott J. Friedman (sfriedman@kbbkllp.com)

If to CODI:

Carrie W. Ryan
General Counsel, Chief Compliance Officer & Secretary
301 Riverside Avenue, Second Floor, Westport, CT 06880
Email: cryan@compassdiversified.com

with a copy to:

Squire Patton Boggs (US) LLP
201 E. Fourth Street, Suite 1900 Cincinnati, OH 45202
Attn: Stephen D. Lerner (stephen.lerner@squirepb.com), Peter R. Morrison (peter.morrison@squirepb.com), and Jeffrey N. Rothleder (jeffrey.rothleder@squirepb.com)

If to the UCC:

Adam Rothstein
c/o Pachulski Stang Ziehl & Jones LLP
10100 Santa Monica Blvd., 13th Floor
Los Angeles, CA 90067
Attn: Jeffrey N. Pomerantz (jpomerantz@pszjlaw.com) and Jordan A. Kroop (jkroop@pszjlaw.com)

Any notice given by delivery, mail, or courier shall be effective when received.

Section 11.11 Enforceability of Agreement. Each of the Parties to the extent enforceable waives any right to assert that the exercise of termination rights under this Agreement is subject to the automatic stay provisions of the Bankruptcy Code, and expressly stipulates and consents hereunder to the prospective modification of the automatic stay provisions of the Bankruptcy Code for purposes of exercising termination rights under this Agreement, to the extent the Bankruptcy Court determines that such relief is required.

Section 11.12 Admissibility. Pursuant to Federal Rule of Evidence 408 and any other applicable rules of evidence, this Agreement and all negotiations relating to this Agreement shall

not be admissible into evidence in any proceeding other than a proceeding to enforce its terms or the payment of damages to which a Party may be entitled under this Agreement.

Section 11.13 Specific Performance. It is understood and agreed by the Parties that money damages would be an insufficient remedy for any breach of this Agreement by any Party, and each non-breaching Party shall be entitled to specific performance and injunctive or other equitable relief (without the posting of any bond and without proof of actual damages) as a remedy of any such breach, including an order of a court of competent jurisdiction requiring any Party to comply promptly with any of its obligations hereunder.

Section 11.14 Severable, Not Joint, Claims. Except where otherwise specified, the agreements, representations, warranties, and obligations of the Parties under this Agreement are, in all respects, severable and not joint.

Section 11.15 Severability and Construction. If any provision of this Agreement shall be held by a court of competent jurisdiction to be illegal, invalid, or unenforceable, the remaining provisions shall remain in full force and effect if essential terms and conditions of this Agreement for each Party remain valid, binding, and enforceable.

Section 11.16 Remedies Cumulative. All rights, powers, and remedies provided under this Agreement or otherwise available in respect hereof at Law or in equity shall be cumulative and not alternative, and the exercise of any right, power, or remedy thereof by any Party shall not preclude the simultaneous or later exercise of any other such right, power, or remedy by such Party.

Section 11.17 Email Consents. Where a written consent, acceptance, approval, or waiver is required pursuant to or contemplated by this Agreement, such written consent, acceptance, approval, or waiver shall be deemed to have occurred if, by agreement between counsel to, as applicable, the Debtors, CODI or, the UCC, submitting and receiving such consent, acceptance, approval, or waiver, it is conveyed in writing (including electronic mail) between each such counsel without representations or warranties of any kind on behalf of such counsel.

Section 11.18 No Recourse. This Agreement may only be enforced against the named parties hereto (and then only to the extent of the specific obligations undertaken by such parties in this Agreement). All claims or Causes of Action (whether in contract, tort, equity or any other theory) that may be based upon, arise out of or relate to this Agreement, or the negotiation, execution or performance of this Agreement, may be made only against the Persons that are expressly identified as parties hereto (and then only to the extent of the specific obligations undertaken by such parties herein). No past, present or future direct or indirect director, manager, officer, employee, incorporator, member, partner, stockholder, equity holder, trustee, affiliate, controlling person, agent, attorney or other representative of any party hereto (including any person negotiating or executing this Agreement on behalf of a party hereto), nor any past, present or future direct or indirect director, manager, officer, employee, incorporator, member, partner, stockholder, equity holder, trustee, affiliate, controlling person, agent, attorney or other representative of any of the foregoing (other than any of the foregoing that is a party hereto) (any

such Person, a “***No Recourse Party***”), shall have any liability with respect to this Agreement or with respect to any proceeding (whether in contract, tort, equity or any other theory that seeks to “pierce the corporate veil” or impose liability of an Entity against its owners or affiliates or otherwise) that may arise out of or relate to this Agreement, or the negotiation, execution or performance of this Agreement.

IN WITNESS WHEREOF, the parties have executed this agreement on the day and year first above written.

LUGANO DIAMONDS & JEWELRY INC., acting through the Special Committee, on behalf of the following entities:

LUGANO DIAMONDS & JEWELRY INC.:

By: /s/ Spencer Wells
Printed Name: Spencer Wells
Title: Member of the Special Committee
Date: 6/23/2026

LUGANO HOLDING, INC.:

By: /s/ Spencer Wells
Printed Name: Spencer Wells
Title: Member of the Special Committee
Date: 6/23/2026

LUGANO BUYER, INC.:

By: /s/ Spencer Wells
Printed Name: Spencer Wells
Title: Member of the Special Committee
Date: 6/23/2026

K.L.D. JEWELRY, LLC:

By: /s/ Spencer Wells
Printed Name: Spencer Wells
Title: Member of the Special Committee
Date: 6/23/2026

LUGANO PRIVE, LLC:

By: /s/ Spencer Wells
Printed Name: Spencer Wells
Title: Member of the Special Committee
Date: 6/23/2026

OFFICIAL COMMITTEE OF UNSECURED CREDITORS:

By: /s/ Adam Rothstein
Printed Name: Adam Rothstein
Title: Chair
Date: 6/24/2026

OFFICIAL COMMITTEE OF UNSECURED CREDITORS:

By: /s/ Stephen Keller
Printed Name: Stephen Keller
Title: Chief Financial Officer
Date: 6/22/2026

SIXTH AMENDMENT TO CREDIT AGREEMENT

THIS SIXTH AMENDMENT TO CREDIT AGREEMENT (this “Agreement”), dated as of August 6, 2026, is entered into by and among COMPASS GROUP DIVERSIFIED HOLDINGS LLC, a Delaware limited liability company (the “Borrower”), the Lenders party hereto, and BANK OF AMERICA, N.A., in its capacity as Administrative Agent for the Lenders (the “Administrative Agent”), Swing Line Lender and L/C Issuer.

RECITALS

WHEREAS, the Borrower, the Lenders from time-to-time party thereto and the Administrative Agent are parties to that certain Third Amended and Restated Credit Agreement, dated as of July 12, 2022 (as amended, modified, extended, restated, replaced, or supplemented in writing from time to time, the “Credit Agreement”);

WHEREAS, the Borrower has requested that the Lenders agree to extend the Maturity Date with respect to the Revolving Commitments and the Term Loan and to make certain other modifications to the Credit Agreement; and

WHEREAS, certain Lenders (the “Extending Lenders”) have agreed to the requested extension and other modifications on the terms and conditions set forth in this Agreement.

AGREEMENT

NOW, THEREFORE, in consideration of these premises and other good and valuable consideration, the receipt and sufficiency of which is hereby acknowledged, the parties hereto agree as follows:

1. Definitions. Capitalized terms used herein but not otherwise defined herein shall have the meanings provided to such terms in the Credit Agreement.

2. Amendments to Credit Agreement & Waiver.

(a) The Credit Agreement (other than the schedules and exhibits thereto) is hereby amended to delete the bold, stricken text (indicated textually in the same manner as the following example: ~~stricken-text~~) and to add the bold, double-underlined text (indicated textually in the same manner as the following example: double-underlined text) as set forth in the Credit Agreement attached as Exhibit A hereto (the “Amended Credit Agreement”).

(b) Schedule 2.01 to the Credit Agreement is hereby amended and restated in its entirety as set forth on Schedule 2.01 hereto.

(c) The Required Lenders waive payment of the Milestone Fees set forth in the Fifth Amendment Transaction Letter.

3. Reallocation of Risk Participations. After giving effect to this Agreement, the risk participations held by the Lenders in the outstanding L/C Obligations and outstanding Swing Line Loans shall be reallocated such that each Lender holds a risk participation in the outstanding L/C Obligations

and outstanding Swing Line Loans in an amount equal to such Lender's Applicable Percentage (with respect to the Aggregate Revolving Commitments) of the outstanding L/C Obligations and outstanding Swing Line Loans.

4. Conditions Precedent. This Agreement shall be effective on the date (the "Effective Date") that each of the following conditions have been satisfied:

(a) *Executed Agreement*. The Administrative Agent shall have received a copy of this Agreement duly executed by each of the Borrower, each of the Lenders and the Administrative Agent.

(b) *Officer's Certificate, Authorizing Resolutions, and Incumbencies*. The Administrative Agent shall have received certificates of resolutions or other action, incumbency certificates, and/or other certificates of the Secretary, Assistant Secretary, or other appropriate officer acceptable to the Administrative Agent, of the Borrower, dated as of the Effective Date, reflecting the transactions contemplated by this Agreement and in form reasonably satisfactory to the Administrative Agent; provided, that to the extent none of the foregoing has changed since they were most recently delivered to the Administrative Agent for the Borrower, then the Borrower may deliver a customary, short-form "bring down" certificate.

(c) *Good Standing Certificate*. The Administrative Agent shall have received such documents and certifications as the Administrative Agent may require to evidence that the Borrower is duly organized or formed, and is validly existing, in good standing and qualified to engage in business in its state of organization or formation

(d) *Legal Opinion*. The Administrative Agent shall have received favorable opinions of legal counsel to the Borrower, addressed to the Administrative Agent and each Lender, dated as of the Effective Date.

(e) *Lien Searches*. The Administrative Agent shall have received completed searches of Uniform Commercial Code filings in the jurisdiction of formation of the Borrower.

(f) *Fees and Expenses*. The Borrower shall have paid (i) all fees required to be paid to the Administrative Agent, BofA Securities in its capacity as an Arrangers and the Lenders on or prior to the Effective Date pursuant to one or more fee letters among the Borrower, the Administrative Agent and BofA Securities in its capacity as an Arrangers and (ii) all documented and invoiced out-of-pocket fees and expenses reasonably incurred by the Administrative Agent in connection with this Agreement, the Credit Agreement, and the other Loan Documents (including, without limitation, the documented and invoiced fees and out-of-pocket expenses of Moore & Van Allen PLLC, as counsel to the Administrative Agent).

5. Representations of the Borrower. The Borrower represents and warrants to the Administrative Agent and the Lenders as follows:

(a) The Borrower has the requisite power and authority and has taken all necessary action to authorize the execution, delivery, and performance of this Agreement in accordance with its terms.

(b) This Agreement has been duly executed and delivered by the Borrower and is the legally valid and binding obligation of the Borrower, enforceable against such Person in accordance with its respective terms, except as may be limited by Debtor Relief Laws or by equitable principles relating to enforceability.

(c) The execution, delivery, and performance by the Borrower of this Agreement and the consummation of the transactions contemplated by this Agreement do not and will not require, as a condition to the effectiveness thereof, any registration with, consent, or approval of, or notice to, or other action to, with, or by, any Governmental Authority except (i) to the extent already obtained, (ii) for filings necessary to perfect, and/or maintain the perfection of, the Liens created under the Loan Documents or (iii) for filings, recordings, or consents where failure to obtain or make could not reasonably be expected to have a Material Adverse Effect.

(d) After giving effect to this Agreement: (i) the representations and warranties of the Borrower set forth in the Loan Documents are true and correct in all material respects (but without duplication of any existing materiality qualifiers) on and as of the Effective Date to the same extent as though made on and as of such date except to the extent such representations and warranties specifically relate to an earlier date (in which case they are true, accurate and complete in all material respects (but without duplication of any existing materiality qualifiers) as of such earlier date); and (ii) no Default or Event of Default exists on and as of the Effective Date.

6. Release. The Borrower hereby releases and forever discharges the Administrative Agent, the Swing Line Lender, the L/C Issuer, each Lender, and each of their respective predecessors, successors, assigns, and Related Parties (each and every of the foregoing, a "Released Party") from any and all claims, counterclaims, demands, damages, debts, suits, liabilities, actions, and causes of action of any nature whatsoever, in each case through the Effective Date, whether arising at law or in equity, whether known or unknown, whether liability be direct or indirect, whether liquidated or unliquidated, whether absolute or contingent, whether foreseen or unforeseen, and whether or not heretofore asserted, which the Borrower may have or claim to have against any Released Party.

7. No Actions, Claims. The Borrower hereby represents, warrants, acknowledges, and confirms that the Borrower has no knowledge of any action, cause of action, claim, demand, damage, or liability of whatever kind or nature, in law or in equity, against any Released Party arising from any action by such Person, or failure of such Person to act, in any way on or prior to the date hereof.

8. Incorporation of Agreement. Except as specifically modified herein, the terms of the Loan Documents shall remain in full force and effect. The execution, delivery, and effectiveness of this Agreement shall not operate as a waiver of any right, power, or remedy of the Administrative Agent or the Lenders under the Loan Documents or constitute a waiver or amendment of any provision of the Loan Documents. The breach of any covenant or provision of this Agreement shall constitute an immediate Event of Default and this Agreement shall constitute a Loan Document.

9. No Third-Party Beneficiaries. This Agreement and the rights and benefits hereof shall inure to the benefit of each of the parties hereto and their respective successors and assigns, and the obligations hereof shall be binding upon the Borrower. No other Person shall have or be entitled to assert rights or benefits under this Agreement, other than any non-party Released Party with respect to Section 6 and Section 7 hereof (which Persons are intended to be third party beneficiaries of this Agreement).

10. Entirety. This Agreement, the Credit Agreement, and the other Loan Documents embody the entire agreement among the parties hereto and supersede all prior agreements and understandings, oral or written, if any, relating to the subject matter hereof. This Agreement, the Credit Agreement, and the other Loan Documents represent the final agreement between the parties and may not be contradicted by evidence of prior, contemporaneous, or subsequent oral agreements of the parties.

11. Counterparts. This Agreement may be executed in counterparts (and by different parties hereto in different counterparts), each of which shall constitute an original, but all of which when taken together shall constitute a single contract. Delivery of an executed counterpart of a signature page of this Agreement by telecopy or other electronic imaging means (e.g., “pdf” or “tif” format) shall be effective as delivery of a manually executed counterpart of this Agreement.

12. Governing Law; Jurisdiction; Consent to Service of Process; Waiver of Jury Trial. The governing law, jurisdiction, consent to service of process, and waiver of jury trial provisions contained in Sections 10.14 and 10.15 of the Credit Agreement are hereby incorporated by reference *mutatis mutandis*.

13. Further Assurances. Each of the parties hereto agrees to execute and deliver, or to cause to be executed and delivered, all such instruments as may reasonably be requested to effectuate the intent and purposes, and to carry out the terms, of this Agreement.

14. Miscellaneous. Section headings in this Agreement are included herein for convenience of reference only and shall not constitute a part of this Agreement for any other purpose. Wherever possible, each provision of this Agreement shall be interpreted in such a manner as to be effective and valid under applicable law, but if any provision of this Agreement shall be prohibited by or invalid under applicable law, then such provision shall be ineffective to the extent of such prohibition or invalidity, without invalidating the remainder of such provision or the remaining provisions of this Agreement. Except as otherwise provided in this Agreement, if any provision contained in this Agreement conflicts with, or is inconsistent with, any provision in any Loan Document, then the provision contained in this Agreement shall govern and control.

[Remainder of page intentionally left blank.]

IN WITNESS WHEREOF, the parties hereto have caused this Agreement to be duly executed as of the date first above written.

BORROWER:

COMPASS GROUP DIVERSIFIED HOLDINGS LLC,
a Delaware limited liability company

By: /s/ Stephen Keller
Name: Stephen Keller
Title: Chief Financial Officer

[SIGNATURE PAGES CONTINUE]

ADMINISTRATIVE AGENT:

BANK OF AMERICA, N.A., as Administrative Agent

By:	<u>/s/ Kelly Weaver</u>
Name:	Kelly Weaver
Title:	Vice President

LENDERS:

BANK OF AMERICA, N.A.,
as a Lender, the L/C Issuer and Swing Line Lender

By:	<u>/s/ Timothy J. Waltman</u>
Name:	Timothy J. Waltman
Title:	Senior Vice President

TD BANK, N.A.,
as a Lender

By:	<u>/s/ Alan Garson</u>
Name:	Alan Garson
Title:	Senior Vice President

CIBC BANK USA,
as a Lender

By:	<u>/s/ Jeff Groenewold</u>
Name:	Jeff Groenewold
Title:	Managing Director

WELLS FARGO BANK, NATIONAL ASSOCIATION,
as a Lender

By:	<u>/s/ Jackie Andreozzi</u>
Name:	Jackie Andreozzi
Title:	Executive Vice President

JPMORGAN CHASE BANK, N.A.,
as a Lender

By:	<u>/s/ Judy Marsh</u>
Name:	Judy Marsh
Title:	Authorized Officer

U.S. BANK NATIONAL ASSOCIATION,
as a Lender

By:	<u>/s/ Mark J. Hattling</u>
Name:	Mark J. Hattling
Title:	Senior Vice President

FIFTH THIRD BANK, NATIONAL ASSOCIATION,
as a Lender

By: /s/ Ronald T. Keller
Name: Ronald T. Keller
Title: Vice President

TRUIST BANK,
as a Lender

By:	<u>/s/ John L. Saylor</u>
Name:	John L. Saylor
Title:	Senior Vice President

Exhibit A to the Sixth Amendment to Credit Agreement

Amended Credit Agreement

See attached.

[Exhibit A to the Sixth Amendment](#)

[Amended Credit Agreement](#)

Published CUSIP Numbers:

Deal: 20451UAQ8

Revolver: 20451UAR6

Term Loan: 20451UAS4

~~Incremental Delayed Draw Term Loan: 20451UAT2~~

THIRD AMENDED AND RESTATED CREDIT AGREEMENT

Dated as of July 12, 2022

among

COMPASS GROUP DIVERSIFIED HOLDINGS LLC,
as the Borrower,

BANK OF AMERICA, N.A.,
as Administrative Agent, Swing Line Lender and L/C Issuer,

and

FIFTH THIRD BANK, NATIONAL ASSOCIATION
and TRUIST BANK,
as Documentation Agents

TD BANK, N.A., CIBC BANK USA
and WELLS FARGO BANK, NATIONAL ASSOCIATION,
as Co-Syndication Agents

Arranged By:

BANK OF AMERICA, N.A.,
TD BANK, N.A.,
CIBC BANK USA
and WELLS FARGO BANK, NATIONAL ASSOCIATION,
as Joint Lead Arrangers

and

BANK OF AMERICA, N.A.,
and TD BANK, N.A.,

as Joint Bookrunners

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K	Form of Existing Portfolio Company Classification Approval

THIRD AMENDED AND RESTATED CREDIT AGREEMENT

This THIRD AMENDED AND RESTATED CREDIT AGREEMENT is entered into as of July 12, 2022 among COMPASS GROUP DIVERSIFIED HOLDINGS LLC, a Delaware limited liability company (the “Borrower”), the Lenders (defined herein) and BANK OF AMERICA, N.A., as Administrative Agent, Swing Line Lender and L/C Issuer.

The Borrower has requested that the Lenders provide credit facilities for the purposes set forth herein, and the Lenders are willing to do so on the terms and conditions set forth herein.

In consideration of the mutual covenants and agreements herein contained, the parties hereto covenant and agree as follows:

ARTICLE I

DEFINITIONS AND ACCOUNTING TERMS

1.01 Defined Terms.

As used in this Agreement, the following terms shall have the meanings set forth below:

“2029 Senior Unsecured Notes” means the 5.250% senior unsecured notes due 2029 in the initial aggregate principal amount of \$1,000,000,000 issued by the Borrower on March 23, 2021 pursuant to the Indenture dated as of March 23, 2021 between the Borrower and U.S. Bank National Association, as Trustee.

“2032 Senior Unsecured Notes” means the 5.000% senior unsecured notes due 2032 in the initial aggregate principal amount of \$300,000,000 issued by the Borrower on November 17, 2021 pursuant to the Indenture dated as of November 17, 2021 between the Borrower and U.S. Bank National Association, as Trustee.

“5.11” means 5.11 ABR Corp., a Delaware corporation.

“Acquisition” means, with respect to any Person, the acquisition by such Person, in a single transaction or in a series of related transactions, of either (a) all or any substantial portion of the property of, or a line of business, division or operating group of, another Person or (b) at least a majority of the Voting Equity Interests of another Person, in each case whether or not involving a merger or consolidation with such other Person. For the avoidance of doubt, the acquisition by the Borrower of Equity Interests of any Portfolio Company from the minority shareholders of such Portfolio Company shall not constitute an Acquisition.

“Acquisition Subsidiary” has the meaning specified in Section 7.14.

“Act” means the USA Patriot Act (Title III of Pub. L. 107-56 (signed into law October 26, 2001)).

“Administrative Agent” means Bank of America in its capacity as administrative agent under any of the Loan Documents, or any successor administrative agent.

“Administrative Agent’s Financial Advisor” has the meaning specified in Section 6.18.

“Administrative Agent’s Office” means the Administrative Agent’s address and, as appropriate, account as set forth on Schedule 10.02 or such other address or account as the Administrative Agent may from time to time notify the Borrower and the Lenders.

“Administrative Questionnaire” means an Administrative Questionnaire in a form supplied by the Administrative Agent.

“Advanced Circuits” means Compass AC Holdings, Inc., a Delaware corporation.

“Affected Financial Institution” means (a) any EEA Financial Institution, or (b) any UK Financial Institution.

“Affiliate” means, with respect to a specified Person, another Person that directly, or indirectly through one or more intermediaries, Controls or is Controlled by or is under common Control with the Person specified.

“Aggregate Revolving Commitments” means the Revolving Commitments of all the Lenders. The amount of the Aggregate Revolving Commitments in effect on the ~~Second~~Sixth Amendment ~~Effect~~Effective Date is ~~ONE HUNDRED FIFTY-FOUR~~ MILLION DOLLARS (~~\$+00,000,000~~54,000,000.00).

“Agreement” means this Credit Agreement.

“Altor Solutions” means FFI Compass, Inc., a Delaware corporation.

“Allocation Interests” has the meaning assigned to such term in the Borrower LLC Agreement.

“Allocation Member” has the meaning assigned to such term in the Borrower LLC Agreement.

“Allocation Member Distributions” means distributions payable to the Allocation Member pursuant to and in accordance with the provisions of Section 5.2 of the Borrower LLC Agreement upon either (i) a Disposition of a Subsidiary that is permitted by Section 7.05 of this Agreement or (ii) with respect to each Subsidiary, the election by the Allocation Member on or after the date that is five (5) years after the date on which Borrower acquired a controlling interest in such Subsidiary and at a time when no Event of Default has occurred and is continuing to receive a distribution in respect thereof and, to the extent incremental federal and state income taxes of the Allocation Member then due and owing in respect of such distributions and other allocations of Borrower’s income pursuant to the Borrower LLC Agreement exceed such distributions, in the amount of such excess.

“Applicable Percentage” means with respect to any Lender at any time, (a) with respect to the Revolving Facility at any time, the percentage (carried out to the ninth decimal place) of the Aggregate Revolving Commitments represented by such Lender’s Revolving Commitment at such time; provided that if the commitment of each Lender to make Revolving Loans and the obligation of the L/C Issuer to make L/C Credit Extensions have been terminated pursuant to Section 8.02 or if the Aggregate Revolving Commitments have expired, then the Applicable Percentage of each Lender shall be determined based on the Applicable Percentage of such Lender most recently in effect, giving effect to any subsequent assignments, (b) with respect to the Term ~~Facility~~Loan at any time, the percentage (carried out to the ninth decimal place) of the outstanding principal amount of the Term Loan held by such Lender at such

time, and (c) with respect to such Lender’s portion of any outstanding Incremental Term Facility at any time, the percentage (carried out to the ninth decimal place) of the outstanding principal amount of the term loan held by such Lender under such Incremental Term Facility at such time, ~~and (d) with respect to the Lender’s Incremental Delayed Draw Term Loan Commitment at any time, the percentage (carried out to the ninth decimal place) of the aggregate Incremental Delayed Draw Term Loan Commitments represented by such Lender’s Incremental Delayed Draw Term Loan Commitment at such time. The initial~~ The Applicable Percentage of each Lender as of the Sixth Amendment Effective Date is set forth opposite the name of such Lender on Schedule 2.01 to the Sixth Amendment or in the Assignment and Assumption pursuant to which such Lender becomes a party hereto or in any documentation executed by such Lender pursuant to Section 2.01(c), as applicable. The Applicable Percentages shall be subject to adjustment as provided in Section 2.15.

“Applicable Rate” means the following percentages per annum, based upon the Consolidated Total Leverage Ratio as set forth in the most recent Compliance Certificate received by the Administrative Agent pursuant to Section 6.02(b):

Pricing Tier	Consolidated Total Leverage Ratio	Term SOFR Loans	Base Rate Loans	Letter of Credit Fee	Commitment Fee and Incremental DDTL Commitment-Fee
1	< 1.75:1.0	1.50%	0.50%	1.50%	0.25%
2	≥ 1.75:1.0 but < 2.75:1.0	1.75%	0.75%	1.75%	0.30%
3	≥ 2.75:1.0 but < 3.50:1.0	2.00%	1.00%	2.00%	0.35%
4	≥ 3.50:1.0 but < 4.00:1.0	2.25%	1.25%	2.25%	0.40%
5	≥ 4.00:1.0 but < 4.50:1.0	2.50%	1.50%	2.50%	0.45%
6	> 4.50:1.0	3.25%	2.25%	3.25%	0.60%

Any increase or decrease in the Applicable Rate resulting from a change in the Consolidated Total Leverage Ratio shall become effective as of the first Business Day immediately following the date a Compliance Certificate is required to be delivered pursuant to Section 6.02(b); provided, however, (i) that if a Compliance Certificate is not delivered when due in accordance with such Section, then, upon the request of the Required Lenders, Pricing Tier 6 shall apply as of the first Business Day after the date on which such Compliance Certificate was required to have been delivered and shall remain in effect until the first Business Day immediately following the date on which such Compliance Certificate is delivered in accordance with Section 6.02(b), whereupon the Applicable Rate shall be adjusted based upon the calculation of the Consolidated Total Leverage Ratio contained in such Compliance Certificate, and (ii) Pricing Tier 6 shall apply during the period from and including the Sixth Amendment Effective Date until the first Business Day immediately following the date on which a Compliance Certificate is delivered in accordance with Section 6.02(b) for the first full fiscal quarter ending after the Sixth Amendment Effective Date whereupon the Applicable Rate shall be adjusted based on the calculation of the Consolidated Total Leverage Ratio contained in such Compliance Certificate. Notwithstanding anything

to the contrary contained in this definition, the determination of the Applicable Rate for any period shall be subject to the provisions of Section 2.10(b).

“Approved Fund” means any Fund that is administered or managed by (a) a Lender, (b) an Affiliate of a Lender or (c) an entity or an Affiliate of an entity that administers or manages a Lender.

“Arnold Magnetics” means AMTAC Holdings, LLC, a Delaware limited liability company.

“Arrangers” means Bank of America (an Affiliate of BofA Securities), TD Securities, (USA) LLC, JPMorgan Chase Bank, N.A., U.S. Bank National Association and CIBC Bank USA, in their capacities as joint lead arrangers and Bank of America (an Affiliate of BofA Securities), TD Securities, (USA) LLC, JPMorgan Chase Bank, N.A. and U.S. Bank National Association, in their capacities as joint bookrunners.

“Assignment and Assumption” means an assignment and assumption entered into by a Lender and an Eligible Assignee (with the consent of any party whose consent is required by Section 10.06(b)), and accepted by the Administrative Agent, in substantially the form of Exhibit F or any other form (including electronic documentation generated by MarkitClear or other electronic platform) approved by the Administrative Agent.

“Attributable Indebtedness” means, with respect to any Person on any date, (a) in respect of any capital lease, the capitalized amount thereof that would appear on a balance sheet of such Person prepared as of such date in accordance with GAAP, (b) in respect of any Synthetic Lease Obligation, the capitalized amount of the remaining lease payments under the relevant lease that would appear on a balance sheet of such Person prepared as of such date in accordance with GAAP if such lease were accounted for as a capital lease, and (c) in respect of any Securitization Transaction, the outstanding principal amount of such financing, after taking into account reserve accounts and making appropriate adjustments, determined by the Administrative Agent in its reasonable judgment.

“Audited Financial Statements” means the audited consolidated balance sheet of the Borrower and its Subsidiaries for the fiscal year ended December 31, 2021, and the related consolidated statements of income or operations, shareholders’ equity and cash flows of the Borrower and its Subsidiaries for such fiscal year, including the notes thereto, audited by independent public accountants of recognized national standing and prepared in conformity with GAAP.

“Auto Borrow Agreement” has the meaning specified in Section 2.04(g).

“Availability” means (a) with respect to an Existing Portfolio Company, the least of (i) the product of (x) the Portfolio Company EBITDA of such Existing Portfolio Company for the twelve month period ending on the last day of the month for which financial statements regarding such Existing Portfolio Company have been most recently delivered to the Administrative Agent in accordance with the terms of this Agreement times (y) 2.75; (ii) the sum of (x) the principal balance of the Qualified Intercompany Debt owing by such Existing Portfolio Company to the Borrower plus (y) the positive sum (if any) of the product of (I) 2.75 minus a fraction, the numerator of which shall be the principal balance of the Qualified Intercompany Debt owing by such Existing Portfolio Company to the Borrower and the denominator of which shall be the Portfolio Company EBITDA of such Existing Portfolio Company for the twelve month period ending on the last day of the month for which financial statements regarding such Existing Portfolio Company have been most recently delivered to the Administrative Agent in accordance with the terms of this Agreement times (II) the amount of Compass-Owned EBITDA with

respect to such Existing Portfolio Company; and (iii) for any Existing Portfolio Company that is a Disqualified Portfolio Company, zero; and (b) with respect to any New Portfolio Company, the least of (i) the product of (x) the Portfolio Company EBITDA of such New Portfolio Company for the twelve month period ending on the last day of the month for which financial statements regarding such New Portfolio Company have been most recently delivered to the Administrative Agent in accordance with the terms of this Agreement times (y) 1.75; (ii) the sum of (x) the principal balance of the Qualified Intercompany Debt owing by such New Portfolio Company to the Borrower plus (y) the positive sum (if any) of the product of (I) 1.75 minus a fraction, the numerator of which shall be the principal balance of the Qualified Intercompany Debt owing by such New Portfolio Company to the Borrower and the denominator of which shall be the Portfolio Company EBITDA of such New Portfolio Company for the twelve month period ending on the last day of the month for which financial statements regarding such New Portfolio Company have been most recently delivered to the Administrative Agent in accordance with the terms of this Agreement times (II) the amount of Compass-Owned EBITDA with respect to such New Portfolio Company; and (iii) for any New Portfolio Company that is a Disqualified Portfolio Company, zero. It is agreed and understood that the Availability for any Portfolio Company shall in no event be less than zero.

“Availability Certificate” means a certificate substantially in the form of Exhibit I.

“Availability Period” means, with respect to the Revolving Commitments, the period from and including the Closing Date to the earliest of (a) the Maturity Date for the Revolving Commitments, (b) the date of termination of the Aggregate Revolving Commitments pursuant to Section 2.06, and (c) the date of termination of the commitment of each Lender to make Loans and of the obligation of the L/C Issuer to make L/C Credit Extensions pursuant to Section 8.02.

“Bail-InAction” means the exercise of any Write-Down and Conversion Powers by the applicable Resolution Authority in respect of any liability of an Affected Financial Institution.

“Bail-In Legislation” means, (a) with respect to any EEA Member Country implementing Article 55 of Directive 2014/59/EU of the European Parliament and of the Council of the European Union, the implementing law, rule, regulation or requirement for such EEA Member Country from time to time which is described in the EU Bail-In Legislation Schedule, and (b) with respect to the United Kingdom, Part I of the United Kingdom Banking Act 2009 (as amended from time to time) and any other law, regulation or rule applicable in the United Kingdom relating to the resolution of unsound or failing banks, investment firms or other financial institutions or their affiliates (other than through liquidation, administration or other insolvency proceedings).

“Bank of America” means Bank of America, N.A. and its successors.

“Bankruptcy Court” means the United States Bankruptcy Court for the District of Delaware.

“Base Rate” means for any day a fluctuating rate per annum equal to the highest of (a) the Federal Funds Rate plus 0.50%, (b) the rate of interest in effect for such day as publicly announced from time to time by Bank of America as its “prime rate” and (c) Term SOFR plus 1.00%; provided, that, if the Base Rate shall be less than zero, such rate shall be deemed to be zero for purposes of this Agreement. The “prime rate” is a rate set by Bank of America based upon various factors including Bank of America’s costs and desired return, general economic conditions and other factors, and is used as a reference point for pricing some loans, which may be priced at, above, or below such announced rate. Any change in such prime rate announced by Bank of America shall take effect at the opening of business on the day

specified in the public announcement of such change. If the Base Rate is being used as an alternate rate of interest pursuant to Section 3.03 hereof, then the Base Rate shall be the greater of clauses (a) and (b) above and shall be determined without reference to clause (g) above.

“Base Rate Loan” means a Loan that bears interest based on the Base Rate.

“Beneficial Ownership Certification” means a certification regarding beneficial ownership required by the Beneficial Ownership Regulation.

“Beneficial Ownership Regulation” means 31 C.F.R. § 1010.230.

“Benefit Plan” means any of (a) an “employee benefit plan” (as defined in ERISA) that is subject to Title I of ERISA, (b) a “plan” as defined in Section 4975 of the Internal Revenue Code or (c) any Person whose assets include (for purposes of ERISA Section 3(42) or otherwise for purposes of Title I of ERISA or Section 4975 of the Internal Revenue Code) the assets of any such “employee benefit plan” or “plan”.

“BHC Act Affiliate” of a party means an “affiliate” (as such term is defined under, and interpreted in accordance with, 12 U.S.C. 1841(k)) of such party.

“BOA” means BOA Parent Inc., a Delaware corporation.

“BofA Securities” means BofA Securities, Inc.

“Borrower” has the meaning specified in the introductory paragraph hereto.

“Borrower Expenses” means all cash expenses of the Borrower, and all cash expenses of the Trust reimbursed or otherwise funded by the Borrower, in each case excluding fees paid to the Manager and permitted hereunder. For the avoidance of doubt, one-time expenses in an aggregate amount not to exceed \$50,000,000 and incurred by the Borrower in connection with investigations related to the Lugano Entities or in connection with the Lugano Bankruptcy, shall not be included as Borrower Expenses hereunder for any periods ending on or prior to December 31, 2025.

“Borrower LLC Agreement” means that certain Sixth Amended and Restated Operating Agreement of Borrower dated as of August 3, 2021, as amended by the First Amendment dated February 11, 2022, as in effect on the date hereof or as modified in compliance with the provisions hereof.

“Borrower Materials” has the meaning specified in Section 6.02.

“Borrowing” means each of the following: (a) a borrowing of Swing Line Loans pursuant to Section 2.04 and (b) a borrowing consisting of simultaneous Loans of the same Type and, in the case of Term SOFR Loans, having the same Interest Period made by each of the Lenders pursuant to Section 2.01.

“Borrowing Availability” means, as of any date of determination, an amount equal to the lesser of (a) the Aggregate Revolving Commitments as of such date and (b) the result of (i) Combined Eligible Availability as of such date minus (ii) Consolidated Net Indebtedness as of such date (excluding the Outstanding Amount of Loans and L/C Obligations and any outstanding Indebtedness permitted by Section 7.03(j)).

“Business Day” means any day other than a Saturday, Sunday or other day on which commercial banks are authorized to close under the Laws of, or are in fact closed in, the state where the Administrative Agent’s Office is located.

“Cash Collateralize” means to pledge and deposit with or deliver to the Administrative Agent, for the benefit of one or more of the L/C Issuer or the Lenders, as collateral for L/C Obligations or obligations of the Lenders to fund participations in respect of L/C Obligations, cash or deposit account balances or, if the Administrative Agent and the L/C Issuer shall agree in their sole discretion, other credit support, in each case pursuant to documentation in form and substance satisfactory to the Administrative Agent and the L/C Issuer. “Cash Collateral” shall have a meaning correlative to the foregoing and shall include the proceeds of such cash collateral and other credit support.

“Cash Equivalents” means, as at any date, (a) securities issued or directly and fully guaranteed or insured by the United States or any agency or instrumentality thereof (provided that the full faith and credit of the United States is pledged in support thereof) having maturities of not more than twelve months from the date of acquisition, (b) Dollar denominated time deposits and certificates of deposit of (i) any Lender, (ii) any domestic commercial bank of recognized standing having capital and surplus in excess of \$500,000,000 or (iii) any bank whose short-term commercial paper rating from S&P is at least A-1 or the equivalent thereof or from Moody’s is at least P-1 or the equivalent thereof (any such bank being an “Approved Bank”), in each case with maturities of not more than 270 days from the date of acquisition, (c) commercial paper and variable or fixed rate notes issued by any Approved Bank (or by the parent company thereof) or any variable rate notes issued by, or guaranteed by, any domestic corporation rated A-1 (or the equivalent thereof) or better by S&P or P-1 (or the equivalent thereof) or better by Moody’s and maturing within six months of the date of acquisition, (d) repurchase agreements entered into by any Person with a bank or trust company (including any Lender) or recognized securities dealer having capital and surplus in excess of \$500,000,000 for direct obligations issued by or fully guaranteed by the United States in which such Person shall have a perfected first priority security interest (subject to no other Liens) and having, on the date of purchase thereof, a fair market value of at least 100% of the amount of the repurchase obligations and (e) investments, classified in accordance with GAAP as current assets, in money market investment programs registered under the Investment Company Act of 1940 which are administered by reputable financial institutions having capital of at least \$500,000,000 and the portfolios of which are limited to Investments of the character described in the foregoing subdivisions (a) through (d).

“Cash Flow Forecast” has the meaning specified in Section 6.01(d).

“Cash Management Agreement” means any agreement that is not prohibited by the terms hereof to provide treasury or cash management services, including deposit accounts, overnight draft, credit cards, debit cards, p cards (including purchasing cards and commercial cards), funds transfer, automated clearinghouse, zero balance accounts, returned check concentration, controlled disbursement, lockbox, account reconciliation and reporting and trade finance services and other cash management services.

“Cash Management Bank” means any Person in its capacity as a party to a Cash Management Agreement with the Borrower or any Subsidiary provided that (a) at the time such Person enters into such Cash Management Agreement, such Person is a Lender or an Affiliate of a Lender or (b) such Cash Management Agreement exists on the Closing Date and such Person is a Lender or an Affiliate of a Lender on the Closing Date or within thirty (30) days thereafter.

“Cash-on-Hand” has the meaning specified in Section 2.05(b)(v).

“CFC” means a “controlled foreign corporation” under Section 957 of the Internal Revenue Code.

“Change in Law” means the occurrence, after the Closing Date, of any of the following: (a) the adoption or taking effect of any Law, (b) any change in any Law or in the administration, interpretation, implementation or application thereof by any Governmental Authority or (c) the making or issuance of any request, rule, guideline or directive (whether or not having the force of Law) by any Governmental Authority; provided, that, notwithstanding anything herein to the contrary, (i) the Dodd Frank Wall Street Reform and Consumer Protection Act and all requests, rules, guidelines or directives thereunder or issued in connection therewith and (ii) all requests, rules, guidelines or directives promulgated by the Bank for International Settlements, the Basel Committee on Banking Supervision (or any successor or similar authority) or the United States or foreign regulatory authorities, in each case pursuant to Basel III, shall in each case be deemed to be a “Change in Law”, regardless of the date enacted, adopted or issued.

“Change of Control” means an event or series of events by which:

(a) any “person” or “group” (as such terms are used in Sections 13(d) and 14(d) of the Securities Exchange Act of 1934, but excluding any employee benefit plan of such person or its subsidiaries, and any person or entity acting in its capacity as trustee, agent or other fiduciary or administrator of any such plan) becomes the “beneficial owner” (as defined in Rules 13d-3 and 13d-5 under the Securities Exchange Act of 1934, except that a person or group shall be deemed to have “beneficial ownership” of all Equity Interests that such person or group has the right to acquire, whether such right is exercisable immediately or only after the passage of time (such right, an “option right”)), directly or indirectly, of Voting Equity Interests of the Trust representing 35% or more of the combined voting power of all Voting Equity Interests of the Trust (or, after the consummation of a Permitted Trust Merger, of Voting Equity Interests of the Borrower representing 35% or more of the combined voting power of all Voting Equity Interests of the Borrower) on a fully diluted basis (and taking into account all such securities that such person or group has the right to acquire pursuant to any option right);

(b) during any period of 24 consecutive months, a majority of the members of the board of directors or other equivalent governing body of the Borrower cease to be composed of individuals (i) who were members of that board or equivalent governing body on the first day of such period, (ii) whose election or nomination to that board or equivalent governing body was approved by individuals referred to in clause (i) above constituting at the time of such election or nomination at least a majority of that board or equivalent governing body or (iii) whose election or nomination to that board or other equivalent governing body was approved by individuals referred to in clauses (i) and (ii) above constituting at the time of such election or nomination at least a majority of that board or equivalent governing body;

(c) the Trust shall cease to directly own and control 100% of each class of the outstanding Equity Interests of the Borrower (other than the Allocation Interests and other than to the extent resulting from a Permitted Trust Merger) or shall pledge the Equity Interests in the Borrower owned by the Trust to any Person;

(d) either (i) the Manager ceases to be the manager under the Management Fee Agreement and a successor acceptable to the Administrative Agent is not promptly appointed or (ii) the Management Fee Agreement ceases to be in full force and effect in accordance with its terms in effect as of the Closing Date in any material respect;

(e) the common Equity Interests in the Trust (or, after the consummation of a Permitted Trust Merger, in the Borrower) cease to be publicly traded; or

(f) there occurs a “change of control” (or any other defined term having a similar purpose) as defined in the documents governing any other Indebtedness of the Borrower, the outstanding principal amount of which exceeds the Threshold Amount.

“Closing Date” means the date hereof.

“Closing Date Acquisition” means the Acquisition by the Borrower, directly or indirectly through a Subsidiary, of PrimaLoft pursuant to the Closing Date Acquisition Documents.

“Closing Date Acquisition Documents” means that certain Stock Purchase Agreement dated June 4, 2022 by and among Relentless Intermediate, Inc., as purchaser, and VP PrimaLoft Holdings, LLC, as seller, and all other documents, agreements and instruments relating to the Closing Date Acquisition in each case including all schedules and exhibits thereto.

“CME” means CME Group Benchmark Administration Limited.

“Collateral” means a collective reference to all property with respect to which Liens in favor of the Administrative Agent, for the benefit of itself and the other holders of the Obligations, are purported to be granted pursuant to and in accordance with the terms of the Collateral Documents.

“Collateral Documents” means a collective reference to the Security Agreement, the Management Fee Subordination Agreement and each other security document as may be executed and delivered by the Borrower pursuant to the terms of Section 6.12 or any of the Loan Documents.

“Combined Eligible Availability” means, at any time, the lesser of (a) the sum of (i) the combined total of the Availability for each Existing Portfolio Company at such time plus (ii) the combined total of the Availability for each New Portfolio Company at such time and (b) the aggregate principal balance of the Qualified Intercompany Debt then outstanding; provided, that if the aggregate amount of the Combined Eligible Availability attributable to any one Portfolio Company, or any group of Portfolio Companies operating in the same business industry, exceeds 40.25%, then any such excess amounts shall be excluded from the amount of Combined Eligible Availability ~~(provided, that Required Lenders may, in their reasonable credit judgment, elect to require that Portfolio Companies arising after the Closing Date be assigned a concentration level of 35% percent instead of 40%, such election, if made, to occur at the time of and in connection with such Portfolio Company first attaining such status hereunder);~~ provided further, that if the aggregate amount of the Combined Eligible Availability attributable to Portfolio Companies organized in Canada (excluding for this purpose any such Portfolio Companies with respect to which perfected, first priority Liens on substantially all of their assets have been granted to the Borrower pursuant to the applicable Qualified Intercompany Debt Documents) exceeds 15% of the total Combined Eligible Availability, then any such excess amounts shall be excluded from the amount of Combined Eligible Availability.

“Commitment” means, as to each Lender, the Revolving Commitment of such Lender, ~~the Term Loan Commitment of such Lender~~ and/or any Incremental Facility Commitment of such Lender ~~and the Incremental Delayed Draw Term Loan Commitment of such Lender~~.

“Commitment Fee” has the meaning specified in Section 2.09(a).

“Commodity Exchange Act” means the Commodity Exchange Act (7 U.S.C. Section 1 *et seq.*).

“Communication” has the meaning specified in Section 10.17.

“Compass-Owned EBITDA” means, with respect to any Portfolio Company, the product of (i) the Portfolio Company EBITDA of such Portfolio Company for the twelve month period ending on the last day of the month for which financial statements regarding such Portfolio Company have been most recently delivered to the Administrative Agent in accordance with the terms of this Agreement times (ii) the percentage of the equity interests in such Portfolio Company that are directly or indirectly owned and controlled by the Borrower (on a primary basis).

“Compliance Certificate” means a certificate substantially in the form of Exhibit E.

“Conforming Changes” means, with respect to the use, administration of or any conventions associated with SOFR or any proposed Successor Rate or Term SOFR, as applicable, any conforming changes to the definitions of “Base Rate”, “SOFR”, “Term SOFR” and “Interest Period”, timing and frequency of determining rates and making payments of interest and other technical, administrative or operational matters (including, for the avoidance of doubt, the definitions of “Business Day” and “U.S. Government Securities Business Day”, timing of borrowing requests or prepayment, conversion or continuation notices and length of lookback periods) as may be appropriate, in the discretion of the Administrative Agent, to reflect the adoption and implementation of such applicable rate(s) and to permit the administration thereof by the Administrative Agent in a manner substantially consistent with market practice (or, if the Administrative Agent determines that adoption of any portion of such market practice is not administratively feasible or that no market practice for the administration of such rate exists, in such other manner of administration as the Administrative Agent determines is reasonably necessary in connection with the administration of this Agreement and any other Loan Document).

“Connection Income Taxes” means Other Connection Taxes that are imposed on or measured by net income (however denominated) or that are franchise Taxes or branch profits Taxes.

“Consolidated Capital Expenditures” means, for any period, for the Borrower and its Subsidiaries (other than Subsidiary Outside Companies) on a consolidated basis, all capital expenditures, as determined in accordance with GAAP, but excluding (a) expenditures made in connection with the replacement, substitution or restoration of assets to the extent financed with (i) insurance proceeds (or other similar recoveries) paid on account of the loss of or damage to the assets being replaced or restored, (ii) cash awards of compensation arising from the taking by eminent domain or condemnation of the assets being replaced or (iii) cash proceeds of Dispositions that are reinvested in accordance with this Agreement and (b) expenditures made to fund the purchase price for assets acquired in a Permitted Eligible Acquisition or a Permitted Ineligible Acquisition.

“Consolidated EBITDA” means, for any period, the remainder of (i) the sum of (x) the combined total of the Portfolio Company EBITDA for each Existing Portfolio Company for such period plus (y) the combined total of the Portfolio Company EBITDA for each New Portfolio Company for such period, minus (ii) for each Portfolio Company, the positive amount, if any, of Net Income Attributable to Non-Controlling Interests for such period.

“Consolidated Fixed Charge Coverage Ratio” means, as of any date of determination, the ratio of (a) the remainder for such period of (i) Consolidated EBITDA minus (ii) the sum of all income taxes paid

or payable in cash by the Borrower and the Subsidiaries (other than Subsidiary Outside Companies), and (without duplication) tax distributions described in Section 7.06(c), minus (iii) all Consolidated Capital Expenditures minus (iv) the aggregate amount of Management Fees paid in cash by the Borrower and/or the Portfolio Companies pursuant to the Management Fee Documents minus (v) Borrower Expenses to (b) the sum for such period of (i) Consolidated Interest Charges accrued for such period and paid or payable in cash at any time (excluding in all instances any interest paid in kind), plus (ii) Consolidated Scheduled Funded Debt Payments for such period.

“Consolidated Funded Indebtedness” means Funded Indebtedness of the Borrower and its Subsidiaries (other than Subsidiary Outside Companies) on a consolidated basis.

“Consolidated Interest Charges” means, for any period, for the Borrower and its Subsidiaries (other than Subsidiary Outside Companies) on a consolidated basis, the sum of (a) all interest, premium payments, debt discounts, fees and other charges in connection with borrowed money (including capitalized interest but excluding any unrealized mark-to-market gains or losses arising under Swap Contracts) or in connection with the deferred purchase price of assets, in each case to the extent treated as interest in accordance with GAAP (net of interest income of the Borrower and excluding interest expense of the Portfolio Companies in respect of Qualified Intercompany Debt), plus (b) the portion of rent expense with respect to such period under capital leases that is treated as interest in accordance with GAAP plus (c) the implied interest component of Synthetic Lease Obligations with respect to such period.

“Consolidated Net Income” means, with respect to any Person (as used in this definition, the “primary Person”) for any period, the consolidated net income (or loss) of such Person for such period, excluding (a) any gains or non-cash losses from Dispositions, (b) any extraordinary gains or extraordinary non-cash losses, (c) any gains or non-cash losses from discontinued operations, (d) the net income of any Subsidiary of the primary Person during such period to the extent that the declaration or payment of dividends or similar distributions by such Subsidiary of such income is not permitted by operation of the terms of its Organization Documents or any agreement, instrument or Law applicable to such Subsidiary during such period, except that the primary Person’s equity in any net loss of any such Subsidiary for such period shall be included in determining Consolidated Net Income for the primary Person, and (e) any income (or loss) for such period of any Person that is not a Subsidiary of the primary Person, except that the primary Person’s equity in the net income of any such other Person for such period shall be included in Consolidated Net Income up to the aggregate amount of cash actually distributed by such other Person during such period to the primary Person or a Subsidiary of the primary Person as a dividend or other distribution (and in the case of a dividend or other distribution to a Subsidiary of the primary Person, such Subsidiary is not precluded from further distributing such amount to the primary Person as described in clause (d) of this definition).

“Consolidated Net Indebtedness” means Consolidated Funded Indebtedness (other than Qualified Intercompany Debt and Indebtedness described in clauses (d) and (i) of the definition of “Indebtedness” herein unless such Indebtedness is reflected on the balance sheet of the Borrower as a liability in accordance with GAAP or, in the case of any Earn Out Obligations, if such Earn Out Obligations have become due and payable), net of (a) all cash and Cash Equivalents of the Borrower on deposit in an account that is with the Administrative Agent or is subject to a Qualifying Control Agreement and (b) up to \$25,000,000 in the aggregate of Unrestricted Cash of all Portfolio Companies (other than any Portfolio Company that is a Foreign Subsidiary); provided, that, in no event shall Consolidated Net Indebtedness be less than \$0 for any purpose under this Agreement. For the avoidance of doubt, for purposes of calculating Borrowing Availability at the time of any Borrowing of Revolving Loans, Indebtedness described in clause (d) of the definition of “Indebtedness” herein shall not be included in Consolidated

Net Indebtedness to the extent such Indebtedness is repaid with the proceeds of such Revolving Loans substantially concurrently with such Borrowing.

“Consolidated Scheduled Funded Debt Payments” means for any period for the Borrower and its Subsidiaries on a consolidated basis, the sum of all scheduled payments of principal on Consolidated Funded Indebtedness. For purposes of this definition, “scheduled payments of principal” (a) shall be determined without giving effect to any reduction of such scheduled payments resulting from the application of any voluntary or mandatory prepayments made during the applicable period, (b) shall be deemed to include the Attributable Indebtedness and (c) shall not include any voluntary or mandatory prepayments or any payments of principal of Revolving Loans or Qualified Intercompany Debt.

“Consolidated Senior Secured Leverage Ratio” means, as of any date of determination, the ratio of (a) Consolidated Net Indebtedness (excluding Consolidated Funded Indebtedness that is not secured by a Lien on any property of the Borrower or any Subsidiary that would otherwise be included in Consolidated Net Indebtedness) as of such date to (b) Consolidated EBITDA for the twelve-month period of the Borrower most recently ended.

“Consolidated Total Leverage Ratio” means, as of any date of determination, the ratio of (a) Consolidated Net Indebtedness as of such date to (b) Consolidated EBITDA for the twelve-month period of the Borrower most recently ended.

“Contractual Obligation” means, as to any Person, any provision of any security issued by such Person or of any agreement, instrument or other undertaking to which such Person is a party or by which it or any of its property is bound.

“Control” means the possession, directly or indirectly, of the power to direct or cause the direction of the management or policies of a Person, whether through the ability to exercise voting power, by contract or otherwise. “Controlling” and “Controlled” have meanings correlative thereto. Without limiting the generality of the foregoing, a Person shall be deemed to be Controlled by another Person if such other Person possesses, directly or indirectly, power to vote 10% or more of the securities (on a fully diluted basis) having ordinary voting power for the election of directors, managing general partners or the equivalent.

“Covered Entity” means any of the following: (a) a “covered entity” as that term is defined in, and interpreted in accordance with, 12 C.F.R. § 252.82(b); (b) a “covered bank” as that term is defined in, and interpreted in accordance with, 12 C.F.R. § 47.3(b); or (c) a “covered FSI” as that term is defined in, and interpreted in accordance with, 12 C.F.R. § 382.2(b).

“Covered Party” has the meaning specified in Section 10.20.

“Credit Extension” means each of the following: (a) a Borrowing and (b) an L/C Credit Extension.

“Credit Party” has the meaning specified in Section 9.13.

“Daily Simple SOFR” with respect to any applicable determination date means the SOFR published on such date on the Federal Reserve Bank of New York’s website (or any successor source).

“Debtor Relief Laws” means the Bankruptcy Code of the United States, and all other liquidation, conservatorship, bankruptcy, assignment for the benefit of creditors, moratorium, rearrangement, receivership, insolvency, reorganization, or similar debtor relief Laws of the United States or other applicable jurisdictions from time to time in effect.

“Default” means any event or condition that constitutes an Event of Default or that, with the giving of any notice, the passage of time, or both, would be an Event of Default.

“Default Rate” means (a) when used with respect to Obligations other than Letter of Credit Fees, an interest rate equal to (i) the Base Rate plus (ii) the Applicable Rate, if any, applicable to Base Rate Loans plus (iii) 2% per annum; provided, however, that with respect to a Term SOFR Loan, the Default Rate shall be an interest rate equal to the interest rate (including any Applicable Rate) otherwise applicable to such Loan plus 2% per annum and (b) when used with respect to Letter of Credit Fees, a rate equal to the Applicable Rate plus 2% per annum.

“Default Right” has the meaning assigned to that term in, and shall be interpreted in accordance with, 12 C.F.R. §§ 252.81, 47.2 or 382.1, as applicable.

“Defaulting Lender” means, subject to Section 2.15(d), any Lender that (a) has failed to (i) fund all or any portion of its Loans within two Business Days of the date such Loans were required to be funded hereunder unless such Lender notifies the Administrative Agent and the Borrower in writing that such failure is the result of such Lender’s determination that one or more conditions precedent to funding (each of which conditions precedent, together with any applicable default, shall be specifically identified in such writing) has not been satisfied, or (ii) pay to the Administrative Agent, the L/C Issuer, the Swing Line Lender or any other Lender any other amount required to be paid by it hereunder (including in respect of its participation in Letters of Credit or Swing Line Loans) within two Business Days of the date when due, (b) has notified the Borrower, the Administrative Agent, the L/C Issuer or the Swing Line Lender in writing that it does not intend to comply with its funding obligations hereunder, or has made a public statement to that effect (unless such writing or public statement relates to such Lender’s obligation to fund a Loan hereunder and states that such position is based on such Lender’s determination that a condition precedent to funding (which condition precedent, together with any applicable default, shall be specifically identified in such writing or public statement) cannot be satisfied), (c) has failed, within three Business Days after written request by the Administrative Agent or the Borrower, to confirm in writing to the Administrative Agent and the Borrower that it will comply with its prospective funding obligations hereunder (provided that such Lender shall cease to be a Defaulting Lender pursuant to this clause (c) upon receipt of such written confirmation by the Administrative Agent and the Borrower), or (d) has, or has a direct or indirect parent company that has, (i) become the subject of a proceeding under any Debtor Relief Law, (ii) had appointed for it a receiver, custodian, conservator, trustee, administrator, assignee for the benefit of creditors or similar Person charged with reorganization or liquidation of its business or assets, including the Federal Deposit Insurance Corporation or any other state or federal regulatory authority acting in such a capacity or (iii) become the subject of a Bail-In Action; provided that a Lender shall not be a Defaulting Lender solely by virtue of the ownership or acquisition of any Equity Interest in that Lender or any direct or indirect parent company thereof by a Governmental Authority so long as such ownership interest does not result in or provide such Lender with immunity from the jurisdiction of courts within the United States or from the enforcement of judgments or writs of attachment on its assets or permit such Lender (or such Governmental Authority) to reject, repudiate, disavow or disaffirm any contracts or agreements made with such Lender. Any determination by the Administrative Agent that a Lender is a Defaulting Lender under any one or more of clauses (a) through (d) above, and of the effective date of such status, shall be conclusive and binding absent manifest error, and such Lender shall

be deemed to be a Defaulting Lender (subject to [Section 2.15\(d\)](#)) as of the date established therefor by the Administrative Agent in a written notice of such determination, which shall be delivered by the Administrative Agent to the Borrower, the L/C Issuer, the Swing Line Lender and each other Lender promptly following such determination.

“[Designated Jurisdiction](#)” means any country or territory to the extent that such country or territory itself, or its government, is the subject of any Sanction.

“[Disposition](#)” or “[Dispose](#)” means the sale, transfer, license, lease or other disposition of any property (including the Equity Interests of any Subsidiary) by the Borrower or any Subsidiary (other than any Subsidiary Outside Company), including any Sale and Leaseback Transaction and any sale, assignment, transfer or other disposal, with or without recourse, of any notes or accounts receivable or any rights and claims associated therewith, but excluding (a) the disposition of inventory in the ordinary course of business; (b) the disposition of machinery and equipment no longer used or useful in the conduct of business of the Borrower and its Subsidiaries in the ordinary course of business; (c) the disposition of property to the Borrower or by a Subsidiary to any Subsidiary (other than any Subsidiary Outside Company); (d) the disposition of accounts receivable in connection with the collection or compromise thereof; (e) licenses, sublicenses, leases or subleases granted to others not interfering in any material respect with the business of the Borrower and its Subsidiaries; (f) the sale or disposition of Cash Equivalents for fair market value; ~~and~~ (g) any Recovery Event; [and \(h\) any sale, transfer or other disposition of any Supply Chain Financing Assets pursuant to a Permitted Supply Chain Arrangement.](#)

“[Disqualified Portfolio Company](#),” means, as of any date, a Portfolio Company (a) that is not Solvent, (b) in respect of which any of the events described in [Section 8.01\(f\)](#) or [Section 8.01\(g\)\(i\)](#) has occurred or (c) that is in payment default under an Intercompany Debt Document where such payment default has continued unremedied for a period of at least 60 days. For the avoidance of doubt, Lugano Holding shall be a Disqualified Portfolio Company from and after November 7, 2025.

“[Dollar](#)” and “[\\$](#)” mean lawful money of the United States.

“[Domestic Subsidiary](#)” means any Subsidiary that is organized under the Laws of any state of the United States or the District of Columbia.

“[Earn Out Obligations](#)” means, with respect to an Acquisition, all obligations of the Borrower or any Subsidiary to make earn out or other contingency payments (including purchase price adjustments, non-competition and consulting agreements, or other indemnity obligations) pursuant to the documentation relating to such Acquisition. For purposes of determining the aggregate consideration paid for an Acquisition at the time of such Acquisition and for purposes of clause (a)(ii) of the definition of Permitted Earn Out Obligations and [Section 7.03\(i\)](#), the amount of any Earn Out Obligations shall be deemed to be the maximum amount of the earn-out payments in respect thereof as specified in the documents relating to such Acquisition (or, if no maximum amount is specified in such documents, the Borrower’s good faith estimate of the maximum amount of such earn-out payments on the date the documents relating to such Acquisition are entered into). For purposes of determining the amount of any Earn Out Obligations to be included in the definition of Funded Indebtedness, the amount of Earn Out Obligations shall be deemed to be the amount, if any, that has become due and payable and remains outstanding as of the relevant determination date and for the avoidance of doubt, shall not include any amounts, contingent or otherwise, that are not outstanding as of such date.

“EEA Financial Institution” means (a) any credit institution or investment firm established in any EEA Member Country which is subject to the supervision of an EEA Resolution Authority, (b) any entity established in an EEA Member Country which is a parent of an institution described in clause (a) of this definition, or (c) any financial institution established in an EEA Member Country which is a subsidiary of an institution described in clauses (a) or (b) of this definition and is subject to consolidated supervision with its parent.

“EEA Member Country” means any of the member states of the European Union, Iceland, Liechtenstein, and Norway.

“EEA Resolution Authority” means any public administrative authority or any person entrusted with public administrative authority of any EEA Member Country (including any delegatee) having responsibility for the resolution of any EEA Financial Institution.

“Electronic Copy” has the meaning specified in Section 10.17.

“Electronic Record” has the meaning assigned to that term in 15 U.S.C. § 7006.

“Electronic Signature” has the meaning assigned to that term in 15 U.S.C. § 7006.

“Eligible Assignee” means any Person that meets the requirements to be an assignee under Sections 10.06(b)(iii) and (v) (subject to such consents, if any, as may be required under Section 10.06(b)(iii)).

“Environmental Laws” means any and all federal, state, local and foreign statutes, laws, regulations, ordinances, rules, judgments, orders, decrees, permits, concessions, grants, franchises, licenses, agreements or governmental restrictions relating to pollution and the protection of the environment or the release of any materials into the environment, including those related to hazardous substances or wastes, air emissions and discharges to waste or public systems.

“Environmental Liability” means any liability, contingent or otherwise (including any liability for damages, costs of environmental remediation, fines, penalties or indemnities), of the Borrower or any Subsidiary directly or indirectly resulting from or based upon (a) violation of any Environmental Law, (b) the generation, use, handling, transportation, storage, treatment or disposal of any Hazardous Materials, (c) exposure to any Hazardous Materials, (d) the release or threatened release of any Hazardous Materials into the environment or (e) any contract, agreement or other consensual arrangement pursuant to which liability is assumed or imposed with respect to any of the foregoing.

“Equity Interests” means, with respect to any Person, all of the shares of capital stock 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 of (or other ownership or profit interests in) such Person, all of the securities convertible into or exchangeable for shares of capital stock 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 such other interests), and all of the other ownership or profit interests in such Person (including partnership, member or trust interests therein), whether voting or nonvoting, and whether or not such shares, warrants, options, rights or other interests are outstanding on any date of determination.

“Ergo Baby” means EBP Lifestyle Brands Holdings, Inc., a Delaware corporation.

“ERISA” means the Employee Retirement Income Security Act of 1974.

“ERISA Affiliate” means any trade or business (whether or not incorporated) under common control with the Borrower within the meaning of Section 414(b) or (c) of the Internal Revenue Code (and Sections 414(m) and (o) of the Internal Revenue Code for purposes of provisions relating to Section 412 of the Internal Revenue Code).

“ERISA Event” means (a) a Reportable Event with respect to a Pension Plan; (b) the withdrawal of the Borrower or any ERISA Affiliate from a Pension Plan subject to Section 4063 of ERISA during a plan year in which such entity was a “substantial employer” (as defined in Section 4001(a)(2) of ERISA) or a cessation of operations that is treated as such a withdrawal under Section 4062(e) of ERISA; (c) a complete or partial withdrawal by the Borrower or any ERISA Affiliate from a Multiemployer Plan or notification that a Multiemployer Plan is in reorganization; (d) the filing of a notice of intent to terminate, the treatment of a Pension Plan amendment as a termination under Section 4041 or 4041A of ERISA; (e) the institution by the PBGC of proceedings to terminate a Pension Plan; (f) any event or condition which constitutes grounds under Section 4042 of ERISA for the termination of, or the appointment of a trustee to administer, any Pension Plan; (g) the determination that any Pension Plan is considered an at-risk plan or a plan in endangered or critical status within the meaning of Sections 430, 431 and 432 of the Internal Revenue Code or Sections 303, 304 and 305 of ERISA; (h) the imposition of any liability under Title IV of ERISA, other than for PBGC premiums due but not delinquent under Section 4007 of ERISA, upon the Borrower or any ERISA Affiliate; or (i) a failure by the Borrower or any ERISA Affiliate to meet all applicable requirements under the Pension Funding Rules in respect of a Pension Plan, whether or not waived, or the failure by the Borrower or any ERISA Affiliate to make any required contribution to a Multiemployer Plan.

“EU Bail-In Legislation Schedule” means the EU Bail-In Legislation Schedule published by the Loan Market Association (or any successor person), as in effect from time to time.

“Event of Default” has the meaning specified in Section 8.01.

“Excluded Property” means, with respect to the Borrower, (a) any owned or leased real property which is located outside of the United States, unless requested by the Administrative Agent or the Required Lenders, (b) unless requested by the Administrative Agent or the Required Lenders, any IP Rights for which a perfected Lien thereon is not effected either by filing of a Uniform Commercial Code financing statement or by appropriate evidence of such Lien being filed in either the United States Copyright Office or the United States Patent and Trademark Office, (c) unless requested by the Administrative Agent or the Required Lenders, any personal property (other than personal property described in clause (b) above) for which the attachment or perfection of a Lien thereon is not governed by the Uniform Commercial Code, (d) the Equity Interests of any Foreign Subsidiary to the extent not required to be pledged to secure the Obligations pursuant to Section 6.12(a), (e) any property which, subject to the terms of Section 7.09, is subject to a Lien of the type described in Section 7.01(i) pursuant to documents which prohibit the Borrower from granting any other Liens in such property, (f) any leasehold interest of the Borrower in office space and (g) any lease, license, contract or other agreement (other than Intercompany Debt Documents) of the Borrower if and for so long as the grant of a security interest in such lease, license, contract or other agreement in the manner contemplated hereby is prohibited under the terms of such lease, license, contract or other agreement or under applicable Law or would result in default thereunder, the termination thereof or give the other parties thereto the right to terminate, accelerate or otherwise alter the Borrower’s rights, titles and interests thereunder (including

upon the giving of notice or the lapse of time or both); provided, that, any such limitation described in the foregoing clause (g) shall apply only to the extent that any such prohibition could not be rendered ineffective pursuant to the UCC (as defined in the Security Agreement) or any other applicable Law (including Debtor Relief Laws) or principles of equity.

“Excluded Taxes” means any of the following Taxes imposed on or with respect to any Recipient or required to be withheld or deducted from a payment to a Recipient, (a) Taxes imposed on or measured by net income (however denominated), franchise Taxes, and branch profits Taxes, in each case, (i) imposed as a result of such Recipient being organized under the Laws of, or having its principal office or, in the case of any Lender, its Lending Office located in, the jurisdiction imposing such Tax (or any political subdivision thereof) or (ii) that are Other Connection Taxes, (b) in the case of a Lender, U.S. federal withholding Taxes imposed on amounts payable to or for the account of such Lender with respect to an applicable interest in a Loan or Commitment pursuant to a Law in effect on the date on which (i) such Lender acquires such interest in the Loan or Commitment (other than pursuant to an assignment request by the Borrower under Section 10.13) or (ii) such Lender changes its Lending Office, except in each case to the extent that, pursuant to Section 3.01(a)(ii), (a)(iii) or (g), amounts with respect to such Taxes were payable either to such Lender’s assignor immediately before such Lender became a party hereto or to such Lender immediately before it changed its Lending Office, (c) Taxes attributable to such Recipient’s failure to comply with Section 3.01(g) and (d) any U.S. federal withholding Taxes imposed under FATCA.

“Existing Credit Agreement” has the meaning set forth in Section 10.21

“Existing Letters of Credit” means those Letters of Credit outstanding on the Closing Date and identified on Schedule 2.03.

“Existing Portfolio Companies” means (i) Arnold Magnetics, together with its Wholly-Owned Subsidiaries as of the ~~First Incremental Facility Sixth~~ Amendment Effective Date, (ii) BOA together with its Wholly-Owned Subsidiaries as of the ~~First Incremental Facility Sixth~~ Amendment Effective Date, (iii) ~~Sterno~~Rimports, together with its Wholly-Owned Subsidiaries as of the ~~First Incremental Facility Sixth~~ Amendment Effective Date, (iv) ~~Foam Fab~~Altior Solutions, together with its Wholly-Owned Subsidiaries as of the ~~First Incremental Facility Sixth~~ Amendment Effective Date, (v) 5.11, together with its Wholly-Owned Subsidiaries as of the ~~First Incremental Facility Sixth~~ Amendment Effective Date, (vi) Velocity, together with its Wholly-Owned Subsidiaries as of the ~~First Incremental Facility Sixth~~ Amendment Effective Date, (vii) Lugano Buyer, together with its Wholly-Owned Subsidiaries as of the ~~First Incremental Facility Sixth~~ Amendment Effective Date, (viii) PrimaLoft, together with its Wholly-Owned Subsidiaries as of the ~~First Incremental Facility Sixth~~ Amendment Effective Date, (ix) Honey Pot, together with its Wholly-Owned Subsidiaries as of the ~~First Incremental Facility Sixth~~ Amendment Effective Date, (x) any Target acquired by an Existing Portfolio Company in a Permitted Eligible Acquisition as long as (A) the aggregate consideration to be paid in such Acquisition does not exceed \$50,000,000 and (B) as of the date of consummation of such Acquisition, the amount of Portfolio Company EBITDA of such Existing Portfolio Company attributable to such Target after giving effect to such Acquisition on a Pro Forma Basis shall not exceed twenty percent (20%) of such Portfolio Company EBITDA, and (xi) any (A) Target acquired by an Existing Portfolio Company in a Permitted Eligible Acquisition that does not comply with the requirements of clause (xii) above or (B) any New Portfolio Company with respect to which, in each case of any such Target or New Portfolio Company, a classification or reclassification as an Existing Portfolio Company has been approved by Required Lenders in their sole discretion (it being agreed and understood that (1) Lenders shall make reasonable efforts to indicate their response within fifteen (15) days of receiving a request for a classification or reclassification of any such Target or New Portfolio Company as an Existing Portfolio Company, and (2) any Lender that approves the classification

or reclassification of such Target or New Portfolio Company as an Existing Portfolio Company shall deliver to the Administrative Agent, together with its response, a written approval in the form of Exhibit K), in each case to the extent that any such company has become a Subsidiary of the Borrower pursuant to a Permitted Eligible Acquisition and remains a Subsidiary of the Borrower.

“Existing Portfolio Company Acquisition Documents” means the primary acquisition documents governing the acquisition of any of the Existing Portfolio Companies.

“Facility Termination Date” means the date as of which all of the following shall have occurred: (a) all Commitments have terminated, (b) all Obligations arising under the Loan Documents have been paid in full (other than contingent indemnification obligations), and (c) all Letters of Credit have terminated or expired (other than Letters of Credit that have been Cash Collateralized).

“FASB ASC” means the Accounting Standards Codification of the Financial Accounting Standards Board.

“FATCA” means Sections 1471 through 1474 of the Internal Revenue Code, as of the Closing Date (or any amended or successor version that is substantively comparable and not materially more onerous to comply with), any current or future regulations or official interpretations thereof and any agreements entered into pursuant to Section 1471(b)(1) of the Internal Revenue Code.

“Federal Funds Rate” means, for any day, the rate per annum equal to the weighted average of the rates on overnight federal funds transactions with members of the Federal Reserve System arranged by federal funds brokers on such day, as published by the Federal Reserve Bank of New York on the Business Day next succeeding such day; provided that (a) if such day is not a Business Day, the Federal Funds Rate for such day shall be such rate on such transactions on the next preceding Business Day as so published on the next succeeding Business Day, (b) if no such rate is so published on such next succeeding Business Day, the Federal Funds Rate for such day shall be the average rate (rounded upward, if necessary, to a whole multiple of 1/100 of 1%) charged to Bank of America on such day on such transactions as determined by the Administrative Agent and (c) if the Federal Funds Rate shall be less than zero, such rate shall be deemed zero for purposes of this Agreement.

“Fee Letter” means the letter agreement dated June 15, 2022 among the Borrower, BofA Securities, and Bank of America.

“Fifth Amendment Effective Date” means December 19, 2025.

“Fifth Amendment Transaction Letter” means the letter agreement dated as of the Fifth Amendment Effective Date among the Borrower, the Administrative Agent, and the Lenders.

“First Incremental Facility Amendment” means that certain First Incremental Facility Amendment dated as of the First Incremental Facility Amendment Effective Date by and among the Borrower, the Lenders party thereto and the Administrative Agent.

“First Incremental Facility Amendment Effective Date” means January 9, 2025.

“Foam Fab” means FFI Compass, Inc., a Delaware corporation.

“Foreign Lender” means (a) if the Borrower is a U.S. Person, a Lender that is not a U.S. Person, and (b) if the Borrower is not a U.S. Person, a Lender that is resident or organized under the Laws of a jurisdiction other than that in which the Borrower is resident for tax purposes. For purposes of this definition, the United States, each State thereof and the District of Columbia shall be deemed to constitute a single jurisdiction.

“Foreign Subsidiary” means any Subsidiary that is not a Domestic Subsidiary.

“Fourth Amendment” means that certain Fourth Forbearance Agreement and Fourth Amendment to Credit Agreement dated as of the Fourth Amendment Effective Date, by and among the Borrower, the Lenders, the Administrative Agent and the L/C Issuer.

“Fourth Amendment Effective Date” means November 7, 2025.

“FRB” means the Board of Governors of the Federal Reserve System of the United States.

“Fronting Exposure” means, at any time there is a Defaulting Lender, (a) with respect to the L/C Issuer, such Defaulting Lender’s Applicable Percentage (with respect to the Revolving Facility) of the outstanding L/C Obligations other than L/C Obligations as to which such Defaulting Lender’s participation obligation has been reallocated to other Lenders or Cash Collateralized in accordance with the terms hereof, and (b) with respect to the Swing Line Lender, such Defaulting Lender’s Applicable Percentage (with respect to the Revolving Facility) of Swing Line Loans other than Swing Line Loans as to which such Defaulting Lender’s participation obligation has been reallocated to other Lenders in accordance with the terms hereof.

“Fund” means any Person (other than a natural Person) that is (or will be) engaged in making, purchasing, holding or otherwise investing in commercial loans and similar extensions of credit in the ordinary course of its activities.

“Funded Indebtedness” means, as to any Person as of any date of determination, all Indebtedness of such Person other than Indebtedness described in paragraphs (f) and (g) of the definition of “Indebtedness” herein.

“GAAP” means generally accepted accounting principles in the United States set forth in the opinions and pronouncements of the Accounting Principles Board and the American Institute of Certified Public Accountants and statements and pronouncements of the Financial Accounting Standards Board consistently applied.

“Governmental Authority” means the government of the United States or any other nation, or of any political subdivision thereof, whether state or local, and any agency, authority, instrumentality, regulatory body, court, central bank or other entity exercising executive, legislative, judicial, taxing, regulatory or administrative powers or functions of or pertaining to government (including any supra-national bodies such as the European Union or the European Central Bank).

“Guarantee” means, as to any Person, (a) any obligation, contingent or otherwise, of such Person guaranteeing or having the economic effect of guaranteeing any Indebtedness or other obligation payable or performable by another Person (the “primary obligor”) in any manner, whether directly or indirectly, and including any obligation of such Person, direct or indirect, (i) to purchase or pay (or advance or supply funds for the purchase or payment of) such Indebtedness or other obligation, (ii) to purchase or

lease property, securities or services for the purpose of assuring the obligee in respect of such Indebtedness or other obligation of the payment or performance of such Indebtedness or other obligation, (iii) to maintain working capital, equity capital or any other financial statement condition or liquidity or level of income or cash flow of the primary obligor so as to enable the primary obligor to pay such Indebtedness or other obligation, or (iv) entered into for the purpose of assuring in any other manner the obligee in respect of such Indebtedness or other obligation of the payment or performance thereof or to protect such obligee against loss in respect thereof (in whole or in part), or (b) any Lien on any assets of such Person securing any Indebtedness or other obligation of any other Person, whether or not such Indebtedness or other obligation is assumed by such Person (or any right, contingent or otherwise, of any holder of such Indebtedness to obtain any such Lien). The amount of any Guarantee shall be deemed to be an amount equal to the stated or determinable amount of the related primary obligation, or portion thereof, in respect of which such Guarantee is made or, if not stated or determinable, the maximum reasonably anticipated liability in respect thereof as determined by the guaranteeing Person in good faith. The term "Guarantee" as a verb has a corresponding meaning.

"Hazardous Materials" means all explosive or radioactive substances or wastes and all hazardous or toxic substances, wastes or other pollutants, including petroleum or petroleum distillates, asbestos or asbestos-containing materials, polychlorinated biphenyls, radon gas, infectious or medical wastes and all other substances or wastes of any nature regulated pursuant to any Environmental Law.

"Hedge Bank" means any Person in its capacity as a party to a Swap Contract with the Borrower or any Subsidiary provided that (a) at the time such Person enters into such Swap Contract, such Person is a Lender or an Affiliate of a Lender or (b) such Swap Contract exists on the Closing Date and such Person is a Lender or an Affiliate of a Lender on the Closing Date or within thirty (30) days thereafter.

"Honey Pot" means THP Topco, Inc., a Delaware corporation.

"Honor Date" has the meaning set forth in Section 2.03(c).

"IFRS" means international accounting standards within the meaning of IAS Regulation 1606/2002 to the extent applicable to the relevant financial statements delivered under or referred to herein.

~~"Incremental DDTL Availability Period" means the period commencing on January 9, 2025 and ending on the Second Amendment Effective Date.~~

~~"Incremental DDTL Commitment Fee" has the meaning specified in Section 2.09(c).~~

~~"Incremental Delayed Draw Term Loan Commitment" means, as to each applicable Lender, its obligation to make a portion of the Incremental Delayed Draw Term Loan during the Incremental DDTL Availability Period to the Borrower pursuant to Section 2.01(b)(ii) hereunder, in an aggregate principal amount at any one time outstanding not to exceed the amount set forth opposite such Lender's name on Schedule 1 to the First Incremental Facility Amendment under the caption "Incremental Delayed Draw Term Loan Commitment" or in the Assignment and Assumption or other documentation pursuant to which such Lender becomes a party hereto, as applicable, as such amount may be adjusted from time to time in accordance with this Agreement. The Incremental Delayed Draw Term Loan Commitment of all the Lenders as of January 9, 2025 shall be \$100,000,000.~~

~~"Incremental Delayed Draw Term Loan" has the meaning specified in Section 2.01(b)(ii).~~

“Incremental Facilities” has the meaning specified in Section 2.01(c).

“Incremental Facility Amendment” has the meaning specified in Section 2.01(c).

“Incremental Facility Commitment” has the meaning specified in Section 2.01(c).

“Incremental Revolving Increase” has the meaning specified in Section 2.01(c).

“Incremental Term Facility” has the meaning specified in Section 2.01(c).

“Indebtedness” means, as to any Person at a particular time, without duplication, all of the following, whether or not included as indebtedness or liabilities in accordance with GAAP:

(a) all obligations, whether current or long-term, for borrowed money (including Obligations hereunder) and all obligations evidenced by bonds, debentures, notes, loan agreements or other similar instruments;

(b) all purchase money indebtedness;

(c) the maximum amount available to be drawn under letters of credit (including standby and commercial), bankers’ acceptances, bank guaranties, surety bonds and similar instruments;

(d) all obligations in respect of the deferred purchase price of property or services (other than trade accounts payable in the ordinary course of business), including any Earn Out Obligations;

(e) all Attributable Indebtedness;

(f) the Swap Termination Value of any Swap Contract;

(g) indebtedness (excluding prepaid interest thereon) secured by a Lien on property owned or being purchased by such Person (including indebtedness arising under conditional sales or other title retention agreements), whether or not such indebtedness shall have been assumed by such Person or is limited in recourse;

(h) all obligations to purchase, redeem, retire, defease or otherwise make any payment prior to the Maturity Date in respect of any Equity Interests or any warrant, right or option to acquire such Equity Interests, valued, in the case of a redeemable preferred interest, at the greater of its voluntary or involuntary liquidation preference plus accrued and unpaid dividends;

(i) without duplication, all Guarantees in respect of any of the foregoing; and

(j) all Indebtedness of the types referred to in clauses (a) through (i) above of any partnership or joint venture (other than a joint venture that is itself a corporation or limited liability company) in which such Person is a general partner or a joint venturer, except to the extent that such Indebtedness is expressly made non-recourse to such Person.

“Indemnified Taxes” means (a) Taxes, other than Excluded Taxes, imposed on or with respect to any payment made by or on account of any obligation of the Borrower under any Loan Document and (b) to the extent not otherwise described in clause (a), Other Taxes.

“Indemnatee” has the meaning specified in Section 10.04(b).

“Information” has the meaning specified in Section 10.07.

“Integration Services Fees” means fees payable by a Portfolio Company or an Outside Company to the Manager (or an Affiliate of the Manager) in connection with (a) an Acquisition or sale of such Portfolio Company or Outside Company that is permitted hereunder or (b) the consummation of an add-on Acquisition by such Portfolio Company or Outside Company that is permitted hereunder, in each case to the extent such fees are paid within 12 months of the applicable Acquisition or sale.

“Intercompany Debt” means Indebtedness owing by a Portfolio Company or a Subsidiary Outside Company to the Borrower.

“Intercompany Debt Document” means any agreement that governs, guarantees or secures any Intercompany Debt.

“Interest Payment Date” means (a) as to any Term SOFR Loan, the last day of each Interest Period applicable to such Loan and the Maturity Date for such Loan; provided, however, that if any Interest Period for a Term SOFR Loan exceeds three months, the respective dates that fall every three months after the beginning of such Interest Period shall also be Interest Payment Dates; and (b) as to any Base Rate Loan (including a Swing Line Loan), the last Business Day of each March, June, September and December and the Maturity Date for such Loan.

“Interest Period” means, as to each Term SOFR Loan, the period commencing on the date such Term SOFR Loan is disbursed or converted to or continued as a Term SOFR Loan and ending on the date one, three or six months thereafter (in each case, subject to availability), as selected by the Borrower in its Loan Notice; provided that:

(a) any Interest Period that would otherwise end on a day that is not a Business Day shall be extended to the next succeeding Business Day unless such Business Day falls in another calendar month, in which case such Interest Period shall end on the next preceding Business Day;

(b) any Interest Period that begins on the last Business Day of a calendar month (or on a day for which there is no numerically corresponding day in the calendar month at the end of such Interest Period) shall end on the last Business Day of the calendar month at the end of such Interest Period; and

(c) no Interest Period for any Loan shall extend beyond the Maturity Date for such Loan.

“Internal Revenue Code” means the Internal Revenue Code of 1986.

“Investment” means, as to any Person, any direct or indirect acquisition or investment by such Person, whether by means of (a) the purchase or other acquisition of Equity Interests of another Person, (b) a loan, advance or capital contribution to, Guarantee or assumption of debt of, or purchase or other acquisition of any other debt or equity participation or interest in, another Person, including any partnership or joint venture interest in such other Person, or (c) an Acquisition. For purposes of covenant compliance, the amount of any Investment shall be the amount actually invested, without adjustment for subsequent increases or decreases in the value of such Investment.

“IP Rights” has the meaning specified in Section 5.17.

“IRS” means the United States Internal Revenue Service.

“ISDA Definitions” means the 2006 ISDA Definitions published by the International Swaps and Derivatives Association, Inc. or any successor thereto, as amended or supplemented from time to time, or any successor definitional booklet for interest rate derivatives published from time to time by the International Swaps and Derivatives Association, Inc. or such successor thereto.

“ISP” means the International Standby Practices, International Chamber of Commerce Publication No. 590 (or such later version thereof as may be in effect at the applicable time).

“Issuer Documents” means with respect to any Letter of Credit, the Letter of Credit Application, and any other document, agreement and instrument entered into by the L/C Issuer and the Borrower (or any Subsidiary) or in favor of the L/C Issuer and relating to such Letter of Credit.

“Laws” means, collectively, all international, foreign, federal, state and local statutes, treaties, rules, guidelines, regulations, ordinances, codes and administrative or judicial precedents or authorities, including the interpretation or administration thereof by any Governmental Authority charged with the enforcement, interpretation or administration thereof, and all applicable administrative orders, directed duties, requests, licenses, authorizations and permits of, and agreements with, any Governmental Authority, in each case whether or not having the force of Law.

“L/C Advance” means, with respect to each Lender, such Lender’s funding of its participation in any L/C Borrowing in accordance with its Applicable Percentage (with respect to the Revolving Facility).

“L/C Borrowing” means an extension of credit resulting from a drawing under any Letter of Credit which has not been reimbursed on the date when made or refinanced as a Borrowing of Revolving Loans.

“L/C Credit Extension” means, with respect to any Letter of Credit, the issuance thereof or extension of the expiry date thereof, or the increase of the amount thereof.

“L/C Issuer” means each of (i) Bank of America in its capacity as issuer of Letters of Credit hereunder, or any successor issuer of Letters of Credit hereunder and (ii) U.S. Bank National Association, ~~in its capacity as issuer of~~ solely with respect to any outstanding Letters of Credit ~~(including the Existing Letters of Credit) hereunder as of the Sixth Amendment Effective Date~~, or any successor issuer of Letters of Credit hereunder. The term “L/C Issuer” when used with respect to a Letter of Credit or the L/C Obligations relating to a Letter of Credit shall refer to the L/C Issuer that issued (or will issue) such Letter of Credit.

“L/C Obligations” means, as at any date of determination, the aggregate amount available to be drawn under all outstanding Letters of Credit plus the aggregate of all Unreimbursed Amounts, including all L/C Borrowings. For purposes of computing the amount available to be drawn under any Letter of Credit, the amount of such Letter of Credit shall be determined in accordance with Section 1.06. For all purposes of this Agreement, if on any date of determination a Letter of Credit has expired by its terms but any amount may still be drawn thereunder by reason of the operation of Rule 3.14 of the ISP, such Letter of Credit shall be deemed to be “outstanding” in the amount so remaining available to be drawn.

“LCT Election” has the meaning specified in Section 1.07.

“LCT End Date” has the meaning specified in Section 1.07.

“LCT Test Date” has the meaning specified in Section 1.07.

“Lenders” means each of the Persons identified as a “Lender” on the signature pages hereto, each other Person that becomes a “Lender” in accordance with this Agreement and their successors and assigns and, unless the context requires otherwise, includes the Swing Line Lender.

“Lending Office” means, as to any Lender, the office or offices of such Lender described as such in such Lender’s Administrative Questionnaire, or such other office or offices as a Lender may from time to time notify the Borrower and the Administrative Agent.

“Letter of Credit” means any letter of credit issued hereunder providing for the payment of cash upon the honoring of a presentation thereunder and shall include the Existing Letters of Credit. A Letter of Credit may be a commercial letter of credit or a standby letter of credit.

“Letter of Credit Application” means an application and agreement for the issuance or amendment of a Letter of Credit in the form from time to time in use by the L/C Issuer.

“Letter of Credit Expiration Date” means the day that is seven days prior to the Maturity Date for the Aggregate Revolving Commitments then in effect (or, if such day is not a Business Day, the next preceding Business Day).

“Letter of Credit Fee” has the meaning specified in Section 2.03(h).

“Letter of Credit Sublimit” means an amount equal to to ~~\$100,000,000~~ \$4,000,000.00. The Letter of Credit Sublimit is part of, and not in addition to, the Aggregate Revolving Commitments.

“Lien” means any mortgage, pledge, hypothecation, assignment, deposit arrangement, encumbrance, lien (statutory or other), charge, or preference, priority or other security interest or preferential arrangement in the nature of a security interest of any kind or nature whatsoever (including any conditional sale or other title retention agreement, any easement, right of way or other encumbrance on title to real property, and any financing lease having substantially the same economic effect as any of the foregoing). By way of clarification and not limitation, the sale of Supply Chain Financing Assets pursuant to a Permitted Supply Chain Arrangement shall not be construed to be the granting of a Lien on such accounts.

“Limited Condition Transaction” means any Permitted Eligible Acquisition, Permitted Ineligible Acquisition or other permitted Investment, in each case for which the consummation thereof is not conditioned on the availability of financing.

“Loan” means an extension of credit by a Lender to the Borrower under Article II in the form of a Revolving Loan, Swing Line Loan, the Term ~~Loan~~ Loans or any term loan under an Incremental Term Facility.

“Loan Documents” means this Agreement, each Note, each Issuer Document, the Collateral Documents, the Fee Letter and any Auto Borrow Agreement (but specifically excluding Secured Hedge Agreements and Secured Cash Management Agreements).

“Loan Notice” means a notice of (a) a Borrowing of Revolving Loans, ~~the Term Loan~~ or a term loan under an Incremental Term Facility, (b) a conversion of Loans from one Type to the other, or (c) a continuation of Term SOFR Loans, in each case pursuant to Section 2.02(a), which shall be substantially in the form of Exhibit A or such other form as may be approved by the Administrative Agent (including any form on an electronic platform or electronic transmission system as shall be approved by the Administrative Agent), appropriately completed and signed by a Responsible Officer of the Borrower.

“Lugano Bankruptcy” means a Chapter 11 voluntary proceeding under the Bankruptcy Code with respect to Lugano Holding or certain of its Subsidiaries in the Bankruptcy Court.

“Lugano Buyer” means Lugano Buyer, Inc., a Delaware corporation.

“Lugano Diamonds” means Lugano Diamonds & Jewelry, Inc., a California corporation.

~~“Lugano DIP Budget” means the then-current form of a budget consisting of a minimum 13-week cash flow forecast of the Lugano Entities setting forth, among other things, the cash, revenue, cash flows, and net operating cash flow, trade payables, ordinary course expenses, total expenses, capital expenditures (if applicable), vendor disbursements, working capital, and fees and expenses of the Lugano DIP Intercompany Debt and the Lugano Bankruptcy (including categories for professionals and the committee) during such minimum 13-week period that the Lugano Entities are authorized to use the proceeds of the Lugano DIP Intercompany Debt.~~

~~“Lugano DIP Credit Agreement” means that certain Superpriority Secured Debtor-in-Possession Credit Agreement, by and among the Borrower and certain of the Lugano Entities, in form and substance reasonably satisfactory to the Administrative Agent. “Lugano DIP Intercompany Debt” means Indebtedness issued by the Borrower to Lugano under Section 364 of the Bankruptcy Code pursuant to the Lugano DIP Loan Documents in an amount not to exceed \$12,000,000 (inclusive of any “roll-up” of prepetition Indebtedness owing by Lugano to the Borrower).~~

~~“Lugano DIP Loan Documents” means collectively, the Lugano DIP Credit Agreement, the Lugano DIP Budget, the Lugano Liquidation Plan, the Lugano DIP Order, and any related documents or instruments, in each case in form and substance reasonably satisfactory to the Administrative Agent. “Lugano DIP Order” means any order issued by the Bankruptcy Court authorizing the incurrence by Lugano Holding of the Lugano DIP Intercompany Debt, in form and substance reasonably satisfactory to the Administrative Agent.~~

“Lugano Entities” means collectively, (i) Lugano Buyer, (ii) Lugano Holding, (iii) Lugano Diamonds, (iv) Lugano Prive, LLC, a Delaware limited liability company, and (v) K.L.D. Jewelry, LLC, a Delaware limited liability company.

“Lugano Events of Default” has the meaning specified in the Fourth Amendment.

“Lugano Holding” means Lugano Holding, Inc., a Delaware corporation, together with its successors and assigns (including, without limitation, Lugano Holding, Inc. in its capacity as debtor-in-possession under the Lugano Bankruptcy).

“Lugano Liquidation Plan” means a liquidation plan detailing the proposed process for the orderly liquidation of the assets of the Lugano Entities.

“Management Fee Agreement” means certain ~~Seventh~~Ninth Amended and Restated Management Services Agreement, dated as of ~~January 15, 2025~~July 12, 2026, by and between the Borrower and the Manager, as may from time to time hereafter be amended as permitted hereby.

“Management Fee Documents” means collectively, the Management Fee Agreement and each management services agreement entered into between a Portfolio Company and the Manager or an Affiliate of the Manager having terms whereby payments made under such management services agreement by such Portfolio Company reduce on a dollar-for-dollar basis the total payment obligations of the Borrower under the Management Fee Agreement.

“Management Fee Subordination Agreement” means an agreement satisfactory to the Administrative Agent in form and substance among the Administrative Agent and the parties to the Management Fee Documents that subordinates the obligations of the Borrower under the Management Fee Documents to the Obligations upon the occurrence and continuation of an Event of Default and the commencement of an exercise of remedies against any portion of the Collateral by the Administrative Agent.

“Management Fees” means all fees paid to Manager or an Affiliate of the Manager pursuant to the Management Fee Documents.

“Manager” means Compass Group Management LLC, a Delaware limited liability company.

“Marucci” means Wheelhouse Holdings Inc., a Delaware corporation.

“Master Agreement” has the meaning specified in the definition of “Swap Contract.”

“Material Acquisition” means any Permitted Eligible Acquisition or Permitted Ineligible Acquisition consummated on or after the Closing Date for which the cash consideration (including the aggregate principal amount of Indebtedness assumed by the Borrower or any Subsidiary in connection therewith but excluding any contingent deferred purchase price obligations) is at least \$100,000,000 (including, for the avoidance of doubt, the Closing Date Acquisition).

“Material Adverse Effect” means (a) a material adverse change in, or a material adverse effect on, the operations, business, assets, properties, liabilities (actual or contingent) or condition (financial or otherwise) of the Borrower and its Subsidiaries, taken as a whole; (b) a material impairment of the rights and remedies of the Administrative Agent or any Lender under any Loan Document to which it is a party; (c) a material impairment of the ability of the Borrower to perform its obligations under any Loan Document to which it is a party; or (d) a material adverse effect upon the legality, validity, binding effect or enforceability against the Borrower of any Loan Document to which it is a party.

“Material Indebtedness” means any Indebtedness (other than Indebtedness arising under the Loan Documents and Indebtedness arising under Swap Contracts) having an aggregate principal amount (including undrawn committed or available amounts and including amounts owing to all creditors under any combined or syndicated credit arrangement) of more than the Threshold Amount.

“Maturity Date” means ~~July~~with respect to the Aggregate Revolving Commitment and the Term Loan, January 12, ~~2027~~2028; ~~provided, however,~~ that if such date is not a Business Day, the applicable Maturity Date shall be the next preceding Business Day.

“Minimum Collateral Amount” means, at any time, (i) with respect to Cash Collateral consisting of cash or deposit account balances provided to reduce or eliminate Fronting Exposure during the existence of a Defaulting Lender, an amount equal to 102% of the Fronting Exposure of the L/C Issuer with respect to Letters of Credit issued and outstanding at such time, (ii) with respect to Cash Collateral consisting of cash or deposit account balances provided in accordance with the provisions of Section 2.14(a)(i), (a)(ii) or (a)(iii), an amount equal to 102% of the Outstanding Amount of all L/C Obligations, and (iii) otherwise, an amount determined by the Administrative Agent and the L/C Issuer in their sole discretion.

“Moody’s” means Moody’s Investors Service, Inc. and any successor thereto.

“Multiemployer Plan” means any employee benefit plan of the type described in Section 4001(a)(3) of ERISA, to which the Borrower or any ERISA Affiliate makes or is obligated to make contributions, or during the preceding five plan years, has made or been obligated to make contributions.

“Multiple Employer Plan” means a Plan which has two or more contributing sponsors (including the Borrower or any ERISA Affiliate) at least two of whom are not under common control, as such a plan is described in Section 4064 of ERISA.

“Net Cash Proceeds” means the aggregate cash or Cash Equivalents proceeds received by the Borrower or any Subsidiary in respect of any Disposition or Recovery Event net of (a) reasonable direct costs incurred in connection therewith (including (i) legal, accounting and investment banking fees, sales commissions and other professional fees, commissions and expenses and (ii) any Integration Services Fees required to be paid to the Manager as a result of such Disposition or Recovery Event and permitted under Section 7.06 and any Allocation Member Distributions payable to the Allocation Member as a result of such Disposition or Recovery Event), (b) taxes paid or reasonably estimated by the Borrower to be payable as a result thereof (after taking into account any available tax credits or deductions and any tax sharing arrangements), (c) any portion of such proceeds deposited in an escrow account pursuant to the documentation relating to such Disposition or Recovery Event (provided that such amounts shall be treated as Net Cash Proceeds upon their release from such escrow account to the Borrower or any Subsidiary), (d) the amount necessary to retire any Indebtedness secured by a Permitted Lien (ranking senior to (i) any Lien of the Administrative Agent, in the case of assets of Borrower, or (ii) any Lien of the Borrower pursuant to Qualified Intercompany Debt Documents, in the case of assets of a Subsidiary) on the related property, and (e) in the case of a Disposition or Recovery Event by a Subsidiary (to the extent in excess of the then balance of the Intercompany Debt owed by such Subsidiary), the portion of such proceeds paid to equityholders of such Subsidiary (other than the Borrower or another Subsidiary) as a pro rata distribution at time of the distribution of the proceeds of such Disposition or Recovery Event by such Subsidiary to its equityholders; it being understood that “Net Cash Proceeds” shall include any cash or Cash Equivalents received upon the sale or other disposition of any non-cash consideration received by the Borrower or any Subsidiary in any Disposition or Recovery Event.

“Net Income Attributable to Non-Controlling Interests” means, for any period, (x) with respect to any Portfolio Company, the product of (i) the Consolidated Net Income of such Portfolio Company for such period times (ii) the percentage of the equity interests in such Portfolio Company on a primary basis that are not directly or indirectly owned and controlled by the Borrower and (y) with respect to the Portfolio Companies collectively, the combined Net Income Attributable to Non-Controlling Interests for each Portfolio Company for such period.

“New Portfolio Company” means (i) a Target acquired after the ~~First Incremental Facility~~Sixth Amendment Effective Date by the Borrower or any Acquisition Subsidiary as a new portfolio company pursuant to a Permitted Eligible Acquisition or (ii) a Target acquired after the ~~First Incremental Facility~~Sixth Amendment Effective Date by an Existing Portfolio Company or any Acquisition Subsidiary as an add-on acquisition by such Existing Portfolio Company in a Permitted Eligible Acquisition, in each case together with, if applicable, the Acquisition Subsidiary and the Wholly-Owned Subsidiaries of such Target and to the extent that any such Target remains a Subsidiary of the Borrower and either (A) is not deemed an Existing Portfolio Company pursuant to clause (xi) of the definition of “Existing Portfolio Company” or (B) has not been classified or reclassified as an Existing Portfolio Company. For the avoidance of doubt, New Portfolio Companies shall in all instances exclude any Outside Companies.

“New Portfolio Company Acquisition Documents” means the primary acquisition documents governing the acquisition of any of the New Portfolio Companies.

“Non-Consenting Lender” means any Lender that does not approve any consent, waiver or amendment that (a) requires the approval of all Lenders in accordance with the terms of Section 10.01 and has been approved by the Required Lenders or (b) requires the approval of all affected Lenders in accordance with the terms of Section 10.01 and has been approved by affected Lenders holding more than 50% of the aggregate outstanding principal amount of all Loans (and unutilized Commitments, if any) of all affected Lenders.

“Non-Defaulting Lender” means, at any time, each Lender that is not a Defaulting Lender at such time.

“Non-Subsidiary Outside Company” means an Outside Company that is not a Subsidiary of the Borrower.

“Note” has the meaning specified in Section 2.11(a).

“Notice of Loan Prepayment” means a notice of prepayment with respect to a Loan, which shall be substantially in the form of Exhibit C or such other form as may be approved by the Administrative Agent (including any form on an electronic platform or electronic transmission system as shall be approved by the Administrative Agent), appropriately completed and signed by a Responsible Officer of the Borrower.

“Obligations” means (a) all advances to, and debts, liabilities, obligations, covenants and duties of, the Borrower arising under any Loan Document or otherwise with respect to any Loan or Letter of Credit and (b) all obligations of the Borrower or any Subsidiary owing to a Cash Management Bank or a Hedge Bank in respect of Secured Cash Management Agreements or Secured Hedge Agreements, in each case identified in clauses (a) and (b) whether direct or indirect (including those acquired by assumption), absolute or contingent, due or to become due, now existing or hereafter arising and including interest and fees that accrue after the commencement by or against the Borrower or any Affiliate thereof of any proceeding under any Debtor Relief Laws naming such Person as the debtor in such proceeding, regardless of whether such interest and fees are allowed claims in such proceeding.

“OFAC” means the Office of Foreign Assets Control of the United States Department of the Treasury.

“Organization Documents” means, (a) with respect to any corporation, the certificate or articles of incorporation and the bylaws (or equivalent or comparable constitutive documents with respect to any non-U.S. jurisdiction); (b) with respect to any limited liability company, the certificate or articles of formation or organization and operating agreement; and (c) with respect to any partnership, joint venture, trust or other form of business entity, the partnership, joint venture or other applicable agreement of formation or organization and any agreement, instrument, filing or notice with respect thereto filed in connection with its formation or organization with the applicable Governmental Authority in the jurisdiction of its formation or organization and, if applicable, any certificate or articles of formation or organization of such entity.

“Other Connection Taxes” means, with respect to any Recipient, Taxes imposed as a result of a present or former connection between such Recipient and the jurisdiction imposing such Tax (other than connections arising from such Recipient having executed, delivered, become a party to, performed its obligations under, received payments under, received or perfected a security interest under, engaged in any other transaction pursuant to or enforced any Loan Document, or sold or assigned an interest in any Loan or Loan Document).

“Other Taxes” means all present or future stamp, court or documentary, intangible, recording, filing or similar Taxes that arise from any payment made under, from the execution, delivery, performance, enforcement or registration of, from the receipt or perfection of a security interest under, or otherwise with respect to, any Loan Document, except any such Taxes that are Other Connection Taxes imposed with respect to an assignment (other than an assignment made pursuant to [Section 3.06](#)).

“Outside Company” means (a) a Subsidiary of the Borrower (and not of any Portfolio Company) acquired pursuant to a Permitted Ineligible Acquisition, together with any Subsidiaries of such Subsidiary and any Acquisition Subsidiary formed to consummate such Permitted Ineligible Acquisition, or (b) a company in which the Borrower has an ownership interest that was previously a Portfolio Company and has been reclassified as an Outside Company in connection with the consummation of a transaction of the type described in [Section 7.05\(b\)](#).

“Outside Debt” means (i) Indebtedness that does not constitute Qualified Intercompany Debt and is incurred or assumed by an Outside Company in connection with the Acquisition of such Outside Company pursuant to a Permitted Ineligible Acquisition and (ii) any Indebtedness incurred by an Outside Company subsequent to the Acquisition of such Outside Company pursuant to a Permitted Ineligible Acquisition (or, as applicable, subsequent to such Outside Company having been reclassified as such in connection with the consummation of a transaction of the type described in [Section 7.05\(b\)](#)).

“Outstanding Amount” means (a) with respect to any Loans on any date, the aggregate outstanding principal amount thereof after giving effect to any borrowings and prepayments or repayments of any Loans occurring on such date; and (b) with respect to any L/C Obligations on any date, the amount of such L/C Obligations on such date after giving effect to any L/C Credit Extension occurring on such date and any other changes in the aggregate amount of the L/C Obligations as of such date, including as a result of any reimbursements by the Borrower of Unreimbursed Amounts.

“Participant” has the meaning specified in [Section 10.06\(d\)](#).

“Participant Register” has the meaning specified in [Section 10.06\(d\)](#).

“PBGC” means the Pension Benefit Guaranty Corporation.

“Pension Act” means the Pension Protection Act of 2006.

“Pension Funding Rules” means the rules of the Internal Revenue Code and ERISA regarding minimum required contributions (including any installment payment thereof) to Pension Plans and set forth in, with respect to plan years ending prior to the effective date of the Pension Act, Section 412 of the Internal Revenue Code and Section 302 of ERISA, each as in effect prior to the Pension Act and, thereafter, Sections 412, 430, 431, 432 and 436 of the Internal Revenue Code and Sections 302, 303, 304 and 305 of ERISA.

“Pension Plan” means any employee pension benefit plan (including a Multiple Employer Plan or a Multiemployer Plan) that is maintained or is contributed to by the Borrower and any ERISA Affiliate and is either covered by Title IV of ERISA or is subject to the minimum funding standards under Section 412 of the Internal Revenue Code.

“Permitted Earn Out Obligations” means, collectively, Earn Out Obligations of a Portfolio Company or its Subsidiaries arising from a Permitted Eligible Acquisition if either (a) such Earn Out Obligations are subject to subordination terms in favor of the Borrower that subordinate such Earn Out Obligations to the Intercompany Debt owing to the Borrower by such Portfolio Company and its Subsidiaries, which subordination terms must be acceptable to the Administrative Agent in its reasonable credit judgment or (b) the amount of such Earn Out Obligations, together with the amount of all other Earn Out Obligations that do not satisfy clause (a), do not exceed \$10,000,000.

“Permitted Eligible Acquisition” means any Acquisition by (a) an Acquisition Subsidiary of the Borrower of all or substantially all of the assets of a Person as a New Portfolio Company or Existing Portfolio Company, or of all or substantially all of any business or division of a Person as a New Portfolio Company or Existing Portfolio Company, (b) the Borrower of no less than a majority of the Voting Equity Interests of any Person as a New Portfolio Company or Existing Portfolio Company, (c) a Portfolio Company (or an Acquisition Subsidiary of such Portfolio Company) of all or substantially all of the assets of a Person as an add-on acquisition for such Portfolio Company, or of all or substantially all of any business or division of a Person as an add-on acquisition for such Portfolio Company or (d) a Portfolio Company of no less than 100% of the Voting Equity Interests and a majority of all other Equity Interests of any Person as an add-on acquisition for such Portfolio Company, in each case to the extent that each of the following conditions precedent shall have been satisfied:

(i) the Administrative Agent (for further distribution by the Administrative Agent to the Lenders) shall receive not less than fifteen (15) Business Days (or such shorter period as the Administrative Agent may agree in its sole discretion) prior written notice of such Acquisition, which notice shall include a reasonably detailed description of the proposed terms of such Acquisition, and shall receive not less than five (5) Business Days (or such shorter period as the Administrative Agent may agree in its sole discretion) prior to the consummation of such Acquisition substantially final versions of the primary acquisition documents (including the purchase agreement and any Intercompany Debt Documents) to be executed in connection with such Acquisition;

(ii) such Acquisition shall not be hostile and shall have been approved by the board of directors (or other similar body) and/or the stockholders or other equityholders of the Target;

(iii) no Default or Event of Default is in existence or would occur after giving effect to such Acquisition;

(iv) (A) the Administrative Agent shall have received an updated Availability Certificate prepared on a Pro Forma Basis after giving effect to the consummation of the Acquisition and the incurrence of any Loans and other Indebtedness in connection therewith, and (B) immediately after consummation of the Acquisition and the incurrence of any Loans and other Indebtedness in connection therewith, the sum of (x) all cash and Cash Equivalents of the Borrower on deposit in an account that is with the Administrative Agent or is subject to a Qualifying Control Agreement *plus* (y) Unused Borrowing Availability shall be not less than \$25,000,000;

(v) after giving effect to such Acquisition and the incurrence of any Loans and other Indebtedness in connection therewith, the Borrower shall be in compliance on a Pro Forma Basis with the covenants set forth in Section 7.11 recomputed for the twelve-month period ending on the last day of the most recently ended month for which a Compliance Certificate has been delivered to the Administrative Agent in accordance with the provisions of this Agreement, and if the aggregate consideration to be paid in such Acquisition exceeds \$75,000,000, the Borrower shall have delivered to the Administrative Agent a Pro Forma Compliance Certificate demonstrating compliance with the foregoing;

(vi) such Acquisition shall only involve a Target organized within the United States or Canada (with all Subsidiaries of such Target, subject to the proviso below, organized within the United States or, with respect to a Target organized within Canada, organized within Canada) and/or business and assets located in the United States or Canada; provided, that (A) the provisions of this clause (vi) shall not apply to add-on Acquisitions of Targets and/or businesses and assets outside of the United States or Canada or Acquisitions of Targets organized within the United States or Canada that have Subsidiaries organized outside of the United States or Canada so long as the Administrative Agent has received financial data that is reasonably acceptable to the Administrative Agent which demonstrates that, after giving effect to any such Acquisition (either as a result of the add-on Acquisition of Targets and/or businesses and assets outside of the United States or Canada by an Existing Portfolio Company or a New Portfolio Company or as a result of the percentage of Portfolio Company EBITDA attributable to Subsidiaries organized outside of the United States or Canada or businesses and assets located outside of the United States or Canada of the Target in any Acquisition that is to become a Portfolio Company), no more than 25% of the aggregate amount of Portfolio Company EBITDA of the applicable Portfolio Company is attributable to Subsidiaries, businesses and assets outside of the United States (in the case of Portfolio Companies organized within the United States) and Canada (in the case of Portfolio Companies organized in Canada and in the case of Portfolio Companies organized in the United States to the extent that the Subsidiaries that are organized in Canada of the applicable Portfolio Company organized in the United States become guarantors under the Intercompany Debt Documents of such Portfolio Company), and (B) after giving effect to any Acquisition of a Target organized in Canada, no more than 25% of the aggregate Portfolio Company EBITDA of all Portfolio Companies, calculated on a Pro Forma Basis, is attributable to Portfolio Companies organized in Canada and their Subsidiaries (excluding for this purpose any such Portfolio Companies with respect to which perfected, first priority Liens on substantially all of their assets have been granted to the Borrower pursuant to the applicable Qualified Intercompany Debt Documents);

(vii) the business of the Target would not subject the Administrative Agent or any Lender to regulatory or third party approvals in connection with the exercise of its rights and remedies under this Agreement or any other Loan Documents other than approvals applicable to the exercise of such rights and remedies with respect to the Borrower prior to such Acquisition;

(viii) upon the reasonable request of the Administrative Agent, the Administrative Agent (for further distribution by the Administrative Agent to the Lenders) shall have received: (A) a

general description of (1) the Target's business, (2) the Target's competitive position within the Target's industry, (3) material agreements binding upon the Target or any of its personal or real property and, if requested by the Administrative Agent, copies of such material agreements and (4) pending material litigation involving the Target; (B) background checks with respect to the management of the Target, (C) environmental reports and related information regarding any property owned, leased or otherwise used by the Target; and (D) any other material due diligence information or investigation with respect to the Target that is reasonably required by the Administrative Agent, which, shall be in form and substance reasonably satisfactory to the Administrative Agent that no Material Adverse Effect would be caused by, or would exist after giving effect to, the proposed Acquisition;

(ix) with respect to any Acquisition that is an add-on acquisition by a Portfolio Company, the Target in such Acquisition shall comprise a business of or ancillary to the type engaged in by such acquiring Portfolio Company;

(x) upon the reasonable request of the Administrative Agent, the Administrative Agent (for further distribution by the Administrative Agent to the Lenders) shall have received a financial due diligence report with respect to the Target, inclusive of a quality of earnings assessment and a calculation of the pro forma Consolidated EBITDA attributable to the Target;

(xi) the Target must have had a positive pro forma EBITDA on a cumulative basis for the immediately preceding four fiscal quarters;

(xii) the Target must have in place, with financially sound and reputable insurers, public liability, property damage and business interruption insurance with respect to its business and properties against loss or damage of the kinds customarily carried or maintained by Persons of established reputation engaged in similar businesses and in commercial reasonable amounts, and the Administrative Agent shall receive, within thirty (30) days (or such longer period as the Administrative Agent agrees in its sole discretion) immediately after the consummation of the Acquisition of the Target, evidence of such insurance that meets the foregoing requirements and the other insurance requirements set forth herein;

(xiii) the acquisition documents governing such Acquisition shall permit the collateral assignment by the Borrower of its rights under such acquisition documents to the Administrative Agent as security for the Obligations and for the Administrative Agent's reliance on any legal opinions rendered in connection with such Acquisition;

(xiv) there shall be no Indebtedness incurred or assumed in connection with such Acquisition other than Revolving Loans funded to the Borrower under this Agreement, Qualified Intercompany Debt incurred by the applicable Target and Indebtedness permitted under Sections 7.03(e), 7.03(i) and 7.03(k);

(xv) to the extent that any investments of Qualified Intercompany Debt are made in the Target in connection with such Acquisition, (A) such Qualified Intercompany Debt shall be evidenced by Qualified Intercompany Debt Documents pursuant to which, among other things, a perfected, first-priority Lien has been granted to the Borrower in substantially all of the assets of such Target (other than a Target organized in Canada) in accordance with the definition of the term Qualified Intercompany Debt Documents, and (B) the Administrative Agent shall have received projections and other financial data reasonably acceptable to the Administrative Agent which demonstrates that, after giving effect to such investments of Qualified Intercompany Debt, (1) such Target is Solvent and (2) the Portfolio Company Leverage Ratio for such Target would not be greater than 5.00 to 1.00;

(xvi) in the case of any such Acquisition by the Borrower of less than all of the Voting Equity Interests of any Person as a New Portfolio Company or Existing Portfolio Company, none of the Organization Documents of the Target (or any Acquisition Subsidiary formed in connection with such Acquisition), any shareholder agreements relating to the Equity Interests in the Target (or any Acquisition Subsidiary formed in connection with such Acquisition), and any other agreements or instruments conferring rights upon the minority holders of the Equity Interests in the Target (or any Acquisition Subsidiary formed in connection with such Acquisition) shall in any way (A) prohibit or otherwise impair the Administrative Agent's Lien on the Equity Interests owned by the Borrower in such Portfolio Company or Acquisition Subsidiary or (B) allow the minority holders of the Equity Interests in such Portfolio Company or Acquisition Subsidiary to block or otherwise interfere in any way with the exercise of remedies by the Administrative Agent with respect to the Equity Interests owned by the Borrower in such Portfolio Company or Acquisition Subsidiary (including the Administrative Agent's foreclosure of Liens on such Equity Interests and the sale, transfer or other disposition by the Administrative Agent of such Equity Interests); provided, that this clause (B) shall not prohibit customary "tag-along" or "co-sale" rights granted to minority holders of Equity Interests so long as such "tag-along" or "co-sale" rights do not apply to (1) the granting of Liens on such Equity Interests in favor of the Administrative Agent, (2) the foreclosure by the Administrative Agent of its Liens on such Equity Interests or transfer of such Equity Interests to the Administrative Agent or (3) any sale, transfer or other disposition by the Administrative Agent of such Equity Interests to a third party;

(xvii) all material consents necessary for such Acquisition (including such consents as the Administrative Agent deems reasonably necessary) have been acquired and such Acquisition is consummated in accordance with the applicable acquisition documents and applicable Law; and

(xviii) promptly after obtaining knowledge thereof, the Borrower shall provide to the Administrative Agent notice of any material change to any of the documents or information previously provided pursuant to clauses (i) through (xvii) above;

provided, however, that if such Acquisition is otherwise a Permitted Eligible Acquisition under clauses (c) or (d) hereof and the aggregate consideration to be paid in such Acquisition is (x) \$75,000,000 or less, then the conditions set forth in the foregoing clauses (i), (iv), (viii), and (x) shall not be required to be satisfied, and (y) \$25,000,000 or less, then the conditions set forth in the foregoing clause (xi) shall not be required to be satisfied.

"Permitted Ineligible Acquisition" means any Acquisition that is funded in whole or in part by Outside Debt incurred only after Required Lenders have refused to allow for the treatment of the applicable Target in such Acquisition as an Existing Portfolio Company in accordance with the provisions hereof and where (a) an Acquisition Subsidiary of the Borrower has acquired all or substantially all of the assets of a Person as an Outside Company, or of all or substantially all of any business or division of a Person as an Outside Company or (b) the Borrower has acquired no less than a majority of the Voting Equity Interests of any Person as an Outside Company, in each case to the extent that each of the following conditions precedent shall have been satisfied:

(i) the Administrative Agent (for further distribution by the Administrative Agent to the Lenders) shall receive not less than fifteen (15) Business Days (or such shorter period as the Administrative Agent may agree in its sole discretion) prior written notice of such Acquisition, which notice shall include a reasonably detailed description of the proposed terms of such Acquisition, and shall receive not less than five (5) Business Days (or such shorter period as the Administrative Agent may

agree in its sole discretion) prior to the consummation of such Acquisition substantially final versions of the primary acquisition documents (including the purchase agreement and any Intercompany Debt Documents) to be executed in connection with such Acquisition;

(ii) such Acquisition shall not be hostile and shall have been approved by the board of directors (or other similar body) and/or the stockholders or other equityholders of the Target;

(iii) no Default or Event of Default is in existence or would occur after giving effect to such Acquisition;

(iv) (A) the Administrative Agent shall have received an updated Availability Certificate prepared on a Pro Forma Basis after giving effect to the consummation of the Acquisition and the incurrence of any Loans and other Indebtedness in connection therewith, and (B) immediately after consummation of the Acquisition and the incurrence of any Loans and other Indebtedness in connection therewith, the sum of (x) all cash and Cash Equivalents of the Borrower on deposit in an account that is with the Administrative Agent or is subject to a Qualifying Control Agreement *plus* (y) Unused Borrowing Availability shall be not less than \$25,000,000;

(v) after giving effect to such Acquisition and the incurrence of any Loans and other Indebtedness in connection therewith, the Borrower shall be in compliance on a Pro Forma Basis with the covenants set forth in Section 7.11 recomputed for the twelve-month period ending on the last day of the most recently ended month for which a Compliance Certificate has been delivered to the Administrative Agent in accordance with the provisions of this Agreement;

(vi) the business of the Target would not subject the Administrative Agent or any Lender to regulatory or third party approvals in connection with the exercise of its rights and remedies under this Agreement or any other Loan Documents other than approvals applicable to the exercise of such rights and remedies with respect to the Borrower prior to such Acquisition;

(vii) upon the reasonable request of the Administrative Agent, the Administrative Agent (for further distribution by the Administrative Agent to the Lenders) shall have received (A) a general description of (1) the Target's business, (2) the Target's competitive position within the Target's industry, (3) material agreements binding upon the Target or any of its personal or real property and, if requested by the Administrative Agent, copies of such material agreements and (4) pending material litigation involving the Target; (B) background checks with respect to the management of the Target, (C) environmental reports and related information regarding any property owned, leased or otherwise used by the Target; and (D) any other material due diligence information or investigation with respect to the Target that is reasonably required by the Administrative Agent;

(viii) upon the reasonable request of the Administrative Agent, the Administrative Agent (for further distribution by the Administrative Agent to the Lenders) shall have received a financial due diligence report with respect to the Target, inclusive of a quality of earnings assessment and a calculation of the pro forma Consolidated EBITDA attributable to the Target;

(ix) the acquisition documents governing such Acquisition, and the loan documents governing any Investments constituting Indebtedness made by the Borrower in the applicable Target, shall permit the collateral assignment by the Borrower of its rights under such acquisition documents to the Administrative Agent as security for the Obligations and for the Administrative Agent's reliance on any legal opinions rendered in connection with such Acquisition;

(x) all material consents necessary for such Acquisition (including such consents as the Administrative Agent deems reasonably necessary) have been acquired and such Acquisition is consummated in accordance with the applicable acquisition documents and applicable Law; and

(xi) promptly after obtaining knowledge thereof, the Borrower shall provide to the Administrative Agent notice of any material change to any of the documents or information previously provided pursuant to clauses (i) through (x) above.

“Permitted Liens” means, at any time, Liens in respect of property of the Borrower or any Subsidiary permitted to exist at such time pursuant to the terms of Section 7.01.

“Permitted Supply Chain Arrangement” means any customary supply chain financing under which Rimports and any other Portfolio Company approved by the Administrative Agent in its reasonable discretion, or any Subsidiary thereof, sells specified accounts originated by such Portfolio Company in the ordinary course of business and other assets customarily transferred in connection therewith (the “Supply Chain Financing Assets”) to a financial institution on a “true sale” basis for which such financial institution has no recourse against the Borrower or any Subsidiary other than for customary representations and warranties and indemnities made by such Portfolio Company.

“Permitted Trust Merger” means a merger of the Trust with and into the Borrower, with the Borrower as the surviving company, which is consummated with prior written notice to the Administrative Agent and in compliance with the Trust Agreement and applicable Law, and otherwise on terms and conditions reasonably acceptable to the Administrative Agent.

“Person” means any natural person, corporation, limited liability company, trust, joint venture, association, company, partnership, Governmental Authority or other entity.

“Plan” means any employee benefit plan within the meaning of Section 3(3) of ERISA (including a Pension Plan), maintained for employees of the Borrower or any ERISA Affiliate or any such Plan to which the Borrower or any ERISA Affiliate is required to contribute on behalf of any of its employees.

“Platform” has the meaning specified in Section 6.02.

“Portfolio Companies” means Existing Portfolio Companies and New Portfolio Companies, and shall in all instances exclude any Outside Companies.

“Portfolio Company EBITDA” means, for any Portfolio Company for any period, Consolidated Net Income of such Portfolio Company plus, to the extent deducted in determining such Consolidated Net Income (and without duplication), (i) the consolidated interest expense of such Portfolio Company (including the portion of rent expense with respect to such period under capital leases and the implied interest component of Synthetic Lease Obligations), determined in accordance with GAAP, (ii) income tax expense of such Portfolio Company, (iii) depreciation and amortization of such Portfolio Company, (iv) Management Fees paid that are permitted under Section 7.06 and satisfied by or otherwise allocable to such Portfolio Company, (v) non-cash charges incurred to reflect any in-process research and development acquired by the Borrower at the time of its acquisition of such Portfolio Company, (vi) expense in respect of any forgiveness of non-cash loans to management of such Portfolio Company, (vii) other non-cash expenses (or less gains or income) for which no cash outlay (or cash receipt) is foreseeable prior to the Maturity Date with respect to Revolving Loans, (viii) Integration Services Fees and one-time closing costs and expenses incurred by such Portfolio Company in connection with consummating the

acquisition of such Portfolio Company or of a Target acquired by such Portfolio Company pursuant to a Permitted Eligible Acquisition that is an add-on Acquisition, and (ix) integration costs incurred by such Portfolio Company in connection with the integration of a Target acquired by such Portfolio Company pursuant to a Permitted Eligible Acquisition that is an add-on Acquisition, in each case so long as (A) the aggregate amount of all such integration costs with respect to such Target so added back to the Portfolio Company EBITDA of such Portfolio Company pursuant to this clause (ix) does not exceed the lesser of (I) fifteen percent (15%) of the amount of the Portfolio Company EBITDA of such Portfolio Company (after giving effect to the consummation of the Acquisition of the applicable add-on Target and as of the date thereof) and (II) forty percent (40%) of the pro forma EBITDA of the applicable add-on Target, and (B) such integration costs are incurred within the first twenty-four (24) months following the consummation of the applicable Acquisition; provided, that, with respect to a Portfolio Company that is acquired pursuant to a Permitted Eligible Acquisition after the date hereof, for any period prior to the acquisition of such Portfolio Company pursuant to such Permitted Eligible Acquisition, the Portfolio Company EBITDA for such Portfolio Company shall be equal to the pro forma EBITDA of such Portfolio Company (calculated substantially in accordance with the above provisions of this definition, as adjusted by extraordinary expenses, increased costs, identifiable and verifiable expense reductions and excess management compensation, if any, in each case calculated by the Borrower in accordance with the requirements of GAAP and Article XI of regulation S-X under the Securities Exchange Act of 1934, with such adjustments thereto as the Administrative Agent may reasonably require) for such pre-acquisition period.

“Portfolio Company Leverage Ratio” means, for any Portfolio Company as of any date of determination, the ratio of (a) all Indebtedness (other than Indebtedness described in clauses (d) and (i) of the definition thereof unless such Indebtedness is reflected on the balance sheet of such Portfolio Company as a liability in accordance with GAAP) of such Portfolio Company, determined on a consolidated basis for such Portfolio Company and its Subsidiaries, to (b) the Portfolio Company EBITDA of such Portfolio Company for the twelve-month period ending on the last day of the most recently ended month for which financial statements regarding such Portfolio Company have been delivered to the Administrative Agent in accordance with the terms of this Agreement.

“PrimaLoft” means Relentless Topco, Inc., a Delaware corporation.

“Pro Forma Basis” means, with respect to any transaction, that for purposes of calculating the financial covenants set forth in Section 7.11, such transaction (including the incurrence of any Funded Indebtedness in connection therewith) shall be deemed to have occurred as of the first day of the most recent twelve-month period preceding the date of such transaction for which the Borrower was required to deliver a Compliance Certificate pursuant to Section 6.02(b). In connection with the foregoing, (a) with respect to any Disposition or Recovery Event, (i) income statement and cash flow statement items (whether positive or negative) attributable to the property disposed of shall be excluded to the extent relating to any period occurring prior to the date of such transaction and (ii) Indebtedness which is retired shall be excluded and deemed to have been retired as of the first day of the applicable period and (b) with respect to any Acquisition, (i) income statement and cash flow statement items attributable to the Person or property acquired shall be included to the extent relating to any period applicable in such calculations to the extent (A) such items are not otherwise included in such income statement and cash flow statement items for the Borrower and its Subsidiaries in accordance with GAAP or in accordance with any defined terms set forth in Section 1.01 and (B) such items are supported by financial statements or other information reasonably satisfactory to the Administrative Agent and (ii) any Indebtedness incurred or assumed by the Borrower or any Subsidiary (including the Person or property acquired) in connection with such transaction and any Indebtedness of the Person or property acquired which is not retired in

connection with such transaction (A) shall be deemed to have been incurred as of the first day of the applicable period and (B) if such Indebtedness has a floating or formula rate, shall have an implied rate of interest for the applicable period for purposes of this definition determined by utilizing the rate which is or would be in effect with respect to such Indebtedness as at the relevant date of determination.

“Pro Forma Compliance Certificate” means a certificate of a Responsible Officer of the Borrower containing reasonably detailed calculations of the financial covenants set forth in Section 7.11 recomputed as of the end of the twelve-month period most recently ended for which the Borrower has delivered a Compliance Certificate pursuant to Section 6.02(b) (or, prior to the first such delivery under this Agreement, pursuant to Section 6.02(d) under the Existing Credit Agreement) after giving effect to the applicable transaction on a Pro Forma Basis.

“PTE” means a prohibited transaction class exemption issued by the U.S. Department of Labor, as any such exemption may be amended from time to time.

“Public Lender” has the meaning specified in Section 6.02.

“QFC” has the meaning assigned to the term “qualified financial contract” in, and shall be interpreted in accordance with, 12 U.S.C. 5390(c)(8)(D).

“QFC Credit Support” has the meaning specified in Section 10.20.

“Qualified Intercompany Debt” means, without duplication, Intercompany Debt that is owing by a Portfolio Company pursuant to Qualified Intercompany Debt Documents and that has a maturity date, an interest rate, an amortization schedule for principal, mandatory prepayment provisions and interest payment dates that are reasonably acceptable to the Administrative Agent (it being agreed and understood that such terms as in effect on the Closing Date under the Intercompany Debt Documents for Existing Portfolio Companies are acceptable to the Administrative Agent). For the avoidance of doubt, Qualified Intercompany Debt shall not include any Indebtedness of Lugano Diamonds and Lugano Buyer to the Borrower permitted under ~~Sections~~ Section 7.03(l) and (m).

“Qualified Intercompany Debt Documents” means, in respect of any Portfolio Company, (a) a reasonable and customary senior loan agreement (that includes reasonable and customary representations and warranties, affirmative, negative and financial covenants and events of default) between the Borrower, as the sole lender, and such Portfolio Company, as the borrower or a co-borrower thereunder, as such loan agreement may be amended from time to time in compliance with the provisions of this Agreement, (b) guaranty documentation pursuant to which all Subsidiaries of such Portfolio Company and/or of the other borrowers, as applicable, under such loan agreement guaranty (together with any parent companies of such Portfolio Company or co-borrowers that are Subsidiaries of the Borrower) all of the obligations under such loan agreement, and (c) collateral documents pursuant to which the Borrower is provided with a perfected, first-priority (subject to customary exceptions provided in the applicable loan documentation) Lien in substantially all of the real and personal property of such Portfolio Company and such co-borrowers (if any) under such loan agreement, and of the guarantors under such guaranty documentation, to secure all of the obligations under such loan agreement and related Intercompany Debt Documents, including a security agreement applicable to all of the equity interests owned by and substantially all of the assets of such borrowers and guarantors, UCC financing statements covering all of the assets of such borrowers and guarantors that are properly filed in the respective jurisdictions of organization for such companies, real estate mortgages for any real estate of such borrowers and guarantors, control agreements with respect to the deposit accounts of such borrowers and guarantors and insurance documentation whereby the Borrower has been named as loss payee (and, if applicable,

mortgagee) in respect of all policies of property and casualty insurance of such borrowers and guarantors; provided, that notwithstanding the foregoing, it is agreed that (w) Portfolio Companies (or any such co-borrowers) organized in Canada and their Subsidiaries (other than any such Subsidiary that (i) is organized in the United States and is treated as a C-corporation for U.S. federal income tax purposes and (ii) has not been determined by the Administrative Agent, in its sole discretion, to be immaterial to the assets, operations and/or income of such Portfolio Company and its Subsidiaries as a whole) will not be required to provide collateral to the Borrower to secure the obligations under such loan agreement and related Intercompany Debt Documents, (x) if CFCs that are Subsidiaries of a Portfolio Company organized in the United States collectively contribute 15% or less of the aggregate amount of Portfolio Company EBITDA of such Portfolio Company, such CFCs shall not be required to deliver guarantees in respect of such Portfolio Company's Qualified Intercompany Debt and the collateral delivery requirements in respect of such CFCs shall be limited to customary pledge documentation pursuant to which 65% of the total outstanding voting equity interests of such CFCs and 100% of all outstanding non-voting equity interests of such CFCs are pledged to secure such Portfolio Company's Qualified Intercompany Debt (excluding equity interests in a CFC owned by another CFC) and (y) if CFCs that are Subsidiaries of a Portfolio Company organized in the United States collectively contribute more than 15% of the aggregate amount of Portfolio Company EBITDA of such Portfolio Company, to the extent required by the Administrative Agent in its discretion or the Required Lenders in their discretion such CFCs shall be required to deliver customary guarantees in respect of such Portfolio Company's Qualified Intercompany Debt and such CFCs and their immediate parent companies shall be required to deliver customary pledge and collateral documentation providing for Liens in all of the equity interests and substantially all of the assets of such CFCs securing such Portfolio Company's Qualified Intercompany Debt; provided, further, that if the Borrower and the Administrative Agent mutually agree that either (1) the cost of obtaining a Lien in any property of any Portfolio Company or any Subsidiary of a Portfolio Company is excessive in relation to the benefit to the Borrower of such Lien in such property or ~~(2)~~ the creation or maintenance of a Lien in any property of any Portfolio Company or any Subsidiary of a Portfolio Company would reasonably be expected to result in material adverse tax or regulatory consequences to the Borrower and its Subsidiaries, then such Portfolio Company or such Subsidiary shall not be required to grant a Lien in such property.

"Qualifying Control Agreement" means an agreement, among the Borrower, a depository institution or securities intermediary and the Administrative Agent, which agreement is in form and substance acceptable to the Administrative Agent and which perfects by "control" (as such term is used in Article 9 of the Uniform Commercial Code) the Administrative Agent's lien on the deposit account(s) or securities account(s) described therein. The Qualifying Control Agreements in existence on the Closing Date are set forth on Schedule 1.2 attached hereto.

"Recipient" means the Administrative Agent, any Lender, the L/C Issuer or any other recipient of any payment to be made by or on account of any obligation of the Borrower hereunder.

"Recovery Event" means any loss of, damage to or destruction of, or any condemnation or other taking for public use of, any property of the Borrower or any Subsidiary (other than any Subsidiary Outside Company).

"Refinancing Amendment" means an amendment to this Agreement in form and substance satisfactory to the Administrative Agent and the Borrower, executed by each of (a) the Borrower, (b) the Administrative Agent and (c) each Lender that agrees to provide any portion of the Refinancing Loans being incurred pursuant thereto.

"Register" has the meaning specified in Section 10.06(c).

“Related Agreements” means the Intercompany Debt Documents, the Management Fee Documents, the Existing Portfolio Company Acquisition Documents, the New Portfolio Company Acquisition Documents, the agreements governing payment of the Integration Services Fees, the Borrower LLC Agreement and the Trust Agreement.

“Related Parties” means, with respect to any Person, such Person’s Affiliates and the partners, directors, officers, employees, agents, trustees, administrators, managers, advisors and representatives of such Person and of such Person’s Affiliates.

“Related Transactions” means the transactions contemplated by the Related Agreements.

“Reportable Event” means any of the events set forth in Section 4043(c) of ERISA, other than events for which the thirty-day notice period has been waived.

“Request for Credit Extension” means (a) with respect to a Borrowing, conversion or continuation of Loans, a Loan Notice, (b) with respect to an L/C Credit Extension, a Letter of Credit Application, and (c) with respect to a Swing Line Loan at any time an Auto Borrow Agreement is not in effect, a Swing Line Loan Notice.

“Required Lenders” means, at any time, Lenders having Total Credit Exposures representing more than 50% of the Total Credit Exposures of all Lenders. The Total Credit Exposure of any Defaulting Lender shall be disregarded in determining Required Lenders at any time; provided that the amount of any participation in any Swing Line Loan and Unreimbursed Amounts that such Defaulting Lender has failed to fund that have not been reallocated to and funded by another Lender shall be deemed to be held by the Lender that is the Swing Line Lender or L/C Issuer, as the case may be, in making such determination.

“Rescindable Amount” has the meaning specified in Section 2.12(b)(ii).

“Resolution Authority” means an EEA Resolution Authority or, with respect to any UK Financial Institution, a UK Resolution Authority.

“Responsible Officer” means the chief executive officer, president, chief financial officer, manager, treasurer, assistant treasurer or controller of the Borrower and, solely for purposes of the delivery of incumbency certificates, the secretary or any assistant secretary of the Borrower and, solely for purposes of notices given pursuant to Article II, any other officer of the Borrower so designated by any of the foregoing officers in a notice to the Administrative Agent or any other officer or employee of the Borrower designated in or pursuant to an agreement between the Borrower and the Administrative Agent. Any document delivered hereunder that is signed by a Responsible Officer of the Borrower shall be conclusively presumed to have been authorized by all necessary corporate, partnership and/or other action on the part of the Borrower and such Responsible Officer shall be conclusively presumed to have acted on behalf of the Borrower. To the extent requested by the Administrative Agent, each Responsible Officer will provide an incumbency certificate and appropriate authorization documentation, in form and substance reasonably satisfactory to the Administrative Agent.

“Restricted Payment” means (a) any dividend or other distribution (whether in cash, securities or other property) with respect to any Equity Interests of any Person, or any payment (whether in cash, securities or other property), including any sinking fund or similar deposit, on account of the purchase, redemption, retirement, defeasance, acquisition, cancellation or termination of any such Equity Interests

or on account of any return of capital to such Person's stockholders, partners or members (or the equivalent Person thereof), or any option, warrant or other right to acquire any such dividend or other distribution or payment; or (b) any payment by the Borrower or any Subsidiary pursuant to any of the Management Fee Documents or any payment of management fees or similar fees to any other Person.

"Revolving Commitment" means, as to each Lender, its obligation to (a) make Revolving Loans to the Borrower pursuant to Section 2.01, (b) purchase participations in L/C Obligations, and (c) purchase participations in Swing Line Loans, in an aggregate principal amount at any one time outstanding not to exceed the amount set forth opposite such Lender's name on Schedule 2.01 to the Sixth Amendment or in the Assignment and Assumption pursuant to which such Lender becomes a party hereto or in any documentation executed by such Lender pursuant to Section 2.01(c), as applicable, as such amount may be adjusted from time to time in accordance with this Agreement.

"Revolving Credit Exposure" means, as to any Lender at any time, the aggregate principal amount at such time of its outstanding Revolving Loans and such Lender's participation in L/C Obligations and Swing Line Loans at such time.

"Revolving Facility" means the revolving credit facility described in Section 2.01(a).

"Revolving Loan" has the meaning specified in Section 2.01(a).

"Rimports" means Rimports Holdings, Inc., a Delaware corporation.

"S&P" means Standard & Poor's Financial Services LLC, a subsidiary of S&P Global Inc., and any successor thereto.

"Sale and Leaseback Transaction" means, with respect to any Person, any arrangement, directly or indirectly, whereby such Person shall sell or transfer any property used or useful in its business, whether now owned or hereafter acquired, and thereafter rent or lease such property or other property that it intends to use for substantially the same purpose or purposes as the property being sold or transferred.

"Sanction(s)" means any sanctions administered or enforced by the United States Government, including OFAC, the United Nations Security Council, the European Union, Her Majesty's Treasury or other relevant sanctions authority.

"SEC" means the Securities and Exchange Commission, or any Governmental Authority succeeding to any of its principal functions.

"Secured Cash Management Agreement" means any Cash Management Agreement that is entered into by and between the Borrower or any Subsidiary and any Cash Management Bank with respect to such Cash Management Agreement. For the avoidance of doubt, a holder of Obligations in respect of Secured Cash Management Agreements shall be subject to the last paragraph of Section 8.03 and Section 9.11.

"Secured Hedge Agreement" means any Swap Contract that is entered into by and between the Borrower or any Subsidiary and any Hedge Bank with respect to such Swap Contract. For the avoidance of doubt, a holder of Obligations in respect of Secured Hedge Agreements shall be subject to the last paragraph of Section 8.03 and Section 9.11.

“Secured Party Designation Notice” shall mean a notice from any Lender or an Affiliate of a Lender substantially in the form of Exhibit H.

“Securitization Transaction” means, with respect to any Person, any financing transaction or series of financing transactions (including factoring arrangements) pursuant to which such Person or any Subsidiary of such Person may sell, convey or otherwise transfer, or grant a security interest in, accounts, payments, receivables, rights to future lease payments or residuals or similar rights to payment to a special purpose subsidiary or affiliate of such Person.

“Security Agreement” means the security and pledge agreement dated as of the Closing Date executed in favor of the Administrative Agent, for the benefit of the holders of the Obligations, by the Borrower.

“Sixth Amendment” means that certain Sixth Amendment to Credit Agreement dated as of the Sixth Amendment Effective Date, by and among the Borrower, the Lenders, the Administrative Agent and the L/C Issuer.

“Sixth Amendment Effective Date” means August 6, 2026.

“SOFR” means the Secured Overnight Financing Rate as administered by the Federal Reserve Bank of New York (or a successor administrator).

“SOFR Adjustment” means 0.10% (10.00 basis points).

“Solvent” or “Solvency” means, with respect to any Person as of a particular date, that on such date (a) such Person is able to pay its debts and other liabilities, contingent obligations and other commitments as they mature in the ordinary course of business, (b) such Person does not intend to, and does not believe that it will, incur debts or liabilities beyond such Person’s ability to pay such debts and liabilities as they mature in the ordinary course of business, (c) such Person is not engaged in a business or a transaction, and is not about to engage in a business or a transaction, for which such Person’s property would constitute unreasonably small capital, (d) the fair value of the property of such Person is greater than the total amount of liabilities, including contingent liabilities, of such Person, (e) the present fair salable value of the property of such Person is not less than the amount that will be required to pay the probable liability of such Person on its debts as they become absolute and matured and (f) such Person does not intend, in any transaction, to hinder, delay or defraud either present or future creditors or any other person to which such Person is or will become, through such transaction, indebted. The amount of contingent liabilities at any time shall be computed as the amount that, in the light of all the facts and circumstances existing at such time, represents the amount that can reasonably be expected to become an actual or matured liability.

“Specified Event of Default” means an Event of Default under Section 8.01(a), (f) or (g).

“Sterno” means SternoCandleLamp Holdings, Inc., a Delaware corporation.

“Subsequent Transaction” has the meaning specified in Section 1.07.

“Subsidiary” of a Person means a corporation, partnership, joint venture, limited liability company or other business entity of which a majority of the shares of Voting Equity Interests is at the time beneficially owned, or the management of which is otherwise controlled, directly, or indirectly

through one or more intermediaries, or both, by such Person. Unless otherwise specified, all references herein to a “Subsidiary” or to “Subsidiaries” shall refer to a Subsidiary or Subsidiaries of the Borrower.

“Subsidiary Outside Company” means an Outside Company that is a Subsidiary of the Borrower.

“Supply Chain Financing Assets” has the meaning specified in the definition of “Permitted Supply Chain Arrangement”.

“Supported OFC” has the meaning specified in Section 10.20.

“Swap Contract” means (a) any and all rate swap transactions, basis swaps, credit derivative transactions, forward rate transactions, commodity swaps, commodity options, forward commodity contracts, equity or equity index swaps or options, bond or bond price or bond index swaps or options or forward bond or forward bond price or forward bond index transactions, interest rate options, forward foreign exchange transactions, cap transactions, floor transactions, collar transactions, currency swap transactions, cross-currency rate swap transactions, currency options, spot contracts, or any other similar transactions or any combination of any of the foregoing (including any options to enter into any of the foregoing), whether or not any such transaction is governed by or subject to any master agreement, and (b) any and all transactions of any kind, and the related confirmations, which are subject to the terms and conditions of, or governed by, any form of master agreement published by the International Swaps and Derivatives Association, Inc., any International Foreign Exchange Master Agreement, or any other master agreement (any such master agreement, together with any related schedules, a “Master Agreement”), including any such obligations or liabilities under any Master Agreement.

“Swap Termination Value” means, in respect of any one or more Swap Contracts, after taking into account the effect of any legally enforceable netting agreement relating to such Swap Contracts, (a) for any date on or after the date such Swap Contracts have been closed out and termination value(s) determined in accordance therewith, such termination value(s) and (b) for any date prior to the date referenced in clause (a), the amount(s) determined as the mark-to-market value(s) for such Swap Contracts, as determined based upon one or more mid-market or other readily available quotations provided by any recognized dealer in such Swap Contracts (which may include a Lender or any Affiliate of a Lender).

“Swing Line Lender” means Bank of America in its capacity as provider of Swing Line Loans, or any successor swing line lender hereunder.

“Swing Line Loan” has the meaning specified in Section 2.04(a).

“Swing Line Loan Notice” means a notice of a Borrowing of Swing Line Loans pursuant to Section 2.04(b), which shall be substantially in the form of Exhibit B or such other form as may be approved by the Administrative Agent (including any form on an electronic platform or electronic transmission system as shall be approved by the Administrative Agent), appropriately completed and signed by a Responsible Officer of the Borrower.

“Swing Line Sublimit” means an amount equal to ~~\$25,000,000~~ 13,500,000.00. The Swing Line Sublimit is part of, and not in addition to, the Aggregate Revolving Commitments.

“Synthetic Lease Obligation” means the monetary obligation of a Person under (a) a so-called synthetic, off-balance sheet or tax retention lease, or (b) an agreement for the use or possession of

property creating obligations that do not appear on the balance sheet of such Person but which, upon the insolvency or bankruptcy of such Person, would be characterized as the indebtedness of such Person (without regard to accounting treatment).

“Target” means the Person, or business or substantially all of the assets of a Person, acquired in an Acquisition.

“Taxes” means all present or future taxes, levies, imposts, duties, deductions, withholdings (including backup withholding), assessments, fees or other charges imposed by any Governmental Authority, including any interest, additions to tax or penalties applicable thereto.

~~“Term Facility” means, at any time, (a) on or prior to the Closing Date, the aggregate amount of the Term Loan Commitments at such time and (b) thereafter, the aggregate principal amount of the Term Loan outstanding at such time.~~

“Term Loan” has the meaning ~~specified set forth~~ in Section 2.01(b)(i).

~~“Term Loan Commitment” means, as to each Lender, its obligation to make its portion of the Term Loan to the Borrower pursuant to Section 2.01(b), in the principal amount set forth opposite such Lender’s name on Schedule 2.01. The aggregate principal amount of the Term Loan Commitments of all of the Lenders as in effect on the Closing Date is FOUR HUNDRED MILLION DOLLARS (\$400,000,000).~~

“Term SOFR” means:

(a) for any Interest Period with respect to a Term SOFR Loan, the rate per annum equal to the Term SOFR Screen Rate two U.S. Government Securities Business Days prior to the commencement of such Interest Period with a term equivalent to such Interest Period; provided that if the rate is not published prior to 11:00 a.m. on such determination date then Term SOFR means the Term SOFR Screen Rate on the first U.S. Government Securities Business Day immediately prior thereto, in each case, *plus* the SOFR Adjustment for such Interest Period; and

(b) for any interest calculation with respect to a Base Rate Loan on any date, the rate per annum equal to the Term SOFR Screen Rate with a term of one month commencing that day;

provided that if Term SOFR determined in accordance with either of the foregoing provisions (a) or (b) of this definition would otherwise be less than zero, Term SOFR shall be deemed zero for purposes of this Agreement.

“Term SOFR Loan” means a Loan that bears interest at a rate based on clause (a) of the definition of Term SOFR.

“Term SOFR Screen Rate” means the forward-looking SOFR term rate administered by CME (or any successor administrator satisfactory to the Administrative Agent) and published on the applicable Reuters screen page (or such other commercially available source providing such quotations as may be designated by the Administrative Agent from time to time).

“Threshold Amount” means \$10,000,000.

“Total Credit Exposure” means, as to any Lender at any time, the unused Commitments of such Lender at such time, the outstanding Loans of such Lender at such time and such Lender’s participation in L/C Obligations and Swing Line Loans at such time.

“Total Revolving Outstandings” means the aggregate Outstanding Amount of all Revolving Loans, all Swing Line Loans and all L/C Obligations.

“Trust” means Compass Diversified Holdings, a Delaware statutory trust, together with any other statutory or other trust that hereafter holds Trust Interests (as defined in the Borrower LLC Agreement).

“Trust Agreement” means that certain Third Amended and Restated Trust Agreement of the Trust dated as of August 3, 2021, among Borrower, as Sponsor, The Bank of New York (Delaware), as Delaware Trustee, and the other trustees named therein, as in effect as of the date hereof or as modified in compliance with the provisions hereof.

“Type” means, with respect to any Loan, its character as a Base Rate Loan or Term SOFR Loan.

“UCP” means, with respect to any Letter of Credit, the Uniform Customs and Practice for Documentary Credits, International Chamber of Commerce (“ICC”) Publication No. 600 (or such later version thereof as may be in effect at the time of issuance).

“UK Financial Institution” means (a) any BRRD Undertaking (as such term is defined under the PRA Rulebook (as amended from time to time) promulgated by the United Kingdom Prudential Regulation Authority) or any person subject to IFPRU 11.6 of the FCA Handbook (as amended from time to time) promulgated by the United Kingdom Financial Conduct Authority, which includes certain credit institutions and investment firms, and certain affiliates of such credit institutions or investment firms, and (b) with respect to the United Kingdom, any powers of the applicable Resolution Authority under the Bail-In Legislation to cancel, reduce, modify or change the form of a liability of any UK Financial Institution or any contract or instrument under which that liability arises, to convert all or part of that liability into shares, securities or obligations of that person or any other person, to provide that any such contract or instrument is to have effect as if a right had been exercised under it or to suspend any obligation in respect of that liability or any of the powers under that Bail-In Legislation that are related to or ancillary to any of those powers.

“UK Resolution Authority” means the Bank of England or any other public administrative authority having responsibility for the resolution of any UK Financial Institution.

“United States” and “U.S.” mean the United States of America.

“Unreimbursed Amount” has the meaning specified in Section 2.03(c)(i).

“Unrestricted Cash” means, at any time with respect to a Portfolio Company, the product of (a) the aggregate cash and Cash Equivalents of such Portfolio Company that (i) does not appear (or would be required to appear) as “restricted” on a consolidated balance sheet of such Portfolio Company and its Subsidiaries as determined in accordance with GAAP and (ii) is not subject to any Lien in favor of any Person (other than Liens permitted to exist pursuant to Sections 7.01(m), (n) and (p)) multiplied by (b) the percentage of Equity Interests in such Portfolio Company owned by the Borrower (adjusted to give effect

to any preferred Equity Interests in such Portfolio Company in a manner reasonably acceptable to the Administrative Agent).

“Unused Borrowing Availability” means, as of any date of determination, an amount equal to (a) Borrowing Availability as of such date minus (b) Total Revolving Outstandings as of such date.

“U.S. Government Securities Business Day” means any Business Day, except any Business Day on which any of the Securities Industry and Financial Markets Association, the New York Stock Exchange or the Federal Reserve Bank of New York is not open for business because such day is a legal holiday under the federal laws of the United States or the laws of the State of New York, as applicable.

“U.S. Person” means any Person that is a “United States Person” as defined in Section 7701(a)(30) of the Internal Revenue Code.

“U.S. Special Resolution Regimes” has the meaning specified in Section 10.20.

“U.S. Tax Compliance Certificate” has the meaning specified in Section 3.01(e)(ii)(B)(III).

“Velocity” means CBCP Products, LLC, a Delaware limited liability company.

“Voting Equity Interests” means, with respect to any Person, Equity Interests issued by such Person the holders of which are ordinarily, in the absence of contingencies, entitled to vote for the election of directors (or persons performing similar functions) of such Person, even though the right so to vote has been suspended by the happening of such a contingency.

“Weighted Average Life” means, when applied to any Indebtedness at any date of determination, 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 scheduled 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 of determination and the making of such payment; by (b) the then-outstanding principal amount of such Indebtedness as of such date of determination.

“Wholly-Owned Subsidiary” means any Person 100% of whose Equity Interests (except directors’ qualifying shares) are at the time owned by the Borrower directly or indirectly through other Persons 100% of whose Equity Interests (except directors’ qualifying shares) are at the time owned, directly or indirectly, by the Borrower.

“Write-Down and Conversion Powers” means, (a) with respect to any EEA Resolution Authority, the write-down and conversion powers of such EEA Resolution Authority from time to time under the Bail-In Legislation for the applicable EEA Member Country, which write-down and conversion powers are described in the EU Bail-In Legislation Schedule, and (b) with respect to the United Kingdom, any powers of the applicable Resolution Authority under the Bail-In Legislation to cancel, reduce, modify or change the form of a liability of any UK Financial Institution or any contract or instrument under which that liability arises, to convert all or part of that liability into shares, securities or obligations of that person or any other person, to provide that any such contract or instrument is to have effect as if a right had been exercised under it or to suspend any obligation in respect of that liability or any of the powers under that Bail-In Legislation that are related to or ancillary to any of those powers.

1.02 Other Interpretive Provisions

With reference to this Agreement and each other Loan Document, unless otherwise specified herein or in such other Loan Document:

(a) The definitions of terms herein shall apply equally to the singular and plural forms of the terms defined. Whenever the context may require, any pronoun shall include the corresponding masculine, feminine and neuter forms. The words “include,” “includes” and “including” shall be deemed to be followed by the phrase “without limitation.” The word “will” shall be construed to have the same meaning and effect as the word “shall.” Unless the context requires otherwise, (i) any definition of or reference to any agreement, instrument or other document (including the Loan Documents and any Organization Document) shall be construed as referring to such agreement, instrument or other document as from time to time amended, modified, extended, restated, replaced or supplemented from time to time (subject to any restrictions on such amendments, supplements or modifications set forth herein or in any other Loan Document), (ii) any reference herein to any Person shall be construed to include such Person’s successors and assigns, (iii) the words “hereto,” “herein,” “hereof” and “hereunder,” and words of similar import when used in any Loan Document, shall be construed to refer to such Loan Document in its entirety and not to any particular provision thereof, (iv) all references in a Loan Document to Articles, Sections, Preliminary Statements, Exhibits and Schedules shall be construed to refer to Articles and Sections of, and Preliminary Statements, Exhibits and Schedules to, the Loan Document in which such references appear, (v) any reference to any Law shall include all statutory and regulatory rules, regulations, orders and provisions consolidating, amending, replacing or interpreting such Law and any reference to any Law or regulation shall, unless otherwise specified, refer to such Law or regulation as amended, modified, extended, restated, replaced or supplemented from time to time, and (vi) the words “asset” and “property” shall be construed to have the same meaning and effect and to refer to any and all assets and properties, tangible and intangible, real and personal, including cash, securities, accounts and contract rights.

(b) In the computation of periods of time from a specified date to a later specified date, the word “from” means “from and including,” the words “to” and “until” each mean “to but excluding,” and the word “through” means “to and including.”

(c) Section headings herein and in the other Loan Documents are included for convenience of reference only and shall not affect the interpretation of this Agreement or any other Loan Document.

(d) Any reference herein to a merger, amalgamation, consolidation, assignment, sale, disposition or transfer, or similar term, shall be deemed to apply to a division of or by a limited liability company, or an allocation of assets to a series of a limited liability company (or the unwinding of such a division or allocation), as if it were a merger, amalgamation, consolidation, assignment, sale, disposition or transfer, or similar term, as applicable, to, of or with a separate Person. Any division of a limited liability company shall constitute a separate Person hereunder (and each division of any limited liability company that is a Subsidiary, joint venture or any other like term shall also constitute such a Person or entity).

1.03 Accounting Terms: Changes in GAAP; Calculation of Financial Covenants on a Pro Forma Basis.

(a) Generally. All accounting terms not specifically or completely defined herein shall be construed in conformity with, and all financial data (including financial ratios and other financial

calculations) required to be submitted pursuant to this Agreement shall be prepared in conformity with, GAAP applied on a consistent basis, as in effect from time to time, applied in a manner consistent with that used in preparing the Audited Financial Statements, except as otherwise specifically prescribed herein. Notwithstanding the foregoing, (i) without modifying the foregoing requirement that financial ratios and calculations be prepared in accordance with GAAP, financial statements of Portfolio Companies organized in Canada may be prepared in accordance with generally accepted accounting principles in Canada set forth in the opinions, statements and pronouncements of the relevant Canadian accounting authorities, consistently applied, and (ii) for purposes of determining compliance with any covenant (including the computation of any financial covenant) contained herein, Indebtedness of the Borrower and its Subsidiaries shall be deemed to be carried at 100% of the outstanding principal amount thereof, and the effects of FASB ASC 825 and FASB ASC 470-20 on financial liabilities shall be disregarded.

(b) Changes in GAAP. If at any time any change in GAAP (including the adoption of IFRS) would affect the computation of any financial ratio or requirement set forth in any Loan Document, and either the Borrower or the Required Lenders shall so request, the Administrative Agent, the Lenders and the Borrower shall negotiate in good faith to amend such ratio or requirement to preserve the original intent thereof in light of such change in GAAP; provided that, until so amended, (i) such ratio or requirement shall continue to be computed in accordance with GAAP prior to such change therein and (ii) the Borrower shall provide to the Administrative Agent and the Lenders financial statements and other documents required under this Agreement or as reasonably requested hereunder setting forth a reconciliation between calculations of such ratio or requirement made before and after giving effect to such change in GAAP. Notwithstanding the foregoing, with respect to the accounting for leases as either operating leases or capital leases and the impact of such accounting in accordance with FASB ASC 842 on the definitions and covenants herein, GAAP as in effect on December 31, 2018 shall be applied, unless the parties hereto shall enter into a mutually acceptable amendment addressing such changes, as provided for above.

(c) Consolidation of Variable Interest Entities. All references herein to consolidated financial statements of the Borrower and its Subsidiaries or to the determination of any amount for the Borrower and its Subsidiaries on a consolidated basis or any similar reference shall, in each case, be deemed to include each variable interest entity that the Borrower is required to consolidate pursuant to FASB ASC 810 as if such variable interest entity were a Subsidiary as defined herein.

(d) Calculation of Financial Covenants on a Pro Forma Basis. Notwithstanding the above, the parties hereto acknowledge and agree that all calculations of the financial covenants in Section 7.11 (including for purposes of determining the Applicable Rate) shall be made on a Pro Forma Basis with respect to (i) any Disposition of all of the Equity Interests of, or all or substantially all of the assets of, a Subsidiary, (ii) any Disposition of a line of business, division or operating unit of the Borrower or any Subsidiary, or (iii) any Acquisition, in each case, occurring during the applicable period.

1.04 Rounding.

Any financial ratios required to be maintained by the Borrower pursuant to this Agreement shall be calculated by dividing the appropriate component by the other component, carrying the result to one place more than the number of places by which such ratio is expressed herein and rounding the result up or down to the nearest number (with a rounding-up if there is no nearest number).

1.05 Times of Day; Rates.

Unless otherwise specified, all references herein to times of day shall be references to Eastern time (daylight or standard, as applicable). The Administrative Agent does not warrant, nor accept responsibility, nor shall the Administrative Agent have any liability with respect to, the administration, submission or any other matter related to the rates in the definition of “Term SOFR” or with respect to any comparable or successor rate thereto.

1.06 Letter of Credit Amounts.

Unless otherwise specified herein, the amount of a Letter of Credit at any time shall be deemed to be the stated amount of such Letter of Credit in effect at such time; provided, however, that with respect to any Letter of Credit that, by its terms or the terms of any Issuer Document related thereto, provides for one or more automatic increases in the stated amount thereof, the amount of such Letter of Credit shall be deemed to be the maximum stated amount of such Letter of Credit after giving effect to all such increases, whether or not such maximum stated amount is in effect at such time.

1.07 Limited Condition Transactions.

Notwithstanding anything to the contrary herein, if in connection with any Limited Condition Transaction or any transaction related thereto (including a Borrowing under an Incremental Term Facility but excluding a Borrowing of Revolving Loans or Swing Line Loans), this Agreement or any other Loan Document requires (x) compliance with any financial ratio or test, (y) accuracy of any representation or warranty or the absence of any Default or Event of Default or (z) compliance with any basket (including any basket measured as a percentage of any financial metric) as a condition to such Limited Condition Transaction or other transaction, then, at the option of the Borrower (the Borrower’s election to exercise such option in connection with any Limited Condition Transaction, an “LCT Election”), the date of determination of whether such requirement (other than the absence of a Specified Event of Default) is satisfied shall be the date the definitive agreement for such Limited Condition Transaction is entered into (the “LCT Test Date”), and if the Borrower or the relevant Subsidiary, as applicable, would have satisfied such requirements on the LCT Test Date then the Borrower or such Subsidiary shall be deemed to have complied with such requirement, provided that (1) the LCT Test Date shall not occur more than 90 days prior to the consummation of the Limited Condition Transaction and (2) with respect to any determination of whether the absence of a Default or Event of Default requirement is satisfied, such requirement shall be satisfied only if there is no Default or Event of Default as of the LCT Test Date and no Specified Event of Default immediately prior to the consummation of such Limited Condition Transaction. For the avoidance of doubt, if the Borrower has made an LCT Election and any of the ratios, tests or baskets for which compliance was determined or tested as of the LCT Test Date are exceeded as a result of fluctuations in any such ratio, test or basket, including due to fluctuations in Consolidated EBITDA or any financial metric of the Person subject to such Limited Condition Transaction, at or prior to the consummation of such Limited Condition Transaction, such baskets, tests or ratios will not be deemed to have been exceeded as a result of such fluctuations. If the Borrower has made an LCT Election for any Limited Condition Transaction, then in connection with any calculation of any ratio, test or basket availability with respect to any transaction that is not entered into in connection with such Limited Condition Transaction (a “Subsequent Transaction”) and prior to the earlier of (x) the date on which such Limited Condition Transaction is consummated or (y) the date that the definitive agreement for such Limited Condition Transaction is terminated or expires without consummation of such Limited Condition Transaction (or the date on which the Borrower demonstrates to the Administrative Agent that it has elected not to pursue such Limited Condition Transaction) (such earlier date, the “LCT End Date”), then

for purposes of determining whether such Subsequent Transaction is permitted under this Agreement, any such ratio, test or basket shall be required to be satisfied on a Pro Forma Basis assuming such Limited Condition Transaction and other transactions to be entered into in connection therewith (including any incurrence of Indebtedness and the use of proceeds thereof) have been consummated (and, if such Subsequent Transaction is the making of a Restricted Payment or an Unsecured Debt Prepayment, assuming such Limited Condition Transaction and other transactions to be entered into in connection therewith have not been consummated).

ARTICLE II

THE COMMITMENTS AND CREDIT EXTENSIONS

2.01 Revolving Loans and Term ~~Loan~~ Loans.

(a) Revolving Loans. Subject to the terms and conditions set forth herein, each Lender severally agrees to make loans (each such loan, a “Revolving Loan”) to the Borrower in Dollars from time to time on any Business Day during the Availability Period in an aggregate amount not to exceed at any time outstanding the amount of such Lender’s Revolving Commitment; provided, however, that after giving effect to any Borrowing of Revolving Loans, (i) the Total Revolving Outstandings shall not exceed the Borrowing Availability, and (ii) the Revolving Credit Exposure of any Lender shall not exceed such Lender’s Revolving Commitment. Within the limits of each Lender’s Revolving Commitment, and subject to the other terms and conditions hereof, the Borrower may borrow under this Section 2.01(a), prepay under Section 2.05, and reborrow under this Section 2.01(a). Revolving Loans may be Base Rate Loans or Term SOFR Loans, or a combination thereof, as further provided herein, provided, however, all Borrowings made on the Closing Date shall be made as Base Rate Loans unless the Administrative Agent shall have received an acceptable funding indemnity letter with respect to a Borrowing of Term SOFR Loans.

~~(b) Term Loan.~~

~~(b) Term Loans. On the Closing Date each Lender made a term loan to the Borrower in Dollars (the “Initial Term Loan”). On the First Incremental Facility Effective Date the Lenders identified in the First Incremental Facility Amendment made an Incremental Term Facility to the Borrower in Dollars (the “First Incremental Term Loan”). Pursuant to the First Incremental Facility Amendment (x) the First Incremental Term Loan was an additional advance of the Initial Term Loan and (y) the Initial Term Loan and the First Incremental Term Loan were deemed one term loan constituting the “Term Loan” as such term is defined in this Agreement as in effect immediately prior to the Sixth Amendment Effective Date (the “Existing Term Loan”). Pursuant to the Sixth Amendment on the Sixth Amendment Effective Date, Lenders have agreed to extend the maturity date of the Outstanding Amount of the Existing Term Loan held by such Lenders (as extended, the “Term Loan”). The Outstanding Amount of the Term Loan held by each Lender on the Sixth Amendment Effective Date after giving effect to the Sixth Amendment are set forth on Schedule 2.01 to the Sixth Amendment. Amounts repaid on the Term Loans may not be reborrowed. The Term Loans may consist of Base Rate Loans or Term SOFR Loans, or a combination thereof, as further provided herein.~~

~~(i) Subject to the terms and conditions set forth herein, each Lender severally agrees to make its portion of a term loan (the “Term Loan”) to the Borrower in Dollars on the Closing Date in an amount not to exceed such Lender’s Term Loan Commitment. Amounts repaid on the Term Loan may not be reborrowed. The Term Loan may consist of Base Rate Loans or Term~~

~~SOFR Loans, or a combination thereof, as further provided herein; provided, however, all Borrowings made on the Closing Date shall be made as Base Rate Loans unless the Administrative Agent shall have received an acceptable funding indemnity letter with respect to a Borrowing of Term SOFR Loans.~~

~~(ii) Incremental Delayed Draw Term Loan Commitment. Subject to the terms and conditions set forth herein, each Lender with an Incremental Delayed Draw Term Loan Commitment severally agrees to make its portion of a term loan (the "Incremental Delayed Draw Term Loan") to the Borrower from time to time in no more than two draws on any Business Day during the Incremental DDTL Availability Period in a principal amount not to exceed such Lender's Incremental Delayed Draw Term Loan Commitment. Amounts repaid on the Incremental Delayed Draw Term Loan may not be reborrowed. The Incremental Delayed Draw Term Loan may consist of Base Rate Loans or Term SOFR Loans, or a combination thereof, as further provided herein.~~

(c) Incremental Facilities. The Borrower may from time to time after the Closing Date ~~and prior to the~~ the Fifth/Sixth Amendment Effective Date, establish one or more tranches of term loans or increase an outstanding tranche of term loans (each an "Incremental Term Facility"), and/or increase the Aggregate Revolving Commitments (each such increase, an "Incremental Revolving Increase"; each Incremental Term Facility and each Incremental Revolving Increase are collectively referred to as "Incremental Facilities") to this Agreement at the option of the Borrower by an agreement in writing entered into by the Borrower, the Administrative Agent and each Person (including any existing Lender) that agrees to provide a portion of such Incremental Facility (each an "Incremental Facility Amendment"); provided that:

(i) the principal amount of such Incremental Facility shall not exceed the greater of:

(A) ~~\$250,000,000~~ 150,000,000 minus the aggregate initial principal amount of all previously incurred Incremental Facilities; and

(B) the maximum amount that, after giving effect to such Incremental Facility on a Pro Forma Basis, would not cause the Consolidated Senior Secured Leverage Ratio to exceed ~~3.00~~ 2.00:1.00 assuming the full amount of such Incremental Facility is fully drawn and excluding the proceeds of such Incremental Facility from the cash netting in Consolidated Net Indebtedness for purposes of such calculation of the Consolidated Senior Secured Leverage Ratio.

(ii) no Default shall have occurred and be continuing, and no Default would exist after giving effect to any Incremental Facility, both on the date on which such Incremental Facility is requested and on the date on which such Incremental Facility is to become effective;

(iii) each Incremental Facility shall be in a minimum amount of \$10,000,000 and in integral multiples of \$1,000,000 in excess thereof (or such lesser amounts as the Administrative Agent may agree);

(iv) no existing Lender shall be under any obligation to provide any Incremental Facility Commitment and any such decision whether to provide an Incremental Facility Commitment shall be in such Lender's sole and absolute discretion;

(v) the borrower and guarantors for each Incremental Facility shall be the same as for the Revolving Facility and Term ~~Facility Loans~~, each Incremental Facility shall be secured by Liens in the Collateral that are parity with the Liens in the Collateral securing the Obligations and each Incremental Facility shall rank *pari passu* in right of payment with the Obligations;

(vi) each Incremental Facility shall be effective only upon receipt by the Administrative Agent of (A) additional commitments in respect of such requested Incremental Facility (each an “Incremental Facility Commitment”) from either existing Lenders and/or one or more other institutions that qualify as Eligible Assignees and (B) documentation from each Person providing an Incremental Facility Commitment evidencing its Incremental Facility Commitment and its obligations under this Agreement in form and substance acceptable to the Administrative Agent;

(vii) the Administrative Agent shall have received:

(A) a certificate of the Borrower dated as of the effective date of such Incremental Facility signed by a Responsible Officer of the Borrower (1) certifying and attaching resolutions adopted by the board of directors or equivalent governing body of the Borrower approving such Incremental Facility (which may be the same resolutions as those delivered pursuant to Section 4.01(c)(ii), if such resolutions are deemed appropriate by the Administrative Agent for purposes of approving the Incremental Facility and authorizing the necessary actions incident thereto), and (2) certifying that, before and after giving effect to such Incremental Facility, (x) the representations and warranties contained in Article V or any other Loan Document, or which are contained in any document furnished at any time under or in connection herewith or therewith, are true and correct in all material respects (or, in the case of any such representations and warranties that are qualified by materiality or Material Adverse Effect, in all respects as drafted) on and as of the date of such Incremental Facility, except to the extent that such representations and warranties specifically refer to an earlier date, in which case they shall be true and correct in all material respects (or, in the case of any such representations and warranties that are qualified by materiality or Material Adverse Effect, in all respects as drafted) as of such earlier date, and (y) no Default exists;

(B) a Pro Forma Compliance Certificate demonstrating that after giving effect to the incurrence of such Incremental Facility (and (1) assuming that the entire amount of such Incremental Facility is funded and (2) excluding the proceeds of such Incremental Facility from the cash netting in Consolidated Net Indebtedness for purposes of calculation of the Consolidated Senior Secured Leverage Ratio and the Consolidated Total Leverage Ratio) the Borrower is in compliance with the financial covenants in Section 7.11 on a Pro Forma Basis;

(C) such amendments to the Collateral Documents as the Administrative Agent reasonably requests to cause the Collateral Documents to secure the Obligations after giving effect to such Incremental Facility;

(D) to the extent requested by the Administrative Agent, customary opinions of legal counsel to the Borrower, addressed to the Administrative Agent and each Lender (including each Person providing an Incremental Facility Commitment), dated as of the effective date of such Incremental Facility; and

(E) such other documents and certificates it may reasonably request relating to the necessary authority for such Incremental Facility and the validity of such Incremental Facility, and any other matters relevant thereto, all in form and substance reasonably satisfactory to the Administrative Agent;

(viii) in the case of an Incremental Revolving Increase:

(A) the terms and conditions of such Incremental Revolving Increase (other than upfront fees payable to the Lenders providing such Incremental Revolving Increase and arrangement, structuring, underwriting and similar fees not paid generally to all Lenders providing such Incremental Revolving Increase) shall be the same as the terms applicable to the Aggregate Revolving Commitments hereunder; and

(B) on the effective date of such Incremental Revolving Increase, the existing Lenders with Revolving Commitments shall make such assignments (which assignments shall not be subject to the requirements set forth in Section 10.06(b)) of the outstanding Revolving Loans and participation interests in Letters of Credit and Swing Line Loans to the Lenders providing such Incremental Revolving Increase, and the Administrative Agent may make such adjustments to the Register as are necessary, so that after giving effect to such Incremental Revolving Increase and such assignments and adjustments, each Lender (including the Lenders providing such Incremental Revolving Increase) will hold its pro rata share (based on its Applicable Percentage of the increased Aggregate Revolving Commitments) of outstanding Revolving Loans and participation interests in Letters of Credit and Swing Line Loans;

(ix) in the case of an Incremental Term Facility structured as a separate term loan:

(A) the interest rate, interest rate margins, interest rate floors, fees, original issue discount, prepayment premiums, amortization, mandatory prepayments, “most favored nation” pricing protection and final maturity date for such Incremental Term Facility shall be as agreed by the Borrower and the Lenders providing such Incremental Term Facility; provided that:

(1) the final maturity of such Incremental Term Facility shall not be earlier than the latest Maturity Date then applicable to the Term ~~Loan~~ Loans;

(2) the Average Life of such Incremental Term Facility shall not be shorter than the then remaining Weighted Average Life of the Term ~~Loan~~ Loans; and

(3) prepayment requirements of such Incremental Term Facility shall be customary for such type of term loan facilities (as determined by the Administrative Agent in its discretion);

(B) all other terms and conditions applicable to such Incremental Term Facility shall be the same as the terms and conditions applicable to the Term ~~Loan or~~ Loans shall be customary for tranche A term loans or a tranche B term loans, as applicable, as determined by the Administrative Agent in its discretion or shall otherwise be acceptable to the Administrative Agent in its discretion;

(C) the proceeds of such Incremental Term Facility shall be used for the purposes described in the definitive documentation for such Incremental Term Facility; and

(D) each Incremental Term Facility that is structured as a separate term loan shall share ratably in any prepayments of the Term ~~Loan~~Loans and any other Incremental Term Facilities pursuant to Section 2.05 (or otherwise provide for more favorable prepayment treatment for the then outstanding Term ~~Loan~~Loans and any other Incremental Term Facilities) and shall have ratably voting rights with the Term ~~Loan~~Loans and any other Incremental Term Facilities (or otherwise provide for more favorable voting rights for the then outstanding Term ~~Loan~~Loans and any other Incremental Term Facilities).

(x) in the case of an Incremental Term Facility that is structured as an increase to an existing term loan tranche, the terms and conditions of such Incremental Term Facility (other than upfront fees payable to the Lenders providing such Incremental Term Facility and arrangement, structuring, underwriting and similar fees not paid generally to all Lenders providing such Incremental Term Facility) shall be the same as the terms applicable to ~~the~~applicable Term Loan hereunder.

The Incremental Facility Commitments and credit extensions thereunder shall constitute Commitments and Credit Extensions under, and shall be entitled to all the benefits afforded by, this Agreement and the other Loan Documents, and shall, without limiting the foregoing, benefit equally and ratably from the security interests created by the Collateral Documents and any guarantees provided with respect to the Obligations. The Lenders hereby authorize the Administrative Agent to enter into, and the Lenders agree that this Agreement and the other Loan Documents shall be amended by, such Incremental Facility Amendments to the extent (and only to the extent) the Administrative Agent deems necessary in order to establish Incremental Facilities on terms consistent with and/or to effect the provisions of this Section 2.01(c). The Administrative Agent shall promptly notify each Lender as to the effectiveness of each Incremental Facility Amendment.

2.02 Borrowings, Conversions and Continuations of Loans.

(a) Each Borrowing, each conversion of Loans from one Type to the other, and each continuation of Term SOFR Loans shall be made upon the Borrower's irrevocable notice to the Administrative Agent, which may be given by (A) telephone or (B) a Loan Notice; *provided* that any telephonic notice must be confirmed immediately by delivery to the Administrative Agent of a Loan Notice. Each such Loan Notice must be received by the Administrative Agent not later than 11:00 a.m. (i) two Business Days prior to the requested date of any Borrowing of, conversion to or continuation of Term SOFR Loans or of any conversion of Term SOFR Loans to Base Rate Loans, and (ii) on the requested date of any Borrowing of Base Rate Loans. Each Borrowing of, conversion to or continuation of Term SOFR Loans shall be in a principal amount of \$1,000,000 or a whole multiple of \$100,000 in excess thereof. Except as provided in Sections 2.03(c) and 2.04(c), each Borrowing of or conversion to Base Rate Loans shall be in a principal amount of \$1,000,000 or a whole multiple of \$100,000 in excess thereof. Each Loan Notice shall specify (i) whether the Borrower is requesting a Borrowing, a conversion of Loans from one Type to the other, or a continuation of Term SOFR Loans, (ii) the requested date of the Borrowing, conversion or continuation, as the case may be (which shall be a Business Day), (iii) the principal amount of Loans to be borrowed, converted or continued, (iv) the Type of Loans to be borrowed or to which existing Loans are to be converted, and (v) if applicable, the duration of the Interest Period with respect thereto. If the Borrower fails to specify a Type of a Loan in a Loan Notice or if the Borrower fails to give a timely notice requesting a conversion or continuation, then the applicable Loans shall be made as, or converted to, Base Rate Loans. Any such automatic conversion to Base Rate Loans shall be

effective as of the last day of the Interest Period then in effect with respect to the applicable Term SOFR Loans. If the Borrower requests a Borrowing of, conversion to, or continuation of Term SOFR Loans in any Loan Notice, but fails to specify an Interest Period, it will be deemed to have specified an Interest Period of one month.

(b) Following receipt of a Loan Notice, the Administrative Agent shall promptly notify each Lender of the amount of its Applicable Percentage of the applicable Loans, and if no timely notice of a conversion or continuation is provided by the Borrower, the Administrative Agent shall notify each Lender of the details of any automatic conversion to Base Rate Loans described in the preceding subsection. In the case of a Borrowing, each Lender shall make the amount of its Loan available to the Administrative Agent in immediately available funds at the Administrative Agent's Office not later than 1:00 p.m. on the Business Day specified in the applicable Loan Notice. Upon satisfaction of the applicable conditions set forth in Section 4.02 (and, if such Borrowing is the initial Credit Extension, Section 4.01), the Administrative Agent shall make all funds so received available to the Borrower in like funds as received by the Administrative Agent either by (i) crediting the account of the Borrower on the books of Bank of America with the amount of such funds or (ii) wire transfer of such funds, in each case in accordance with instructions provided to (and reasonably acceptable to) the Administrative Agent by the Borrower; provided, however, that if, on the date the Loan Notice with respect to a Borrowing of Revolving Loans is given by the Borrower, there are L/C Borrowings outstanding, then the proceeds of such Borrowing, first, shall be applied to the payment in full of any such L/C Borrowings, and second, shall be made available to the Borrower as provided above.

(c) Except as otherwise provided herein, a Term SOFR Loan may be continued or converted only on the last day of an Interest Period for such Term SOFR Loan. During the existence of a Default, no Loans may be requested as, converted to or continued as Term SOFR Loans without the consent of the Required Lenders.

(d) The Administrative Agent shall promptly notify the Borrower and the Lenders of the interest rate applicable to any Interest Period for Term SOFR Loans upon determination of such interest rate.

(e) After giving effect to all Borrowings, all conversions of Loans from one Type to the other, and all continuations of Loans as the same Type, there shall not be more than five (5) Interest Periods (or such greater number approved by the Administrative Agent) in effect with respect to ~~Revolving Loans and not be more than two (2) Interest Periods (or such greater number approved by the Administrative Agent) in effect with respect to the Term Loan~~ all Loans.

(f) This Section 2.02 shall not apply to Swing Line Loans.

(g) Notwithstanding anything to the contrary in this Agreement, any Lender may exchange, continue or rollover all of the portion of its Loans in connection with any repricing, refinancing, extension, amendment and restatement, loan modification or similar transaction permitted by the terms of this Agreement, pursuant to a cashless settlement mechanism approved by the Borrower, the Administrative Agent, and such Lender.

(h) With respect to SOFR or Term SOFR, the Administrative Agent will have the right to make Conforming Changes from time to time and, notwithstanding anything to the contrary herein or in any other Loan Document, any amendments implementing such Conforming Changes will become effective without any further action or consent of any other party to this Agreement or any other Loan

Document; provided that, with respect to any such amendment effected, the Administrative Agent shall post each such amendment implementing such Conforming Changes to the Borrower and the Lenders reasonably promptly after such amendment becomes effective.

2.03 Letters of Credit.

(a) The Letter of Credit Commitment.

(i) Subject to the terms and conditions set forth herein, (A) the L/C Issuer agrees, in reliance upon the agreements of the Lenders set forth in this Section 2.03, (1) from time to time on any Business Day during the period from the Closing Date until the Letter of Credit Expiration Date, to issue Letters of Credit in Dollars for the account of the Borrower or any Subsidiary, and to amend or extend Letters of Credit previously issued by it, in accordance with subsection (b) below, and (2) to honor drawings under the Letters of Credit; and (B) the Lenders severally agree to participate in Letters of Credit issued for the account of the Borrower or any Subsidiary and any drawings thereunder; provided that after giving effect to any L/C Credit Extension with respect to any Letter of Credit, (x) the Total Revolving Outstandings shall not exceed the Borrowing Availability, (y) the Revolving Credit Exposure of any Lender shall not exceed such Lender's Revolving Commitment and (z) the Outstanding Amount of the L/C Obligations shall not exceed the Letter of Credit Sublimit. Each request by the Borrower for the issuance or amendment of a Letter of Credit shall be deemed to be a representation by the Borrower that the L/C Credit Extension so requested complies with the conditions set forth in the proviso to the preceding sentence. Within the foregoing limits, and subject to the terms and conditions hereof, the Borrower's ability to obtain Letters of Credit shall be fully revolving, and accordingly the Borrower may, during the foregoing period, obtain Letters of Credit to replace Letters of Credit that have expired or that have been drawn upon and reimbursed. All Existing Letters of Credit shall be deemed to have been issued pursuant hereto, and from and after the Closing Date shall be subject to and governed by the terms and conditions hereof.

(ii) The L/C Issuer shall not issue any Letter of Credit if:

(A) subject to Section 2.03(b)(iii), the expiry date of the requested Letter of Credit would occur more than twelve months after the date of issuance or last extension, unless the Required Revolving Lenders have approved such expiry date; or

(B) the expiry date of such requested Letter of Credit would occur after the Letter of Credit Expiration Date, unless all the Lenders that have Revolving Commitments have approved such expiry date.

(iii) The L/C Issuer shall not be under any obligation to issue any Letter of Credit if:

(A) any order, judgment or decree of any Governmental Authority or arbitrator shall by its terms purport to enjoin or restrain the L/C Issuer from issuing such Letter of Credit, or any Law applicable to the L/C Issuer or any request or directive (whether or not having the force of Law) from any Governmental Authority with jurisdiction over the L/C Issuer shall prohibit, or request that the L/C Issuer refrain from, the issuance of letters of credit generally or such Letter of Credit in particular or shall impose upon the L/C Issuer with respect to such Letter of Credit any restriction, reserve or capital requirement (for which the L/C Issuer is not otherwise compensated hereunder) not in effect on the Closing Date, or shall impose upon the L/C Issuer any unreimbursed loss, cost or expense which was not applicable on the Closing Date and which the L/C Issuer in good faith deems material to it;

(B) the issuance of such Letter of Credit would violate one or more policies of the L/C Issuer applicable to letters of credit generally;

(C) [reserved];

(D) such Letter of Credit is to be denominated in a currency other than Dollars;

(E) any Lender is at that time a Defaulting Lender, unless the L/C Issuer has entered into arrangements, including the delivery of Cash Collateral, satisfactory to the L/C Issuer (in its sole discretion) with the Borrower or such Defaulting Lender to eliminate the L/C Issuer's actual or potential Fronting Exposure (after giving effect to Section 2.15(b)) with respect to the Defaulting Lender arising from either the Letter of Credit then proposed to be issued or that Letter of Credit and all other L/C Obligations as to which the L/C Issuer has actual or potential Fronting Exposure, as it may elect in its sole discretion (provided that it is agreed that the delivery by Borrower to the Administrative Agent of Cash Collateral in an amount equal to the L/C Issuer's actual or potential Fronting Exposure (either arising from the Letter of Credit then proposed to be issued or that Letter of Credit and all other L/C Obligations as to which the L/C Issuer has actual or potential Fronting Exposure, as the L/C Issuer requires) shall constitute an arrangement satisfactory to the L/C Issuer as contemplated by this paragraph (E)); or

(F) such Letter of Credit contains any provisions for automatic reinstatement of the stated amount after any drawing thereunder.

(iv) The L/C Issuer shall not amend any Letter of Credit if the L/C Issuer would not be permitted at such time to issue such Letter of Credit in its amended form under the terms hereof.

(v) The L/C Issuer shall not be under any obligation to amend any Letter of Credit if (A) the L/C Issuer would have no obligation at such time to issue such Letter of Credit in its amended form under the terms hereof, or (B) the beneficiary of such Letter of Credit does not accept the proposed amendment to such Letter of Credit.

(vi) The L/C Issuer shall act on behalf of the Lenders with respect to any Letters of Credit issued by it and the documents associated therewith, and the L/C Issuer shall have all of the benefits and immunities (A) provided to the Administrative Agent in Article IX with respect to any acts taken or omissions suffered by the L/C Issuer in connection with Letters of Credit issued by it or proposed to be issued by it and Issuer Documents pertaining to such Letters of Credit as fully as if the term "Administrative Agent" as used in Article IX included the L/C Issuer with respect to such acts or omissions, and (B) as additionally provided herein with respect to the L/C Issuer.

(b) Procedures for Issuance and Amendment of Letters of Credit: Auto-Extension Letters of Credit.

(i) Each Letter of Credit shall be issued or amended, as the case may be, upon the request of the Borrower delivered to the L/C Issuer (with a copy to the Administrative Agent) in the form of a Letter of Credit Application, appropriately completed and signed by a Responsible Officer of the Borrower. Such Letter of Credit Application may be sent by facsimile, by United States mail, by overnight courier, by electronic transmission using the system provided by the L/C Issuer, by personal

delivery or by any other means acceptable to the L/C Issuer. Such Letter of Credit Application must be received by the L/C Issuer and the Administrative Agent not later than 11:00 a.m. at least two Business Days (or such later date and time as the Administrative Agent and the L/C Issuer may agree in a particular instance in their sole discretion) prior to the proposed issuance date or date of amendment, as the case may be. In the case of a request for an initial issuance of a Letter of Credit, such Letter of Credit Application shall specify in form and detail satisfactory to the L/C Issuer: (A) the proposed issuance date of the requested Letter of Credit (which shall be a Business Day); (B) the amount thereof; (C) the expiry date thereof; (D) the name and address of the beneficiary thereof; (E) the documents to be presented by such beneficiary in case of any drawing thereunder; (F) the full text of any certificate to be presented by such beneficiary in case of any drawing thereunder; (G) the purpose and nature of the requested Letter of Credit; and (H) such other matters as the L/C Issuer may require. In the case of a request for an amendment of any outstanding Letter of Credit, such Letter of Credit Application shall specify in form and detail satisfactory to the L/C Issuer (A) the Letter of Credit to be amended; (B) the proposed date of amendment thereof (which shall be a Business Day); (C) the nature of the proposed amendment; and (D) such other matters as the L/C Issuer may reasonably require. Additionally, the Borrower shall furnish to the L/C Issuer and the Administrative Agent such other documents and information pertaining to such requested Letter of Credit issuance or amendment, including any Issuer Documents, as the L/C Issuer or the Administrative Agent may require.

(ii) Promptly after receipt of any Letter of Credit Application, the L/C Issuer will confirm with the Administrative Agent (by telephone or in writing) that the Administrative Agent has received a copy of such Letter of Credit Application from the Borrower and, if not, the L/C Issuer will provide the Administrative Agent with a copy thereof. Unless the L/C Issuer has received written notice from any Lender, the Administrative Agent or the Borrower, at least one Business Day prior to the requested date of issuance or amendment of the applicable Letter of Credit, that one or more applicable conditions contained in Article IV shall not then be satisfied, then, subject to the terms and conditions hereof, the L/C Issuer shall, on the requested date, issue a Letter of Credit for the account of the Borrower or the applicable Subsidiary or enter into the applicable amendment, as the case may be, in each case in accordance with the L/C Issuer's usual and customary business practices. Immediately upon the issuance of each Letter of Credit, each Lender with a Revolving Commitment shall be deemed to, and hereby irrevocably and unconditionally agrees to, purchase from the L/C Issuer a risk participation in such Letter of Credit in an amount equal to the product of such Lender's Applicable Percentage (with respect to the Revolving Facility) times the amount of such Letter of Credit.

(iii) If the Borrower so requests in any applicable Letter of Credit Application, the L/C Issuer may, in its sole discretion, agree to issue a Letter of Credit that has automatic extension provisions (each, an "Auto-Extension Letter of Credit"); provided that any such Auto-Extension Letter of Credit must permit the L/C Issuer to prevent any such extension at least once in each twelve-month period (commencing with the date of issuance of such Letter of Credit) by giving prior notice to the beneficiary thereof not later than a day (the "Non-Extension Notice Date") in each such twelve-month period to be agreed upon at the time such Letter of Credit is issued. Unless otherwise directed by the L/C Issuer, the Borrower shall not be required to make a specific request to the L/C Issuer for any such extension. Once an Auto-Extension Letter of Credit has been issued, the Lenders shall be deemed to have authorized (but may not require) the L/C Issuer to permit the extension of such Letter of Credit at any time to an expiry date not later than the Letter of Credit Expiration Date; provided, however, that the L/C Issuer shall not permit any such extension if (A) the L/C Issuer has determined that it would not be permitted at such time to issue such Letter of Credit in its revised form (as extended) under the terms hereof (by reason of the provisions of clause (ii) of Section 2.03(a) or otherwise) and shall not have any obligation to permit such extension if the L/C Issuer has determined that it would have no obligation at such time to issue such

Letter of Credit in its revised form (as extended) under the terms hereof (by reason of the provisions of clause (iii) of Section 2.03(a) or otherwise), or (B) it has received notice (which may be by telephone or in writing) on or before the day that is seven Business Days before the Non-Extension Notice Date (1) from the Administrative Agent that the Required Revolving Lenders have elected not to permit such extension or (2) from the Administrative Agent, any Lender or the Borrower that one or more of the applicable conditions specified in Section 4.02 is not then satisfied, and in each case directing the L/C Issuer not to permit such extension.

(iv) If the Borrower so requests in any applicable Letter of Credit Application, the L/C Issuer may, in its sole discretion, agree to issue a Letter of Credit that permits the automatic reinstatement of all or a portion of the stated amount thereof after any drawing thereunder (each, an “Auto-Reinstatement Letter of Credit”). Unless otherwise directed by the L/C Issuer, the Borrower shall not be required to make a specific request to the L/C Issuer to permit such reinstatement. Once an Auto-Reinstatement Letter of Credit has been issued, except as provided in the following sentence, the Lenders shall be deemed to have authorized (but may not require) the L/C Issuer to reinstate all or a portion of the stated amount thereof in accordance with the provisions of such Letter of Credit. Notwithstanding the foregoing, if such Auto-Reinstatement Letter of Credit permits the L/C Issuer to decline to reinstate all or any portion of the stated amount thereof after a drawing thereunder by giving notice of such non-reinstatement within a specified number of days after such drawing (the “Non-Reinstatement Deadline”), the L/C Issuer shall not permit such reinstatement if it has received a notice (which may be by telephone or in writing) on or before the day that is seven Business Days before the Non-Reinstatement Deadline (A) from the Administrative Agent that the Required Revolving Lenders have elected not to permit such reinstatement or (B) from the Administrative Agent, any Lender or the Borrower that one or more of the applicable conditions specified in Section 4.02 is not then satisfied (treating such reinstatement as an L/C Credit Extension for purposes of this clause) and, in each case, directing the L/C Issuer not to permit such reinstatement.

(v) Promptly after its delivery of any Letter of Credit or any amendment to a Letter of Credit to an advising bank with respect thereto or to the beneficiary thereof, the L/C Issuer will also deliver to the Borrower and the Administrative Agent a true and complete copy of such Letter of Credit or amendment.

(c) Drawings and Reimbursements; Funding of Participations.

(i) Upon receipt from the beneficiary of any Letter of Credit of any notice of drawing under such Letter of Credit, the L/C Issuer shall notify the Borrower and the Administrative Agent thereof. Not later than 11:00 a.m. on the date of any payment by the L/C Issuer under a Letter of Credit (each such date, an “Honor Date”), the Borrower shall reimburse the L/C Issuer through the Administrative Agent in an amount equal to the amount of such drawing. If the Borrower fails to so reimburse the L/C Issuer by such time, the Administrative Agent shall promptly notify each Lender with a Revolving Commitment of the Honor Date, the amount of the unreimbursed drawing (the “Unreimbursed Amount”), and the amount of such Lender’s Applicable Percentage (with respect to the Revolving Facility) thereof. In such event, the Borrower shall be deemed to have requested a Borrowing of Base Rate Loans to be disbursed on the Honor Date in an amount equal to the Unreimbursed Amount, without regard to the minimum and multiples specified in Section 2.02 for the principal amount of Base Rate Loans, but subject to the unutilized portion of the Aggregate Revolving Commitments and the conditions set forth in Section 4.02 (other than the delivery of a Loan Notice). Any notice given by the L/C Issuer or the Administrative Agent pursuant to this Section 2.03(c)(i) may be given by telephone if immediately

confirmed in writing; provided that the lack of such an immediate confirmation shall not affect the conclusiveness or binding effect of such notice.

(ii) Each Lender with a Revolving Commitment shall upon any notice pursuant to Section 2.03(c)(i) make funds available (and the Administrative Agent may apply Cash Collateral provided for this purpose) for the account of the L/C Issuer at the Administrative Agent's Office in an amount equal to its Applicable Percentage (with respect to the Revolving Facility) of the Unreimbursed Amount not later than 1:00 p.m. on the Business Day specified in such notice by the Administrative Agent, whereupon, subject to the provisions of Section 2.03(c)(iii), each Lender that so makes funds available shall be deemed to have made a Revolving Loan that is a Base Rate Loan to the Borrower in such amount. The Administrative Agent shall promptly remit the funds so received to the L/C Issuer.

(iii) With respect to any Unreimbursed Amount that is not fully refinanced by a Borrowing of Base Rate Loans because the conditions set forth in Section 4.02 cannot be satisfied or for any other reason, the Borrower shall be deemed to have incurred from the L/C Issuer an L/C Borrowing in the amount of the Unreimbursed Amount that is not so refinanced, which L/C Borrowing shall be due and payable on demand (together with interest) and shall bear interest at the Default Rate. In such event, each Lender's payment to the Administrative Agent for the account of the L/C Issuer pursuant to Section 2.03(c)(ii) shall be deemed payment in respect of its participation in such L/C Borrowing and shall constitute an L/C Advance from such Lender in satisfaction of its participation obligation under this Section 2.03.

(iv) Until each Lender funds its Revolving Loan or L/C Advance pursuant to this Section 2.03(c) to reimburse the L/C Issuer for any amount drawn under any Letter of Credit, interest in respect of such Lender's Applicable Percentage (with respect to the Revolving Facility) of such amount shall be solely for the account of the L/C Issuer.

(v) Each Lender's obligation to make Revolving Loans or L/C Advances to reimburse the L/C Issuer for amounts drawn under Letters of Credit, as contemplated by this Section 2.03(c), shall be absolute and unconditional and shall not be affected by any circumstance, including (A) any setoff, counterclaim, recoupment, defense or other right which such Lender may have against the L/C Issuer, the Borrower, any Subsidiary or any other Person for any reason whatsoever; (B) the occurrence or continuance of a Default; or (C) any other occurrence, event or condition, whether or not similar to any of the foregoing; provided, however, that each Lender's obligation to make Revolving Loans pursuant to this Section 2.03(c) is subject to the conditions set forth in Section 4.02 (other than delivery by the Borrower of a Loan Notice). No such making of an L/C Advance shall relieve or otherwise impair the obligation of the Borrower to reimburse the L/C Issuer for the amount of any payment made by the L/C Issuer under any Letter of Credit, together with interest as provided herein.

(vi) If any Lender fails to make available to the Administrative Agent for the account of the L/C Issuer any amount required to be paid by such Lender pursuant to the foregoing provisions of this Section 2.03(c) by the time specified in Section 2.03(c)(ii), then, without limiting the other provisions of this Agreement, the L/C Issuer shall be entitled to recover from such Lender (acting through the Administrative Agent), on demand, such amount with interest thereon for the period from the date such payment is required to the date on which such payment is immediately available to the L/C Issuer at a rate per annum equal to the greater of the Federal Funds Rate and a rate determined by the L/C Issuer in accordance with banking industry rules on interbank compensation, plus any administrative, processing or similar fees customarily charged by the L/C Issuer in connection with the foregoing. If such Lender pays such amount (with interest and fees as aforesaid), the amount so paid shall constitute such Lender's

Revolving Loan included in the relevant Borrowing or L/C Advance in respect of the relevant L/C Borrowing, as the case may be. A certificate of the L/C Issuer submitted to any Lender (through the Administrative Agent) with respect to any amounts owing under this clause (vi) shall be conclusive absent manifest error.

(d) Repayment of Participations.

(i) At any time after the L/C Issuer has made a payment under any Letter of Credit and has received from any Lender such Lender's L/C Advance in respect of such payment in accordance with Section 2.03(c), if the Administrative Agent receives for the account of the L/C Issuer any payment in respect of the related Unreimbursed Amount or interest thereon (whether directly from the Borrower or otherwise, including proceeds of Cash Collateral applied thereto by the Administrative Agent), the Administrative Agent will distribute to such Lender its Applicable Percentage (with respect to the Revolving Facility) thereof in the same funds as those received by the Administrative Agent.

(ii) If any payment received by the Administrative Agent for the account of the L/C Issuer pursuant to Section 2.03(c)(i) is required to be returned under any of the circumstances described in Section 10.05 (including pursuant to any settlement entered into by the L/C Issuer in its discretion), each Lender shall pay to the Administrative Agent for the account of the L/C Issuer its Applicable Percentage (with respect to the Revolving Facility) thereof on demand of the Administrative Agent, plus interest thereon from the date of such demand to the date such amount is returned by such Lender, at a rate per annum equal to the Federal Funds Rate from time to time in effect. The obligations of the Lenders under this clause shall survive the payment in full of the Obligations and the termination of this Agreement.

(e) Obligations Absolute. The obligation of the Borrower to reimburse the L/C Issuer for each drawing under each Letter of Credit and to repay each L/C Borrowing shall be absolute, unconditional and irrevocable, and shall be paid strictly in accordance with the terms of this Agreement under all circumstances, including the following:

(i) any lack of validity or enforceability of such Letter of Credit, this Agreement or any other Loan Document;

(ii) the existence of any claim, counterclaim, setoff, defense or other right that the Borrower or any Subsidiary may have at any time against any beneficiary or any transferee of such Letter of Credit (or any Person for whom any such beneficiary or any such transferee may be acting), the L/C Issuer or any other Person, whether in connection with this Agreement, the transactions contemplated hereby or by such Letter of Credit or any agreement or instrument relating thereto, or any unrelated transaction;

(iii) any draft, demand, certificate or other document presented under such Letter of Credit proving to be forged, fraudulent, invalid or insufficient in any respect or any statement therein being untrue or inaccurate in any respect; or any loss or delay in the transmission or otherwise of any document required in order to make a drawing under such Letter of Credit;

(iv) waiver by the L/C Issuer of any requirement that exists for the L/C Issuer's protection and not the protection of the Borrower or any waiver by the L/C Issuer which does not in fact materially prejudice the Borrower;

(v) honor of a demand for payment presented electronically even if such Letter of Credit requires that demand be in the form of a draft;

(vi) any payment made by the L/C Issuer in respect of an otherwise complying item presented after the date specified as the expiration date of, or the date by which documents must be received under such Letter of Credit if presentation after such date is authorized by the UCC, the ISP or the UCP, as applicable;

(vii) any payment by the L/C Issuer under such Letter of Credit against presentation of a draft or certificate that does not strictly comply with the terms of such Letter of Credit; or any payment made by the L/C Issuer under such Letter of Credit to any Person purporting to be a trustee in bankruptcy, debtor-in-possession, assignee for the benefit of creditors, liquidator, receiver or other representative of or successor to any beneficiary or any transferee of such Letter of Credit, including any arising in connection with any proceeding under any Debtor Relief Law; or

(viii) any other circumstance or happening whatsoever, whether or not similar to any of the foregoing, including any other circumstance that might otherwise constitute a defense available to, or a discharge of, the Borrower or any Subsidiary.

The Borrower shall promptly examine a copy of each Letter of Credit and each amendment thereto that is delivered to it and, in the event of any claim of noncompliance with the Borrower's instructions or other irregularity, the Borrower will immediately notify the L/C Issuer. The Borrower shall be conclusively deemed to have waived any such claim against the L/C Issuer and its correspondents unless such notice is given as aforesaid.

(f) Role of L/C Issuer. Each Lender and the Borrower agree that, in paying any drawing under a Letter of Credit, the L/C Issuer shall not have any responsibility to obtain any document (other than any sight draft, certificates and documents expressly required by such Letter of Credit) or to ascertain or inquire as to the validity or accuracy of any such document or the authority of the Person executing or delivering any such document. None of the L/C Issuer, the Administrative Agent, any of their respective Related Parties nor any correspondent, participant or assignee of the L/C Issuer shall be liable to any Lender for (i) any action taken or omitted in connection herewith at the request or with the approval of the Lenders or the Required Revolving Lenders, as applicable; (ii) any action taken or omitted in the absence of gross negligence or willful misconduct; or (iii) the due execution, effectiveness, validity or enforceability of any document or instrument related to any Letter of Credit or Issuer Document. The Borrower hereby assumes all risks of the acts or omissions of any beneficiary or transferee with respect to its use of any Letter of Credit; provided, however, that this assumption is not intended to, and shall not, preclude the Borrower from pursuing such rights and remedies as it may have against the beneficiary or transferee at law or under any other agreement. None of the L/C Issuer, the Administrative Agent, any of their respective Related Parties nor any correspondent, participant or assignee of the L/C Issuer shall be liable or responsible for any of the matters described in clauses (i) through (viii) of Section 2.03(e); provided, however, that anything in such clauses to the contrary notwithstanding, the Borrower may have a claim against the L/C Issuer, and the L/C Issuer may be liable to the Borrower, to the extent, but only to the extent, of any direct, as opposed to consequential or exemplary, damages suffered by the Borrower which the Borrower proves were caused by the L/C Issuer's willful misconduct or gross negligence or the L/C Issuer's willful failure to pay under any Letter of Credit after the presentation to it by the beneficiary of a sight draft and certificate(s) strictly complying with the terms and conditions of a Letter of Credit. In furtherance and not in limitation of the foregoing, the L/C Issuer may accept documents that appear on their face to be in order, without responsibility for further investigation, regardless of any notice or

information to the contrary, and the L/C Issuer shall not be responsible for the validity or sufficiency of any instrument transferring or assigning or purporting to transfer or assign a Letter of Credit or the rights or benefits thereunder or proceeds thereof, in whole or in part, which may prove to be invalid or ineffective for any reason. The L/C Issuer may send a Letter of Credit or conduct any communication to or from the beneficiary via the Society for Worldwide Interbank Financial Telecommunication ("SWIFT") message or overnight courier, or any other commercially reasonable means of communicating with a beneficiary.

(g) Applicability of ISP and UCP; Limitation of Liability. Unless otherwise expressly agreed by the L/C Issuer and the Borrower when a Letter of Credit is issued (including any such agreement applicable to an Existing Letter of Credit), (i) the rules of the ISP shall apply to each standby Letter of Credit and (ii) the rules of the UCP shall apply to each commercial Letter of Credit. Notwithstanding the foregoing, the L/C Issuer shall not be responsible to the Borrower for, and the L/C Issuer's rights and remedies against the Borrower shall not be impaired by, any action or inaction of the L/C Issuer required or permitted under any Law, order, or practice that is required or permitted to be applied to any Letter of Credit or this Agreement, including the Law or any order of a jurisdiction where the L/C Issuer or the beneficiary is located, the practice stated in the ISP or UCP, as applicable, or in the decisions, opinions, practice statements, or official commentary of the ICC Banking Commission, the Bankers Association for Finance and Trade - International Financial Services Association (BAFT-IFSA), or the Institute of International Banking Law & Practice, whether or not any Letter of Credit chooses such Law or practice.

(h) Letter of Credit Fees. The Borrower shall pay to the Administrative Agent for the account of each Lender in accordance, subject to Section 2.15, with its Applicable Percentage (with respect to the Revolving Facility) a Letter of Credit fee (the "Letter of Credit Fee") for each Letter of Credit equal to the Applicable Rate ~~times~~ the daily amount available to be drawn under such Letter of Credit. For purposes of computing the daily amount available to be drawn under any Letter of Credit, the amount of such Letter of Credit shall be determined in accordance with Section 1.06. Letter of Credit Fees shall be (i) due and payable on the first Business Day after the end of each March, June, September and December, commencing with the first such date to occur after the issuance of such Letter of Credit, on the Letter of Credit Expiration Date and thereafter on demand; and (ii) computed on a quarterly basis in arrears. If there is any change in the Applicable Rate during any quarter, the daily amount available to be drawn under each Letter of Credit shall be computed and multiplied by the Applicable Rate separately for each period during such quarter that such Applicable Rate was in effect. Notwithstanding anything to the contrary contained herein, all Letter of Credit Fees shall accrue at the Default Rate during any period when the Default Rate is in effect pursuant to Section 2.08(b)(iii).

(i) Fronting Fees and Documentary and Processing Charges Payable to L/C Issuer. The Borrower shall pay directly to the L/C Issuer for its own account a fronting fee (i) with respect to each commercial Letter of Credit issued by Bank of America, at the rate specified in the Fee Letter, computed on the amount of such Letter of Credit and payable upon the issuance thereof, (ii) with respect to each commercial Letter of Credit issued by U.S. Bank, at the rate and payable on the dates separately agreed by the Borrower and U.S. Bank, (iii) with respect to any amendment of a commercial Letter of Credit increasing the amount of such Letter of Credit, at a rate separately agreed between the Borrower and the L/C Issuer, computed on the amount of such increase, and payable upon the effectiveness of such amendment, (iv) with respect to each standby Letter of Credit issued by Bank of America, at the rate per annum specified in the Fee Letter, computed on the daily amount available to be drawn under such Letter of Credit on a quarterly basis in arrears, and payable on the tenth Business Day after the end of each March, June, September and December in respect of the most recently-ended quarterly period (or portion thereof, in the case of the first payment), commencing with the first such date to occur after the issuance

of such Letter of Credit, on the Letter of Credit Expiration Date and thereafter on demand and (v) with respect to each standby Letter of Credit issued by U.S. Bank, at the rate and payable on the dates separately agreed by the Borrower and U.S. Bank. For purposes of computing the daily amount available to be drawn under any Letter of Credit, the amount of such Letter of Credit shall be determined in accordance with Section 1.06. In addition, the Borrower shall pay directly to the L/C Issuer for its own account the customary issuance, presentation, amendment and other processing fees, and other standard costs and charges, of the L/C Issuer relating to letters of credit as from time to time in effect. Such customary fees and standard costs and charges are due and payable on demand and are nonrefundable.

(j) Conflict with Issuer Documents. In the event of any conflict between the terms hereof and the terms of any Issuer Document, the terms hereof shall control.

(k) Letters of Credit Issued for Subsidiaries. Notwithstanding that a Letter of Credit issued or outstanding hereunder is in support of any obligations of, or is for the account of, a Subsidiary, the Borrower shall be obligated to reimburse the L/C Issuer hereunder for any and all drawings under such Letter of Credit. The Borrower hereby acknowledges that the issuance of Letters of Credit for the account of Subsidiaries inures to the benefit of the Borrower, and that the Borrower's business derives substantial benefits from the businesses of such Subsidiaries.

(l) L/C Issuer Reports to the Administrative Agent. Unless otherwise agreed by the Administrative Agent, the L/C Issuer (other than Bank of America) shall, in addition to its notification obligations set forth elsewhere in this Section, provide the Administrative Agent a Letter of Credit Report (in the form of Exhibit J), as set forth below:

(i) reasonably prior to the time that the L/C Issuer issues, amends, renews, increases or extends a Letter of Credit, the date of such issuance, amendment, renewal, increase or extension and the stated amount of the applicable Letters of Credit after giving effect to such issuance, amendment, renewal, increase or extension (and whether the amounts thereof shall have changed);

(ii) on each Business Day on which the L/C Issuer makes a payment pursuant to a Letter of Credit, the date and amount of such payment;

(iii) on any Business Day on which the Borrower fails to reimburse a payment made pursuant to a Letter of Credit required to be reimbursed to the L/C Issuer on such day, the date of such failure and the amount of such payment;

(iv) on any other Business Day, such other information as the Administrative Agent shall reasonably request as to the Letters of Credit issued by the L/C Issuer; and

(v) for so long as any Letter of Credit issued by the L/C Issuer is outstanding, the L/C Issuer shall deliver to the Administrative Agent (A) on the last Business Day of each calendar month, (B) at all other times a Letter of Credit Report is required to be delivered pursuant to this Agreement, and (C) on each date that (1) an L/C Credit Extension occurs or (2) there is any expiration, cancellation and/or disbursement, in each case, with respect to any such Letter of Credit, a Letter of Credit Report appropriately completed with the information for every outstanding Letter of Credit issued by the L/C Issuer.

2.03 Letters of Credit.

(a) The Letter of Credit Commitment.

(i) Subject to the terms and conditions set forth herein, (A) the L/C Issuer agrees, in reliance upon the agreements of the Lenders set forth in this Section 2.03, (1) from time to time on any Business Day during the period from the Closing Date until the Letter of Credit Expiration Date, to issue Letters of Credit in Dollars for the account of the Borrower or any Subsidiary, and to amend or extend Letters of Credit previously issued by it, in accordance with subsection (b) below, and (2) to honor drawings under the Letters of Credit; and (B) the Lenders severally agree to participate in Letters of Credit issued for the account of the Borrower or any Subsidiary and any drawings thereunder; provided that after giving effect to any L/C Credit Extension with respect to any Letter of Credit, (x) the Total Revolving Outstandings shall not exceed the Borrowing Availability, (y) the Revolving Credit Exposure of any Lender shall not exceed such Lender's Revolving Commitment and (z) the Outstanding Amount of the L/C Obligations shall not exceed the Letter of Credit Sublimit. Each request by the Borrower for the issuance or amendment of a Letter of Credit shall be deemed to be a representation by the Borrower that the L/C Credit Extension so requested complies with the conditions set forth in the proviso to the preceding sentence. Within the foregoing limits, and subject to the terms and conditions hereof, the Borrower's ability to obtain Letters of Credit shall be fully revolving, and accordingly the Borrower may, during the foregoing period, obtain Letters of Credit to replace Letters of Credit that have expired or that have been drawn upon and reimbursed. All Existing Letters of Credit shall be deemed to have been issued pursuant hereto, and from and after the Closing Date shall be subject to and governed by the terms and conditions hereof.

(ii) The L/C Issuer shall not issue any Letter of Credit if:

(A) subject to Section 2.03(b)(iii), the expiry date of the requested Letter of Credit would occur more than twelve months after the date of issuance or last extension, unless the Required Revolving Lenders have approved such expiry date; or

(B) the expiry date of such requested Letter of Credit would occur after the Letter of Credit Expiration Date, unless all the Lenders that have Revolving Commitments have approved such expiry date.

(iii) The L/C Issuer shall not be under any obligation to issue any Letter of Credit if:

(A) any order, judgment or decree of any Governmental Authority or arbitrator shall by its terms purport to enjoin or restrain the L/C Issuer from issuing such Letter of Credit, or any Law applicable to the L/C Issuer or any request or directive (whether or not having the force of Law) from any Governmental Authority with jurisdiction over the L/C Issuer shall prohibit, or request that the L/C Issuer refrain from, the issuance of letters of credit generally or such Letter of Credit in particular or shall impose upon the L/C Issuer with respect to such Letter of Credit any restriction, reserve or capital requirement (for which the L/C Issuer is not otherwise compensated hereunder) not in effect on the Closing Date, or shall impose upon the L/C Issuer any unreimbursed loss, cost or expense which was not applicable on the Closing Date and which the L/C Issuer in good faith deems material to it;

(B) the issuance of such Letter of Credit would violate one or more policies of the L/C Issuer applicable to letters of credit generally;

(C) [reserved];

(D) such Letter of Credit is to be denominated in a currency other than Dollars;

(E) any Lender is at that time a Defaulting Lender, unless the L/C Issuer has entered into arrangements, including the delivery of Cash Collateral, satisfactory to the L/C Issuer (in its sole discretion) with the Borrower or such Defaulting Lender to eliminate the L/C Issuer's actual or potential Fronting Exposure (after giving effect to Section 2.15(b)) with respect to the Defaulting Lender arising from either the Letter of Credit then proposed to be issued or that Letter of Credit and all other L/C Obligations as to which the L/C Issuer has actual or potential Fronting Exposure, as it may elect in its sole discretion (provided that it is agreed that the delivery by Borrower to the Administrative Agent of Cash Collateral in an amount equal to the L/C Issuer's actual or potential Fronting Exposure (either arising from the Letter of Credit then proposed to be issued or that Letter of Credit and all other L/C Obligations as to which the L/C Issuer has actual or potential Fronting Exposure, as the L/C Issuer requires) shall constitute an arrangement satisfactory to the L/C Issuer as contemplated by this paragraph (E)); or

(F) such Letter of Credit contains any provisions for automatic reinstatement of the stated amount after any drawing thereunder.

(iv) The L/C Issuer shall not amend any Letter of Credit if the L/C Issuer would not be permitted at such time to issue such Letter of Credit in its amended form under the terms hereof.

(v) The L/C Issuer shall not be under any obligation to amend any Letter of Credit if (A) the L/C Issuer would have no obligation at such time to issue such Letter of Credit in its amended form under the terms hereof, or (B) the beneficiary of such Letter of Credit does not accept the proposed amendment to such Letter of Credit.

(vi) The L/C Issuer shall act on behalf of the Lenders with respect to any Letters of Credit issued by it and the documents associated therewith, and the L/C Issuer shall have all of the benefits and immunities (A) provided to the Administrative Agent in Article IX with respect to any acts taken or omissions suffered by the L/C Issuer in connection with Letters of Credit issued by it or proposed to be issued by it and Issuer Documents pertaining to such Letters of Credit as fully as if the term "Administrative Agent" as used in Article IX included the L/C Issuer with respect to such acts or omissions, and (B) as additionally provided herein with respect to the L/C Issuer.

(b) Procedures for Issuance and Amendment of Letters of Credit: Auto-Extension Letters of Credit.

(i) Each Letter of Credit shall be issued or amended, as the case may be, upon the request of the Borrower delivered to the L/C Issuer (with a copy to the Administrative Agent) in the form of a Letter of Credit Application, appropriately completed and signed by a Responsible Officer of the Borrower. Such Letter of Credit Application may be sent by facsimile, by United States mail, by overnight courier, by electronic transmission using the system provided by the L/C Issuer, by personal delivery or by any other means acceptable to the L/C Issuer. Such Letter of Credit Application must be received by the L/C Issuer and the Administrative Agent not later than 11:00 a.m. at least two Business Days (or such later date and time as the Administrative Agent and the L/C Issuer may agree in a particular instance in their sole discretion) prior to the proposed issuance date or date of amendment, as the case

may be. In the case of a request for an initial issuance of a Letter of Credit, such Letter of Credit Application shall specify in form and detail satisfactory to the L/C Issuer: (A) the proposed issuance date of the requested Letter of Credit (which shall be a Business Day); (B) the amount thereof; (C) the expiry date thereof; (D) the name and address of the beneficiary thereof; (E) the documents to be presented by such beneficiary in case of any drawing thereunder; (F) the full text of any certificate to be presented by such beneficiary in case of any drawing thereunder; (G) the purpose and nature of the requested Letter of Credit; and (H) such other matters as the L/C Issuer may require. In the case of a request for an amendment of any outstanding Letter of Credit, such Letter of Credit Application shall specify in form and detail satisfactory to the L/C Issuer (A) the Letter of Credit to be amended; (B) the proposed date of amendment thereof (which shall be a Business Day); (C) the nature of the proposed amendment; and (D) such other matters as the L/C Issuer may reasonably require. Additionally, the Borrower shall furnish to the L/C Issuer and the Administrative Agent such other documents and information pertaining to such requested Letter of Credit issuance or amendment, including any Issuer Documents, as the L/C Issuer or the Administrative Agent may require.

(ii) Promptly after receipt of any Letter of Credit Application, the L/C Issuer will confirm with the Administrative Agent (by telephone or in writing) that the Administrative Agent has received a copy of such Letter of Credit Application from the Borrower and, if not, the L/C Issuer will provide the Administrative Agent with a copy thereof. Unless the L/C Issuer has received written notice from any Lender, the Administrative Agent or the Borrower, at least one Business Day prior to the requested date of issuance or amendment of the applicable Letter of Credit, that one or more applicable conditions contained in Article IV shall not then be satisfied, then, subject to the terms and conditions hereof, the L/C Issuer shall, on the requested date, issue a Letter of Credit for the account of the Borrower or the applicable Subsidiary or enter into the applicable amendment, as the case may be, in each case in accordance with the L/C Issuer's usual and customary business practices. Immediately upon the issuance of each Letter of Credit, each Lender with a Revolving Commitment shall be deemed to, and hereby irrevocably and unconditionally agrees to, purchase from the L/C Issuer a risk participation in such Letter of Credit in an amount equal to the product of such Lender's Applicable Percentage (with respect to the Revolving Facility) times the amount of such Letter of Credit.

(iii) If the Borrower so requests in any applicable Letter of Credit Application, the L/C Issuer may, in its sole discretion, agree to issue a Letter of Credit that has automatic extension provisions (each, an "Auto-Extension Letter of Credit"); provided that any such Auto-Extension Letter of Credit must permit the L/C Issuer to prevent any such extension at least once in each twelve-month period (commencing with the date of issuance of such Letter of Credit) by giving prior notice to the beneficiary thereof not later than a day (the "Non-Extension Notice Date") in each such twelve-month period to be agreed upon at the time such Letter of Credit is issued. Unless otherwise directed by the L/C Issuer, the Borrower shall not be required to make a specific request to the L/C Issuer for any such extension. Once an Auto-Extension Letter of Credit has been issued, the Lenders shall be deemed to have authorized (but may not require) the L/C Issuer to permit the extension of such Letter of Credit at any time to an expiry date not later than the Letter of Credit Expiration Date; provided, however, that the L/C Issuer shall not permit any such extension if (A) the L/C Issuer has determined that it would not be permitted at such time to issue such Letter of Credit in its revised form (as extended) under the terms hereof (by reason of the provisions of clause (ii) of Section 2.03(a) or otherwise) and shall not have any obligation to permit such extension if the L/C Issuer has determined that it would have no obligation at such time to issue such Letter of Credit in its revised form (as extended) under the terms hereof (by reason of the provisions of clause (iii) of Section 2.03(a) or otherwise), or (B) it has received notice (which may be by telephone or in writing) on or before the day that is seven Business Days before the Non-Extension Notice Date (1) from the Administrative Agent that the Required Revolving Lenders have elected not to permit such

extension or (2) from the Administrative Agent, any Lender or the Borrower that one or more of the applicable conditions specified in Section 4.02 is not then satisfied, and in each case directing the L/C Issuer not to permit such extension.

(iv) If the Borrower so requests in any applicable Letter of Credit Application, the L/C Issuer may, in its sole discretion, agree to issue a Letter of Credit that permits the automatic reinstatement of all or a portion of the stated amount thereof after any drawing thereunder (each, an “Auto-Reinstatement Letter of Credit”). Unless otherwise directed by the L/C Issuer, the Borrower shall not be required to make a specific request to the L/C Issuer to permit such reinstatement. Once an Auto-Reinstatement Letter of Credit has been issued, except as provided in the following sentence, the Lenders shall be deemed to have authorized (but may not require) the L/C Issuer to reinstate all or a portion of the stated amount thereof in accordance with the provisions of such Letter of Credit. Notwithstanding the foregoing, if such Auto-Reinstatement Letter of Credit permits the L/C Issuer to decline to reinstate all or any portion of the stated amount thereof after a drawing thereunder by giving notice of such non-reinstatement within a specified number of days after such drawing (the “Non-Reinstatement Deadline”), the L/C Issuer shall not permit such reinstatement if it has received a notice (which may be by telephone or in writing) on or before the day that is seven Business Days before the Non-Reinstatement Deadline (A) from the Administrative Agent that the Required Revolving Lenders have elected not to permit such reinstatement or (B) from the Administrative Agent, any Lender or the Borrower that one or more of the applicable conditions specified in Section 4.02 is not then satisfied (treating such reinstatement as an L/C Credit Extension for purposes of this clause) and, in each case, directing the L/C Issuer not to permit such reinstatement.

(v) Promptly after its delivery of any Letter of Credit or any amendment to a Letter of Credit to an advising bank with respect thereto or to the beneficiary thereof, the L/C Issuer will also deliver to the Borrower and the Administrative Agent a true and complete copy of such Letter of Credit or amendment.

(c) Drawings and Reimbursements; Funding of Participations.

(i) Upon receipt from the beneficiary of any Letter of Credit of any notice of drawing under such Letter of Credit, the L/C Issuer shall notify the Borrower and the Administrative Agent thereof. Not later than 11:00 a.m. on the date of any payment by the L/C Issuer under a Letter of Credit (each such date, an “Honor Date”), the Borrower shall reimburse the L/C Issuer through the Administrative Agent in an amount equal to the amount of such drawing. If the Borrower fails to so reimburse the L/C Issuer by such time, the Administrative Agent shall promptly notify each Lender with a Revolving Commitment of the Honor Date, the amount of the unreimbursed drawing (the “Unreimbursed Amount”), and the amount of such Lender’s Applicable Percentage (with respect to the Revolving Facility) thereof. In such event, the Borrower shall be deemed to have requested a Borrowing of Base Rate Loans to be disbursed on the Honor Date in an amount equal to the Unreimbursed Amount, without regard to the minimum and multiples specified in Section 2.02 for the principal amount of Base Rate Loans, but subject to the unutilized portion of the Aggregate Revolving Commitments and the conditions set forth in Section 4.02 (other than the delivery of a Loan Notice). Any notice given by the L/C Issuer or the Administrative Agent pursuant to this Section 2.03(c)(i) may be given by telephone if immediately confirmed in writing; provided that the lack of such an immediate confirmation shall not affect the conclusiveness or binding effect of such notice.

(ii) Each Lender with a Revolving Commitment shall upon any notice pursuant to Section 2.03(c)(i) make funds available (and the Administrative Agent may apply Cash Collateral

provided for this purpose) for the account of the L/C Issuer at the Administrative Agent's Office in an amount equal to its Applicable Percentage (with respect to the Revolving Facility) of the Unreimbursed Amount not later than 1:00 p.m. on the Business Day specified in such notice by the Administrative Agent, whereupon, subject to the provisions of Section 2.03(c), each Lender that so makes funds available shall be deemed to have made a Revolving Loan that is a Base Rate Loan to the Borrower in such amount. The Administrative Agent shall promptly remit the funds so received to the L/C Issuer.

(iii) With respect to any Unreimbursed Amount that is not fully refinanced by a Borrowing of Base Rate Loans because the conditions set forth in Section 4.02 cannot be satisfied or for any other reason, the Borrower shall be deemed to have incurred from the L/C Issuer an L/C Borrowing in the amount of the Unreimbursed Amount that is not so refinanced, which L/C Borrowing shall be due and payable on demand (together with interest) and shall bear interest at the Default Rate. In such event, each Lender's payment to the Administrative Agent for the account of the L/C Issuer pursuant to Section 2.03(c)(ii) shall be deemed payment in respect of its participation in such L/C Borrowing and shall constitute an L/C Advance from such Lender in satisfaction of its participation obligation under this Section 2.03.

(iv) Until each Lender funds its Revolving Loan or L/C Advance pursuant to this Section 2.03(c) to reimburse the L/C Issuer for any amount drawn under any Letter of Credit, interest in respect of such Lender's Applicable Percentage (with respect to the Revolving Facility) of such amount shall be solely for the account of the L/C Issuer.

(v) Each Lender's obligation to make Revolving Loans or L/C Advances to reimburse the L/C Issuer for amounts drawn under Letters of Credit, as contemplated by this Section 2.03(c), shall be absolute and unconditional and shall not be affected by any circumstance, including (A) any setoff, counterclaim, recoupment, defense or other right which such Lender may have against the L/C Issuer, the Borrower, any Subsidiary or any other Person for any reason whatsoever; (B) the occurrence or continuance of a Default; or (C) any other occurrence, event or condition, whether or not similar to any of the foregoing; provided, however, that each Lender's obligation to make Revolving Loans pursuant to this Section 2.03(c) is subject to the conditions set forth in Section 4.02 (other than delivery by the Borrower of a Loan Notice). No such making of an L/C Advance shall relieve or otherwise impair the obligation of the Borrower to reimburse the L/C Issuer for the amount of any payment made by the L/C Issuer under any Letter of Credit, together with interest as provided herein.

(vi) If any Lender fails to make available to the Administrative Agent for the account of the L/C Issuer any amount required to be paid by such Lender pursuant to the foregoing provisions of this Section 2.03(c) by the time specified in Section 2.03(c)(ii), then, without limiting the other provisions of this Agreement, the L/C Issuer shall be entitled to recover from such Lender (acting through the Administrative Agent), on demand, such amount with interest thereon for the period from the date such payment is required to the date on which such payment is immediately available to the L/C Issuer at a rate per annum equal to the greater of the Federal Funds Rate and a rate determined by the L/C Issuer in accordance with banking industry rules on interbank compensation, plus any administrative, processing or similar fees customarily charged by the L/C Issuer in connection with the foregoing. If such Lender pays such amount (with interest and fees as aforesaid), the amount so paid shall constitute such Lender's Revolving Loan included in the relevant Borrowing or L/C Advance in respect of the relevant L/C Borrowing, as the case may be. A certificate of the L/C Issuer submitted to any Lender (through the Administrative Agent) with respect to any amounts owing under this clause (vi) shall be conclusive absent manifest error.

(d) Repayment of Participations.

(i) At any time after the L/C Issuer has made a payment under any Letter of Credit and has received from any Lender such Lender's L/C Advance in respect of such payment in accordance with Section 2.03(c), if the Administrative Agent receives for the account of the L/C Issuer any payment in respect of the related Unreimbursed Amount or interest thereon (whether directly from the Borrower or otherwise, including proceeds of Cash Collateral applied thereto by the Administrative Agent), the Administrative Agent will distribute to such Lender its Applicable Percentage (with respect to the Revolving Facility) thereof in the same funds as those received by the Administrative Agent.

(ii) If any payment received by the Administrative Agent for the account of the L/C Issuer pursuant to Section 2.03(c)(i) is required to be returned under any of the circumstances described in Section 10.05 (including pursuant to any settlement entered into by the L/C Issuer in its discretion), each Lender shall pay to the Administrative Agent for the account of the L/C Issuer its Applicable Percentage (with respect to the Revolving Facility) thereof on demand of the Administrative Agent, plus interest thereon from the date of such demand to the date such amount is returned by such Lender, at a rate per annum equal to the Federal Funds Rate from time to time in effect. The obligations of the Lenders under this clause shall survive the payment in full of the Obligations and the termination of this Agreement.

(e) Obligations Absolute. The obligation of the Borrower to reimburse the L/C Issuer for each drawing under each Letter of Credit and to repay each L/C Borrowing shall be absolute, unconditional and irrevocable, and shall be paid strictly in accordance with the terms of this Agreement under all circumstances, including the following:

(i) any lack of validity or enforceability of such Letter of Credit, this Agreement or any other Loan Document;

(ii) the existence of any claim, counterclaim, setoff, defense or other right that the Borrower or any Subsidiary may have at any time against any beneficiary or any transferee of such Letter of Credit (or any Person for whom any such beneficiary or any such transferee may be acting), the L/C Issuer or any other Person, whether in connection with this Agreement, the transactions contemplated hereby or by such Letter of Credit or any agreement or instrument relating thereto, or any unrelated transaction;

(iii) any draft, demand, certificate or other document presented under such Letter of Credit proving to be forged, fraudulent, invalid or insufficient in any respect or any statement therein being untrue or inaccurate in any respect; or any loss or delay in the transmission or otherwise of any document required in order to make a drawing under such Letter of Credit;

(iv) waiver by the L/C Issuer of any requirement that exists for the L/C Issuer's protection and not the protection of the Borrower or any waiver by the L/C Issuer which does not in fact materially prejudice the Borrower;

(v) honor of a demand for payment presented electronically even if such Letter of Credit requires that demand be in the form of a draft;

(vi) any payment made by the L/C Issuer in respect of an otherwise complying item presented after the date specified as the expiration date of, or the date by which documents must be

received under such Letter of Credit if presentation after such date is authorized by the UCC, the ISP or the UCP, as applicable;

(vii) any payment by the L/C Issuer under such Letter of Credit against presentation of a draft or certificate that does not strictly comply with the terms of such Letter of Credit; or any payment made by the L/C Issuer under such Letter of Credit to any Person purporting to be a trustee in bankruptcy, debtor-in-possession, assignee for the benefit of creditors, liquidator, receiver or other representative of or successor to any beneficiary or any transferee of such Letter of Credit, including any arising in connection with any proceeding under any Debtor Relief Law; or

(viii) any other circumstance or happening whatsoever, whether or not similar to any of the foregoing, including any other circumstance that might otherwise constitute a defense available to, or a discharge of, the Borrower or any Subsidiary.

The Borrower shall promptly examine a copy of each Letter of Credit and each amendment thereto that is delivered to it and, in the event of any claim of noncompliance with the Borrower's instructions or other irregularity, the Borrower will immediately notify the L/C Issuer. The Borrower shall be conclusively deemed to have waived any such claim against the L/C Issuer and its correspondents unless such notice is given as aforesaid.

(f) Role of L/C Issuer. Each Lender and the Borrower agree that, in paying any drawing under a Letter of Credit, the L/C Issuer shall not have any responsibility to obtain any document (other than any sight draft, certificates and documents expressly required by such Letter of Credit) or to ascertain or inquire as to the validity or accuracy of any such document or the authority of the Person executing or delivering any such document. None of the L/C Issuer, the Administrative Agent, any of their respective Related Parties nor any correspondent, participant or assignee of the L/C Issuer shall be liable to any Lender for (i) any action taken or omitted in connection herewith at the request or with the approval of the Lenders or the Required Revolving Lenders, as applicable; (ii) any action taken or omitted in the absence of gross negligence or willful misconduct; or (iii) the due execution, effectiveness, validity or enforceability of any document or instrument related to any Letter of Credit or Issuer Document. The Borrower hereby assumes all risks of the acts or omissions of any beneficiary or transferee with respect to its use of any Letter of Credit; provided, however, that this assumption is not intended to, and shall not, preclude the Borrower from pursuing such rights and remedies as it may have against the beneficiary or transferee at law or under any other agreement. None of the L/C Issuer, the Administrative Agent, any of their respective Related Parties nor any correspondent, participant or assignee of the L/C Issuer shall be liable or responsible for any of the matters described in clauses (i) through (viii) of Section 2.03(e); provided, however, that anything in such clauses to the contrary notwithstanding, the Borrower may have a claim against the L/C Issuer, and the L/C Issuer may be liable to the Borrower, to the extent, but only to the extent, of any direct, as opposed to consequential or exemplary, damages suffered by the Borrower which the Borrower proves were caused by the L/C Issuer's willful misconduct or gross negligence or the L/C Issuer's willful failure to pay under any Letter of Credit after the presentation to it by the beneficiary of a sight draft and certificate(s) strictly complying with the terms and conditions of a Letter of Credit. In furtherance and not in limitation of the foregoing, the L/C Issuer may accept documents that appear on their face to be in order, without responsibility for further investigation, regardless of any notice or information to the contrary, and the L/C Issuer shall not be responsible for the validity or sufficiency of any instrument transferring or assigning or purporting to transfer or assign a Letter of Credit or the rights or benefits thereunder or proceeds thereof, in whole or in part, which may prove to be invalid or ineffective for any reason. The L/C Issuer may send a Letter of Credit or conduct any communication to or from the beneficiary via the Society for Worldwide Interbank Financial Telecommunication

(“SWIFT”) message or overnight courier, or any other commercially reasonable means of communicating with a beneficiary.

(g) Applicability of ISP and UCP; Limitation of Liability. Unless otherwise expressly agreed by the L/C Issuer and the Borrower when a Letter of Credit is issued (including any such agreement applicable to an Existing Letter of Credit), (i) the rules of the ISP shall apply to each standby Letter of Credit and (ii) the rules of the UCP shall apply to each commercial Letter of Credit. Notwithstanding the foregoing, the L/C Issuer shall not be responsible to the Borrower for, and the L/C Issuer’s rights and remedies against the Borrower shall not be impaired by, any action or inaction of the L/C Issuer required or permitted under any Law, order, or practice that is required or permitted to be applied to any Letter of Credit or this Agreement, including the Law or any order of a jurisdiction where the L/C Issuer or the beneficiary is located, the practice stated in the ISP or UCP, as applicable, or in the decisions, opinions, practice statements, or official commentary of the ICC Banking Commission, the Bankers Association for Finance and Trade - International Financial Services Association (BAFT-IFSA), or the Institute of International Banking Law & Practice, whether or not any Letter of Credit chooses such Law or practice.

(h) Letter of Credit Fees. The Borrower shall pay to the Administrative Agent for the account of each Lender in accordance, subject to Section 2.15, with its Applicable Percentage (with respect to the Revolving Facility) a Letter of Credit fee (the “Letter of Credit Fee”) for each Letter of Credit equal to the Applicable Rate times the daily amount available to be drawn under such Letter of Credit. For purposes of computing the daily amount available to be drawn under any Letter of Credit, the amount of such Letter of Credit shall be determined in accordance with Section 1.06. Letter of Credit Fees shall be (i) due and payable on the first Business Day after the end of each March, June, September and December, commencing with the first such date to occur after the issuance of such Letter of Credit, on the Letter of Credit Expiration Date and thereafter on demand; and (ii) computed on a quarterly basis in arrears. If there is any change in the Applicable Rate during any quarter, the daily amount available to be drawn under each Letter of Credit shall be computed and multiplied by the Applicable Rate separately for each period during such quarter that such Applicable Rate was in effect. Notwithstanding anything to the contrary contained herein, all Letter of Credit Fees shall accrue at the Default Rate during any period when the Default Rate is in effect pursuant to Section 2.08(b)(iii).

(i) Fronting Fees and Documentary and Processing Charges Payable to L/C Issuer. The Borrower shall pay directly to the L/C Issuer for its own account a fronting fee (i) with respect to each commercial Letter of Credit issued by Bank of America, at the rate specified in the Fee Letter, computed on the amount of such Letter of Credit and payable upon the issuance thereof; (ii) with respect to each commercial Letter of Credit issued by U.S. Bank, at the rate and payable on the dates separately agreed by the Borrower and U.S. Bank, (iii) with respect to any amendment of a commercial Letter of Credit increasing the amount of such Letter of Credit, at a rate separately agreed between the Borrower and the L/C Issuer, computed on the amount of such increase, and payable upon the effectiveness of such amendment, (iv) with respect to each standby Letter of Credit issued by Bank of America, at the rate per annum specified in the Fee Letter, computed on the daily amount available to be drawn under such Letter of Credit on a quarterly basis in arrears, and payable on the tenth Business Day after the end of each March, June, September and December in respect of the most recently-ended quarterly period (or portion thereof, in the case of the first payment), commencing with the first such date to occur after the issuance of such Letter of Credit, on the Letter of Credit Expiration Date and thereafter on demand and (v) with respect to each standby Letter of Credit issued by U.S. Bank, at the rate and payable on the dates separately agreed by the Borrower and U.S. Bank. For purposes of computing the daily amount available to be drawn under any Letter of Credit, the amount of such Letter of Credit shall be determined in accordance with Section 1.06. In addition, the Borrower shall pay directly to the L/C Issuer for its own

account the customary issuance, presentation, amendment and other processing fees, and other standard costs and charges, of the L/C Issuer relating to letters of credit as from time to time in effect. Such customary fees and standard costs and charges are due and payable on demand and are nonrefundable.

(j) Conflict with Issuer Documents. In the event of any conflict between the terms hereof and the terms of any Issuer Document, the terms hereof shall control.

(k) Letters of Credit Issued for Subsidiaries. Notwithstanding that a Letter of Credit issued or outstanding hereunder is in support of any obligations of, or is for the account of, a Subsidiary, the Borrower shall be obligated to reimburse the L/C Issuer hereunder for any and all drawings under such Letter of Credit. The Borrower hereby acknowledges that the issuance of Letters of Credit for the account of Subsidiaries inures to the benefit of the Borrower, and that the Borrower's business derives substantial benefits from the businesses of such Subsidiaries.

(l) L/C Issuer Reports to the Administrative Agent. Unless otherwise agreed by the Administrative Agent, the L/C Issuer (other than Bank of America) shall, in addition to its notification obligations set forth elsewhere in this Section, provide the Administrative Agent a Letter of Credit Report (in the form of Exhibit J), as set forth below:

(i) reasonably prior to the time that the L/C Issuer issues, amends, renews, increases or extends a Letter of Credit, the date of such issuance, amendment, renewal, increase or extension and the stated amount of the applicable Letters of Credit after giving effect to such issuance, amendment, renewal, increase or extension (and whether the amounts thereof shall have changed);

(ii) on each Business Day on which the L/C Issuer makes a payment pursuant to a Letter of Credit, the date and amount of such payment;

(iii) on any Business Day on which the Borrower fails to reimburse a payment made pursuant to a Letter of Credit required to be reimbursed to the L/C Issuer on such day, the date of such failure and the amount of such payment;

(iv) on any other Business Day, such other information as the Administrative Agent shall reasonably request as to the Letters of Credit issued by the L/C Issuer; and

(v) for so long as any Letter of Credit issued by the L/C Issuer is outstanding, the L/C Issuer shall deliver to the Administrative Agent (A) on the last Business Day of each calendar month, (B) at all other times a Letter of Credit Report is required to be delivered pursuant to this Agreement, and (C) on each date that (1) an L/C Credit Extension occurs or (2) there is any expiration, cancellation and/or disbursement, in each case, with respect to any such Letter of Credit, a Letter of Credit Report appropriately completed with the information for every outstanding Letter of Credit issued by the L/C Issuer.

2.04 Swing Line Loans.

(a) Swing Line Facility. Subject to the terms and conditions set forth herein, the Swing Line Lender, in reliance upon the agreements of the other Lenders set forth in this Section 2.04, may in its sole discretion, subject to the terms of any Auto Borrow Agreement then in effect, make loans (each such loan, a "Swing Line Loan") to the Borrower in Dollars from time to time on any Business Day during the Availability Period in an aggregate amount not to exceed at any time outstanding the amount of the Swing

Line Sublimit, notwithstanding the fact that such Swing Line Loans, when aggregated with the Applicable Percentage (with respect to the Revolving Facility) of the Outstanding Amount of Revolving Loans and L/C Obligations of the Lender acting as Swing Line Lender, may exceed the amount of such Lender's Revolving Commitment; provided, however, that (i) after giving effect to any Swing Line Loan, (A) the Total Revolving Outstandings shall not exceed the Borrowing Availability and (B) the Revolving Credit Exposure of any Lender shall not exceed such Lender's Revolving Commitment, (ii) the Borrower shall not use the proceeds of any Swing Line Loan to refinance any outstanding Swing Line Loan and (iii) the Swing Line Lender shall not be under any obligation to make any Swing Line Loan if it shall determine (which determination shall be conclusive and binding absent manifest error) that it has, or by such Credit Extension may have, Fronting Exposure. Within the foregoing limits, and subject to the other terms and conditions hereof, the Borrower may borrow under this Section 2.04, prepay under Section 2.05, and reborrow under this Section 2.04. Each Swing Line Loan shall be a Base Rate Loan; provided, however, that if an Auto Borrow Agreement is in effect, the Swing Line Lender may, at its discretion, provide for an alternate rate of interest on Swing Line Loans under the Auto Borrow Agreement with respect to any Swing Line Loans for which the Swing Line Lender has not requested that the Lenders fund Revolving Loans to refinance, or to purchase and fund risk participations in, such Swing Line Loans pursuant to Section 2.04(c). Immediately upon the making of a Swing Line Loan, each Lender with a Revolving Commitment shall be deemed to, and hereby irrevocably and unconditionally agrees to, purchase from the Swing Line Lender a risk participation in such Swing Line Loan in an amount equal to the product of such Lender's Applicable Percentage (with respect to the Revolving Facility) times the amount of such Swing Line Loan.

(b) Borrowing Procedures. At any time an Auto Borrow Agreement is not in effect, each Borrowing of Swing Line Loans shall be made upon the Borrower's irrevocable notice to the Swing Line Lender and the Administrative Agent, which may be given by (A) telephone or (B) a Swing Line Loan Notice; provided that any telephonic notice must be confirmed promptly by delivery to the Swing Line Lender and the Administrative Agent of a Swing Line Loan Notice. Each such Swing Line Loan Notice must be received by the Swing Line Lender and the Administrative Agent not later than 1:00 p.m. on the requested borrowing date, and shall specify (i) the amount to be borrowed, which shall be a minimum principal amount of \$100,000 and integral multiples of \$100,000 in excess thereof, and (ii) the requested borrowing date, which shall be a Business Day. Promptly after receipt by the Swing Line Lender of any Swing Line Loan Notice, the Swing Line Lender will confirm with the Administrative Agent (by telephone or in writing) that the Administrative Agent has also received such Swing Line Loan Notice and, if not, the Swing Line Lender will notify the Administrative Agent (by telephone or in writing) of the contents thereof. Unless the Swing Line Lender has received notice (by telephone or in writing) from the Administrative Agent (including at the request of any Lender) prior to 2:00 p.m. on the date of the proposed Borrowing of Swing Line Loans (A) directing the Swing Line Lender not to make such Swing Line Loan as a result of the limitations set forth in the proviso to the first sentence of Section 2.04(a), or (B) that one or more of the applicable conditions specified in Article IV is not then satisfied, then, subject to the terms and conditions hereof, the Swing Line Lender will, not later than 3:00 p.m. on the borrowing date specified in such Swing Line Loan Notice, make the amount of its Swing Line Loan available to the Borrower.

(c) Refinancing of Swing Line Loans.

(i) The Swing Line Lender at any time in its sole discretion may request, on behalf of the Borrower (which hereby irrevocably authorizes the Swing Line Lender to so request on its behalf), that each Lender with a Revolving Commitment make a Base Rate Loan in an amount equal to such Lender's Applicable Percentage (with respect to the Revolving Facility) of the amount of Swing Line

Loans then outstanding. Such request shall be made in writing (which written request shall be deemed to be a Loan Notice for purposes hereof) and in accordance with the requirements of Section 2.02, without regard to the minimum and multiples specified therein for the principal amount of Base Rate Loans, but subject to the unutilized portion of the Aggregate Revolving Commitments and the conditions set forth in Section 4.02. The Swing Line Lender shall furnish the Borrower with a copy of the applicable Loan Notice promptly after delivering such notice to the Administrative Agent. Each Lender with a Revolving Commitment shall make an amount equal to its Applicable Percentage (with respect to the Revolving Facility) of the amount specified in such Loan Notice available to the Administrative Agent in immediately available funds (and the Administrative Agent may apply Cash Collateral available with respect to the applicable Swing Line Loan) for the account of the Swing Line Lender at the Administrative Agent's Office not later than 1:00 p.m. on the day specified in such Loan Notice, whereupon, subject to Section 2.04(c)(ii), each Lender that so makes funds available shall be deemed to have made a Revolving Loan that is a Base Rate Loan to the Borrower in such amount. The Administrative Agent shall remit the funds so received to the Swing Line Lender.

(ii) If for any reason any Swing Line Loan cannot be refinanced by such a Borrowing of Revolving Loans in accordance with Section 2.04(c)(i), the request for Base Rate Loans submitted by the Swing Line Lender as set forth herein shall be deemed to be a request by the Swing Line Lender that each of the Lenders fund its risk participation in the relevant Swing Line Loan and each Lender's payment to the Administrative Agent for the account of the Swing Line Lender pursuant to Section 2.04(c)(i) shall be deemed payment in respect of such participation.

(iii) If any Lender fails to make available to the Administrative Agent for the account of the Swing Line Lender any amount required to be paid by such Lender pursuant to the foregoing provisions of this Section 2.04(c) by the time specified in Section 2.04(c)(i), the Swing Line Lender shall be entitled to recover from such Lender (acting through the Administrative Agent), on demand, such amount with interest thereon for the period from the date such payment is required to the date on which such payment is immediately available to the Swing Line Lender at a rate per annum equal to the greater of the Federal Funds Rate and a rate determined by the Swing Line Lender in accordance with banking industry rules on interbank compensation, plus any administrative, processing or similar fees customarily charged by the Swing Line Lender in connection with the foregoing. If such Lender pays such amount (with interest and fees as aforesaid), the amount so paid shall constitute such Lender's Revolving Loan included in the relevant Borrowing or funded participation in the relevant Swing Line Loan, as the case may be. A certificate of the Swing Line Lender submitted to any Lender (through the Administrative Agent) with respect to any amounts owing under this clause (iii) shall be conclusive absent manifest error.

(iv) Each Lender's obligation to make Revolving Loans or to purchase and fund risk participations in Swing Line Loans pursuant to this Section 2.04(c) shall be absolute and unconditional and shall not be affected by any circumstance, including (A) any setoff, counterclaim, recoupment, defense or other right that such Lender may have against the Swing Line Lender, the Borrower, any Subsidiary or any other Person for any reason whatsoever, (B) the occurrence or continuance of a Default, or (C) any other occurrence, event or condition, whether or not similar to any of the foregoing; provided, however, that each Lender's obligation to make Revolving Loans pursuant to this Section 2.04(c) is subject to the conditions set forth in Section 4.02. No such funding of risk participations shall relieve or otherwise impair the obligation of the Borrower to repay Swing Line Loans, together with interest as provided herein.

(d) Repayment of Participations.

(i) At any time after any Lender has purchased and funded a risk participation in a Swing Line Loan, if the Swing Line Lender receives any payment on account of such Swing Line Loan, the Swing Line Lender will distribute to such Lender its Applicable Percentage (with respect to the Revolving Facility) thereof in the same funds as those received by the Swing Line Lender.

(ii) If any payment received by the Swing Line Lender in respect of principal or interest on any Swing Line Loan is required to be returned by the Swing Line Lender under any of the circumstances described in Section 10.05 (including pursuant to any settlement entered into by the Swing Line Lender in its discretion), each Lender shall pay to the Swing Line Lender its Applicable Percentage (with respect to the Revolving Facility) thereof on demand of the Administrative Agent, plus interest thereon from the date of such demand to the date such amount is returned, at a rate per annum equal to the Federal Funds Rate. The Administrative Agent will make such demand upon the request of the Swing Line Lender. The obligations of the Lenders under this clause shall survive the payment in full of the Obligations and the termination of this Agreement.

(e) Interest for Account of Swing Line Lender. The Swing Line Lender shall be responsible for invoicing the Borrower for interest on the Swing Line Loans. Until each Lender funds its Revolving Loans that are Base Rate Loans or risk participation pursuant to this Section 2.04 to refinance such Lender's Applicable Percentage of any Swing Line Loan, interest in respect of such Applicable Percentage shall be solely for the account of the Swing Line Lender.

(f) Payments Directly to Swing Line Lender. The Borrower shall make all payments of principal and interest in respect of the Swing Line Loans directly to the Swing Line Lender.

(g) Auto Borrow Arrangement. In order to facilitate the borrowing of Swing Line Loans, the Borrower and the Swing Line Lender may mutually agree to, and are hereby authorized to, enter into an auto borrow agreement in form and substance satisfactory to the Swing Line Lender and the Administrative Agent (the "Auto Borrow Agreement") providing for the automatic advance by the Swing Line Lender of Swing Line Loans under the conditions set forth in the Auto Borrow Agreement, subject to the conditions set forth herein. At any time an Auto Borrow Agreement is in effect, advances under the Auto Borrow Agreement shall be deemed Swing Line Loans for all purposes hereof, except that Borrowings of Swing Line Loans under the Auto Borrow Agreement shall be made in accordance with the Auto Borrow Agreement. For purposes of determining the Total Revolving Outstandings at any time during which an Auto Borrow Agreement is in effect, the Outstanding Amount of all Swing Line Loans shall be deemed to be the sum of the Outstanding Amount of Swing Line Loans at such time plus the maximum amount available to be borrowed under such Auto Borrow Agreement at such time. For purposes of any borrowing of Swing Line Loans pursuant to the Auto Borrow Agreement, all references to Bank of America shall be deemed to be a reference to Bank of America, in its capacity as Swing Line Lender hereunder.

2.05 Prepayments.

(a) Voluntary Prepayments of Loans.

(i) Revolving Loans and Term ~~Loan~~ Loans. The Borrower may, upon delivery of a Notice of Loan Prepayment to the Administrative Agent, at any time or from time to time voluntarily prepay Revolving Loans and the Term ~~Loan~~ Loans in whole or in part without

premium or penalty; provided that (A) such notice must be in a form acceptable to the Administrative Agent and be received by the Administrative Agent not later than 11:00 a.m. (1) two Business Days prior to any date of prepayment of Term SOFR Loans and (2) on the date of prepayment of Base Rate Loans; (B) any such prepayment of Term SOFR Loans shall be in a principal amount of \$1,000,000 or a whole multiple of \$500,000 in excess thereof (or, if less, the entire principal amount thereof then outstanding); (C) any such prepayment of Base Rate Loans shall be in a principal amount of \$1,000,000 or a whole multiple of \$500,000 in excess thereof (or, if less, the entire principal amount thereof then outstanding) and (D) any such prepayment of ~~the~~ Term Loan shall be applied to the remaining principal amortization payments of the applicable Term Loan in the order directed by the Borrower or in the absence of such direction in direct order of maturity. Each such notice shall specify the date and amount of such prepayment and the Type(s) of Loans to be prepaid and, if Term SOFR Loans are to be prepaid, the Interest Period(s) of such Loans. The Administrative Agent will promptly notify each Lender of its receipt of each such notice, and of the amount of such Lender's Applicable Percentage of such prepayment. If such notice is given by the Borrower, the Borrower shall make such prepayment and the payment amount specified in such notice shall be due and payable on the date specified therein. Any prepayment of any Term SOFR Loan shall be accompanied by all accrued interest on the amount prepaid, together with any additional amounts required pursuant to Section 3.05. Subject to Section 2.15, each such prepayment shall be applied to the Loans of the Lenders in accordance with their respective Applicable Percentages.

(ii) Swing Line Loans. At any time an Auto Borrow Agreement is not in effect, the Borrower may, upon notice to the Swing Line Lender (with a copy to the Administrative Agent), at any time or from time to time, voluntarily prepay Swing Line Loans in whole or in part without premium or penalty; provided that (A) such notice must be in a form acceptable to the Swing Line Lender and the Administrative Agent and be received by the Swing Line Lender and the Administrative Agent not later than 1:00 p.m. on the date of the prepayment, and (B) any such prepayment shall be in a minimum principal amount of \$100,000 or a whole multiple of \$100,000 in excess thereof (or, if less, the entire principal amount thereof then outstanding). Each such notice shall specify the date and amount of such prepayment. If such notice is given by the Borrower, the Borrower shall make such prepayment and the payment amount specified in such notice shall be due and payable on the date specified therein.

(b) Mandatory Prepayments of Loans.

(i) Revolving Commitments. If for any reason the Total Revolving Outstandings at any time exceed the Borrowing Availability at such time, the Borrower shall immediately prepay Revolving Loans and/or Swing Line Loans and/or Cash Collateralize the L/C Obligations in an aggregate amount equal to such excess; provided, however, that the Borrower shall not be required to Cash Collateralize the L/C Obligations pursuant to this Section 2.05(b)(i) unless after the prepayment in full of the Revolving Loans and Swing Line Loans the Total Revolving Outstandings exceed the Borrowing Availability at such time.

(ii) Dispositions and Recovery Events. The Borrower shall prepay the Term Loans as hereafter provided in an aggregate amount equal to 100% of the Net Cash Proceeds received by the Borrower or its Subsidiaries (excluding the Lugano Entities) in respect of any Disposition (including, for the avoidance of doubt, any Sale and Leaseback Transaction) or Recovery Event. Prepayments made pursuant

to this Section 2.05(b)(ii) shall be made promptly, and in any event no later than three (3) Business Days after receipt by the Borrower or Subsidiary, as applicable, of such Net Cash Proceeds. The amount of any such prepayment shall be certified by the Borrower to the Administrative Agent on the applicable payment date in a form reasonably acceptable to the Administrative Agent.

(iii) Lugano Bankruptcy Recovery Events. The Borrower shall prepay the Term Loans as hereafter provided in an aggregate amount equal to 100% of all amounts received by the Borrower in connection with the Lugano Bankruptcy, ~~the Lugano DIP Loan Documents~~ or any other Indebtedness issued by the Borrower to any Lugano Entity (including, without limitation, any Net Cash Proceeds received by the Borrower in connection with any Disposition or Recovery Event in respect of the assets of any Lugano Entity). Prepayments made pursuant to this Section 2.05(b)(iii) shall be made promptly, and in any event no later than three (3) Business Days after receipt by the Borrower amounts. The amount of any such prepayment shall be certified by the Borrower to the Administrative Agent on the applicable payment date in a form reasonably acceptable to the Administrative Agent.

(iv) Application of Mandatory Prepayments. All amounts required to be paid pursuant to clauses (i), (ii), and (iii), ~~and (vi)~~ of this Section 2.05(b) shall be applied as follows:

(A) with respect to all amounts prepaid pursuant to Section 2.05(b)(i), first, ratably to the L/C Borrowings and the Swing Line Loans, second, to the outstanding Revolving Loans, and, third, to Cash Collateralize the remaining L/C Obligations; and

(B) with respect to all amounts prepaid pursuant to Sections 2.05(b)(ii); and 2.05(b)(iii), ~~and 2.05(b)(vi)~~, to the remaining principal ~~balance~~ installments of the Term Loan in the inverse order of maturity.

Within the parameters of the applications set forth above, prepayments shall be applied first to Base Rate Loans and then to Term SOFR Loans in direct order of Interest Period maturities. All prepayments under this Section 2.05(b) shall be subject to Section 3.05, but otherwise without premium or penalty, and shall be accompanied by interest on the principal amount prepaid through the date of prepayment.

(v) Anti-Cash Hoarding. If at any time Cash-on-Hand exceeds \$10,000,000 as of the last Business Day of any week, the Borrower shall pay to the Administrative Agent, for the account of the Lenders, an amount equal to the amount by which (x) Cash-on-Hand exceeds (y) \$10,000,000 as of the close of business on such Business Day. These payments shall be made on the first Business Day of the following week, ~~and~~ shall be applied to the outstanding Revolving Loans without any corresponding reduction in the Revolving Commitments of the Lenders. The amount of any such payment shall be certified by the Borrower to the Administrative Agent on the applicable payment date in a form reasonably acceptable to the Administrative Agent. For purposes hereof, "Cash-on-Hand" means, as of any day, the sum of the amount of all cash and Cash Equivalents of the Borrower, less the amount of any payments which have been issued by the Borrower, but which have not yet cleared its accounts.

~~(vi) Fifth Amendment Transactions. The Borrower shall prepay the Term Loans as provided above in an aggregate amount equal to 100% of the Net Cash Proceeds received by the Borrower or its Subsidiaries (excluding the Lugano Entities) in respect of any transaction permitted under the Fifth Amendment Transaction Letter. Prepayments made pursuant to this Section 2.05(b)(vi) shall be made promptly, and in any event no later than three (3) Business Days after receipt by the Borrower or Subsidiary, as applicable, of such Net Cash Proceeds. The amount of any such prepayment shall be certified by the Borrower to the Administrative Agent on the applicable payment date in a form reasonably acceptable to the Administrative Agent.~~

2.06 Termination or Reduction of Commitments.

~~(a)~~ The Borrower may, upon notice to the Administrative Agent, terminate the Aggregate Revolving Commitments, or from time to time permanently reduce the Aggregate Revolving Commitments; provided that (i) any such notice shall be received by the Administrative Agent not later than 11:00 a.m. five (5) Business Days prior to the date of termination or reduction, (ii) any such partial reduction shall be in an aggregate amount of \$1,000,000 or any whole multiple of \$500,000 in excess thereof, (iii) the Borrower shall not terminate or reduce the Aggregate Revolving Commitments if, after giving effect thereto and to any concurrent prepayments hereunder, the Total Revolving Outstandings would exceed the Aggregate Revolving Commitments and (iv) if, after giving effect to any reduction of the Aggregate Revolving Commitments, the Letter of Credit Sublimit or the Swing Line Sublimit exceeds the amount of the Aggregate Revolving Commitments, such sublimit shall be automatically reduced by the amount of such excess. The Administrative Agent will promptly notify the Lenders of any such notice of termination or reduction of the Aggregate Revolving Commitments. Any reduction of the Aggregate Revolving Commitments shall be applied to the Revolving Commitment of each Lender according to its Applicable Percentage (with respect to the Revolving Facility). All fees and interest accrued until the effective date of any termination of the Aggregate Revolving Commitments shall be paid on the effective date of such termination.

~~(b) The aggregate Term Loan Commitments shall be automatically and permanently reduced to zero on the date of the Borrowing of the Term Loan.~~

~~(c) The Borrower may, upon notice to the Administrative Agent, terminate the Incremental Delayed Draw Term Loan Commitments, or from time to time permanently reduce the Incremental Delayed Draw Term Loan Commitments; provided that (i) any such notice shall be received by the Administrative Agent not later than 11:00 a.m. five (5) Business Days prior to the date of termination or reduction and (ii) any such partial reduction shall be in an aggregate amount of \$1,000,000 or any whole multiple of \$500,000 in excess thereof. The Administrative Agent will promptly notify the Lenders of any such notice of termination or reduction of the Incremental Delayed Draw Term Loan Commitments. Any reduction of the Incremental Delayed Draw Term Loan Commitments shall be applied to the Incremental Delayed Draw Term Loan Commitments of each Lender according to its Applicable Percentage. All fees and interest accrued until the effective date of any termination of the Incremental Delayed Draw Term Loan Commitments shall be paid on the effective date of such termination.~~

2.07 Repayment of Loans.

(a) Revolving Loans. The Borrower shall repay to the Lenders on the Maturity Date [for the Aggregate Revolving Commitments](#) the aggregate principal amount of all Revolving Loans outstanding on such date.

(b) Swing Line Loans. At any time an Auto Borrow Agreement is in effect, the Swing Line Loans shall be repaid in accordance with the terms of the Auto Borrow Agreement. At any time an Auto Borrow Agreement is not in effect, the Borrower shall repay each Swing Line Loan on the earlier to occur of (i) the date ten (10) Business Days after such Swing Line Loan is made and (ii) the Maturity Date for the Aggregate Revolving Commitments.

(c) Term Loans. ~~Loan~~ $\oplus$ The Borrower shall repay to the Lenders the aggregate principal amount of the Term Loan on the following dates in the respective amounts set forth opposite such dates (which amounts shall be reduced as a result of the application of prepayments in accordance with the order of priority set forth in Section 2.05), unless accelerated sooner pursuant to Section 8.02:

Payment Dates	Principal Repayment Installments
September 30, 2022 2026	\$2,500,000.00 11,250,000.00
December 31, 2022 2026	\$2,500,000.00 11,250,000.00
March 31, 2023 2026	\$2,500,000.00 11,250,000.00
June 30, 2023 2026	\$2,500,000.00 11,250,000.00
September 30, 2023	\$2,500,000.00
December 31, 2023	\$2,500,000.00
March 31, 2024	\$2,500,000.00
June 30, 2024	\$2,500,000.00
September 30, 2024	\$2,500,000.00
December 31, 2024	\$2,500,000.00
March 31, 2025	\$3,750,000.00
June 30, 2025	\$3,750,000.00
September 30, 2025	\$7,500,000.00
December 31, 2025	\$7,500,000.00
March 31, 2026	\$7,500,000.00
June 30, 2026	\$7,500,000.00
September 30, 2026 2027	\$11,250,000.00
December 31, 2027	\$11,250,000.00
December 31, 2026 2027	\$11,250,000.00

provided, however, that (i) the final principal repayment installment of the Term Loan shall be repaid on the Maturity Date for the Term Loan and in any event shall be in an amount equal to the aggregate principal amount of the Term Loan outstanding on such date, (ii) if any principal repayment installment to be made by the Borrower (other than principal repayment installments on Term SOFR Loans) shall come due on a day other than a Business Day, such principal repayment installment shall be due on the next succeeding Business Day, and such extension of time shall be reflected in computing interest or fees, as the case may be and (iii) if any principal repayment installment to be made by the Borrower on a Term SOFR Loan shall come due on a day other than a Business Day, such principal repayment installment shall be extended to the next succeeding Business Day unless the result of such extension would be to extend such principal repayment installment into another calendar month, in which event such principal repayment installment shall be due on the immediately preceding Business Day.

~~(ii) Commencing on the first fiscal quarter ending after the earlier of (A) the date Incremental Delayed Draw Term Loan is fully drawn and (B) the end of the Incremental DDTL Availability Period, the Borrower shall repay to the Lenders on the following dates the percentage amount of the drawn Incremental Delayed Draw Term Loan set forth opposite such dates (which amounts shall be reduced as a result of the application of prepayments in accordance with the order of priority set forth in Section 2.05), unless accelerated sooner pursuant to Section 8.02;~~

Payment Dates	Principal Repayment Percentage
3/31/2025	0.625%
June 30, 2025	0.625%
September 30, 2025	1.250%
December 31, 2025	1.250%
March 31, 2026	1.250%
June 30, 2026	1.250%
September 30, 2026	1.875%
December 31, 2026	1.875%
March 31, 2027	1.875%

~~provided, however, that (i) the final principal repayment installment of the Incremental Delayed Draw Term Loan shall be repaid on the Maturity Date and in any event shall be in an amount equal to the aggregate principal amount of the Incremental Delayed Draw Term Loan outstanding on such date, (ii) if any principal repayment installment to be made by the Borrower (other than principal repayment installments on Term SOFR Loans) shall come due on a day other than a Business Day, such principal repayment installment shall be due on the next succeeding Business Day, and such extension of time shall be reflected in computing interest or fees, as the case may be and (iii) if any principal repayment installment to be made by the Borrower on a Term SOFR Loan shall come due on a day other than a Business Day, such principal repayment installment shall be extended to the next succeeding Business Day unless the result of such extension would be to extend such principal repayment installment into another calendar month, in which event such principal repayment installment shall be due on the immediately preceding Business Day;~~

2.08 Interest

(a) Subject to the provisions of subsection (b) below, (i) each Term SOFR Loan shall bear interest on the outstanding principal amount thereof for each Interest Period at a rate per annum equal to Term SOFR for such Interest Period plus the Applicable Rate; (ii) each Base Rate Loan shall bear interest on the outstanding principal amount thereof from the applicable borrowing date at a rate per annum equal to the Base Rate plus the Applicable Rate; and (iii) each Swing Line Loan shall bear interest on the outstanding principal amount thereof from the applicable borrowing date at a rate per annum equal to the Base Rate plus the Applicable Rate (or with respect to any Swing Line Loan advanced pursuant to an Auto Borrow Agreement, such other rate as separately agreed in writing between the Borrower and the Swing Line Lender).

(b) (i) If any amount of principal of any Loan is not paid when due (without regard to any applicable grace periods), whether at stated maturity, by acceleration or otherwise, such amount shall

thereafter bear interest at a fluctuating interest rate per annum at all times equal to the Default Rate to the fullest extent permitted by applicable Laws.

(ii) If any amount (other than principal of any Loan) payable by the Borrower under any Loan Document is not paid when due (without regard to any applicable grace periods), whether at stated maturity, by acceleration or otherwise, then upon the request of the Required Lenders, such amount shall thereafter bear interest at a fluctuating interest rate per annum at all times equal to the Default Rate to the fullest extent permitted by applicable Laws.

(iii) While any Event of Default exists, the Borrower shall (upon request of the Required Lenders except in the case of an Event of Default arising from the failure to pay Loan principal when due) pay interest on the principal amount of all outstanding Obligations hereunder at a fluctuating interest rate per annum at all times equal to the Default Rate to the fullest extent permitted by applicable Laws.

(iv) Accrued and unpaid interest on past due amounts (including interest on past due interest) shall be due and payable upon demand.

(c) Interest on each Loan shall be due and payable in arrears on each Interest Payment Date applicable thereto and at such other times as may be specified herein. Interest hereunder shall be due and payable in accordance with the terms hereof before and after judgment, and before and after the commencement of any proceeding under any Debtor Relief Law.

2.09 Fees.

In addition to certain fees described in subsections (h) and (i) of Section 2.03:

(a) Commitment Fee. The Borrower shall pay to the Administrative Agent, for the account of each Lender in accordance with its Applicable Percentage (with respect to the Revolving Facility), a commitment fee (the "Commitment Fee") equal to the product of (i) the Applicable Rate times (ii) the actual daily amount by which the Aggregate Revolving Commitments exceed the sum of (A) the Outstanding Amount of Revolving Loans and (B) the Outstanding Amount of L/C Obligations, subject to adjustment as provided in Section 2.15. For the avoidance of doubt, the Outstanding Amount of Swing Line Loans shall not be counted towards or considered usage of the Aggregate Revolving Commitments for purposes of determining the Commitment Fee. The Commitment Fee shall accrue at all times during the Availability Period, including at any time during which one or more of the conditions in Article IV is not met, and shall be due and payable quarterly in arrears on the last Business Day of each March, June, September and December, commencing with the first such date to occur after the Closing Date, and on the last day of the Availability Period. The Commitment Fee shall be calculated quarterly in arrears, and if there is any change in the Applicable Rate during any quarter, the actual daily amount shall be computed and multiplied by the Applicable Rate separately for each period during such quarter that such Applicable Rate was in effect.

(b) Milestone Fee. In the event the Borrower has not repaid the Term Loans in full on or prior to December 31, 2026 (the "Milestone Fee Date"), then the Borrower shall pay to the Administrative Agent, for the account of each Lender, in accordance with its Applicable Percentage, a milestone fee in an amount equal to \$4 million. Such fee shall be due and payable on the Milestone Fee Date. The Administrative Agent may, in its sole discretion, extend the Milestone Fee Date one time by up to twenty (20) days if the Administrative Agent has received evidence satisfactory to the

Administrative Agent in its sole discretion that a Deleveraging Transaction (as defined in the Fifth Amendment Transaction Letter) is in process and such Deleveraging Transaction if consummated would result in the repayment in full of the Term Loans. Such fee shall be fully earned when paid and shall not be refundable for any reason whatsoever.

(bc) Other Fees.

(i) The Borrower shall pay to the Arrangers and the Administrative Agent for their own respective accounts fees in the amounts and at the times specified in the Fee Letter and as otherwise separately agreed upon in writing in the amounts and at the times so specified. Such fees shall be fully earned when paid and shall not be refundable for any reason whatsoever.

~~(ii) The Borrower shall pay to the Lenders the fees set forth in the Fifth Amendment Transaction Letter and any other fees as shall have been separately agreed upon in writing in the amounts and at the times so specified. Except as otherwise agreed by the Borrower and the Lenders, such fees shall be fully earned when paid and shall not be refundable for any reason whatsoever.~~

~~(c) Incremental DDTL Commitment Fee. The Borrower shall pay to the Administrative Agent, for the account of each Lender in accordance with its Applicable Percentage, a commitment fee (the "Incremental DDTL Commitment Fee") equal to the product of (i) the Applicable Rate times (ii) the actual daily amount by which the Incremental Delayed Draw Term Loan Commitments exceed the Incremental Delayed Draw Term Loans, subject to adjustment as provided in Section 2.15. The Incremental DDTL Commitment Fee shall accrue at all times during the Incremental DDTL Availability Period, and shall be due and payable quarterly in arrears on the last Business Day of each March, June, September and December, commencing with March 31, 2025, and on the last day of the Incremental DDTL Availability Period. The Incremental DDTL Commitment Fee shall be calculated quarterly in arrears, and if there is any change in the Applicable Rate during any quarter, the actual daily amount shall be computed and multiplied by the Applicable Rate separately for each period during such quarter that such Applicable Rate was in effect.~~

2.10 Computation of Interest and Fees; Retroactive Adjustments of Applicable Rate.

(a) All computations of interest for Base Rate Loans (including Base Rate Loans determined by reference to Term SOFR) shall be made on the basis of a year of 365 or 366 days, as the case may be, and actual days elapsed. All other computations of fees and interest shall be made on the basis of a 360-day year and actual days elapsed (which results in more fees or interest, as applicable, being paid than if computed on the basis of a 365-day year). Interest shall accrue on each Loan for the day on which the Loan is made, and shall not accrue on a Loan, or any portion thereof, for the day on which the Loan or such portion is paid, provided that any Loan that is repaid on the same day on which it is made shall, subject to Section 2.12(a), bear interest for one day. Each determination by the Administrative Agent of an interest rate or fee hereunder shall be conclusive and binding for all purposes, absent manifest error.

(b) If, as a result of any restatement of or other adjustment to the financial statements of the Borrower or for any other reason, the Borrower or the Lenders determine that (i) the Consolidated Total Leverage Ratio as calculated by the Borrower as of any applicable date was inaccurate and (ii) a proper calculation of the Consolidated Total Leverage Ratio would have resulted in higher pricing for such period, the Borrower shall immediately and retroactively be obligated to pay to the Administrative Agent for the account of the applicable Lenders or the L/C Issuer, as the case may be, promptly on demand by the Administrative Agent (or, after the occurrence of an actual or deemed entry of an order for relief with respect to the Borrower under the Bankruptcy Code of the United States, automatically and without

further action by the Administrative Agent, any Lender or the L/C Issuer), an amount equal to the excess of the amount of interest and fees that should have been paid for such period over the amount of interest and fees actually paid for such period. This paragraph shall not limit the rights of the Administrative Agent, any Lender or the L/C Issuer, as the case may be, under this Agreement. The Borrower's obligations under this paragraph shall survive the termination of the Aggregate Revolving Commitments and the repayment of all other Obligations hereunder.

2.11 Evidence of Debt.

(a) The Credit Extensions made by each Lender shall be evidenced by one or more accounts or records maintained by such Lender and by the Administrative Agent in the ordinary course of business. The accounts or records maintained by the Administrative Agent and each Lender shall be conclusive absent manifest error of the amount of the Credit Extensions made by the Lenders to the Borrower and the interest and payments thereon. Any failure to so record or any error in doing so shall not, however, limit or otherwise affect the obligation of the Borrower hereunder to pay any amount owing with respect to the Obligations. In the event of any conflict between the accounts and records maintained by any Lender and the accounts and records of the Administrative Agent in respect of such matters, the accounts and records of the Administrative Agent shall control in the absence of manifest error. Upon the request of any Lender made through the Administrative Agent, the Borrower shall execute and deliver to such Lender (through the Administrative Agent) a promissory note, which shall evidence such Lender's Loans in addition to such accounts or records. Each such promissory note shall be in the form of Exhibit D (a "Note"). Each Lender may attach schedules to its Note and endorse thereon the date, Type (if applicable), amount and maturity of its Loans and payments with respect thereto.

(b) In addition to the accounts and records referred to in subsection (a) above, each Lender and the Administrative Agent shall maintain in accordance with its usual practice accounts or records evidencing the purchases and sales by such Lender of participations in Letters of Credit and Swing Line Loans. In the event of any conflict between the accounts and records maintained by the Administrative Agent and the accounts and records of any Lender in respect of such matters, the accounts and records of the Administrative Agent shall control in the absence of manifest error.

2.12 Payments Generally; Administrative Agent's Clawback.

(a) General. All payments to be made by the Borrower shall be made free and clear of and without condition or deduction for any counterclaim, defense, recoupment or setoff. Except as otherwise expressly provided herein, all payments by the Borrower hereunder shall be made to the Administrative Agent, for the account of the respective Lenders to which such payment is owed, at the Administrative Agent's Office in Dollars and in immediately available funds not later than 2:00 p.m. on the date specified herein. The Administrative Agent will promptly distribute to each Lender its Applicable Percentage (or other applicable share as provided herein) of such payment in like funds as received by wire transfer to such Lender's Lending Office. All payments received by the Administrative Agent after 2:00 p.m. shall be deemed received on the next succeeding Business Day and any applicable interest or fee shall continue to accrue. If any payment to be made by the Borrower shall come due on a day other than a Business Day, payment shall be made on the next following Business Day, and such extension of time shall be reflected in computing interest or fees, as the case may be.

(b) (i) Funding by Lenders; Presumption by Administrative Agent. Unless the Administrative Agent shall have received notice from a Lender prior to the proposed date of any Borrowing of Term SOFR Loans (or, in the case of any Borrowing of Base Rate Loans, prior to 12:00

noon on the date of such Borrowing) that such Lender will not make available to the Administrative Agent such Lender's share of such Borrowing, the Administrative Agent may assume that such Lender has made such share available on such date in accordance with Section 2.02 (or, in the case of a Borrowing of Base Rate Loans, that such Lender has made such share available in accordance with and at the time required by Section 2.02) and may, in reliance upon such assumption, make available to the Borrower a corresponding amount. In such event, if a Lender has not in fact made its share of the applicable Borrowing available to the Administrative Agent, then the applicable Lender and the Borrower severally agree to pay to the Administrative Agent forthwith on demand such corresponding amount in immediately available funds with interest thereon, for each day from and including the date such amount is made available to the Borrower to but excluding the date of payment to the Administrative Agent, at (A) in the case of a payment to be made by such Lender, the greater of the Federal Funds Rate and a rate determined by the Administrative Agent in accordance with banking industry rules on interbank compensation, plus any administrative, processing or similar fees customarily charged by the Administrative Agent in connection with the foregoing, and (B) in the case of a payment to be made by the Borrower, the interest rate applicable to Base Rate Loans. If the Borrower and such Lender shall pay such interest to the Administrative Agent for the same or an overlapping period, the Administrative Agent shall promptly remit to the Borrower the amount of such interest paid by the Borrower for such period. If such Lender pays its share of the applicable Borrowing to the Administrative Agent, then the amount so paid shall constitute such Lender's Loan included in such Borrowing. Any payment by the Borrower shall be without prejudice to any claim the Borrower may have against a Lender that shall have failed to make such payment to the Administrative Agent.

(ii) Payments by Borrower; Presumptions by Administrative Agent. Unless the Administrative Agent shall have received notice from the Borrower prior to the date on which any payment is due to the Administrative Agent for the account of the Lenders or the L/C Issuer hereunder that the Borrower will not make such payment, the Administrative Agent may assume that the Borrower has made such payment on such date in accordance herewith and may, in reliance upon such assumption, distribute to the applicable Lenders or L/C Issuer, as the case may be, the amount due. With respect to any payment that the Administrative Agent makes for the account of the Lenders or the L/C Issuer hereunder as to which the Administrative Agent determines (which determination shall be conclusive absent manifest error) that any of the following applies (such payment referred to as the "Rescindable Amount"): (A) the Borrower has not in fact made such payment; (B) the Administrative Agent has made a payment in excess of the amount so paid by the Borrower (whether or not then owed); or (C) the Administrative Agent has for any reason otherwise erroneously made such payment, then each applicable Lender or L/C Issuer, as the case may be, severally agrees to repay to the Administrative Agent forthwith on demand the amount so distributed to such Lender or L/C Issuer, in immediately available funds with interest thereon, for each day from and including the date such amount is distributed to it to but excluding the date of payment to the Administrative Agent, at the greater of the Federal Funds Rate and a rate determined by the Administrative Agent in accordance with banking industry rules on interbank compensation.

A notice of the Administrative Agent to any Lender or L/C Issuer or to the Borrower with respect to any amount owing under this subsection (b) shall be conclusive, absent manifest error.

(c) Failure to Satisfy Conditions Precedent. If any Lender makes available to the Administrative Agent funds for any Loan to be made by such Lender as provided in the foregoing provisions of this Article II, and such funds are not made available to the Borrower by the Administrative Agent because the conditions to the applicable Credit Extension set forth in Article IV are not satisfied or

waived in accordance with the terms hereof, the Administrative Agent shall return such funds (in like funds as received from such Lender) to such Lender, without interest.

(d) Obligations of Lenders Several. The obligations of the Lenders hereunder to make Loans, to fund participations in Letters of Credit and Swing Line Loans and to make payments pursuant to Section 10.04(c) are several and not joint. The failure of any Lender to make any Loan, to fund any such participation or to make any payment under Section 10.04(c) on any date required hereunder shall not relieve any other Lender of its corresponding obligation to do so on such date, and no Lender shall be responsible for the failure of any other Lender to so make its Loan, to purchase its participation or to make its payment under Section 10.04(c).

(e) Funding Source. Nothing herein shall be deemed to obligate any Lender to obtain the funds for any Loan in any particular place or manner or to constitute a representation by any Lender that it has obtained or will obtain the funds for any Loan in any particular place or manner.

2.13 Sharing of Payments by Lenders.

If any Lender shall, by exercising any right of setoff or counterclaim or otherwise, obtain payment in respect of any principal of or interest on any of the Loans made by it, or the participations in L/C Obligations or in Swing Line Loans held by it resulting in such Lender's receiving payment of a proportion of the aggregate amount of such Loans or participations and accrued interest thereon greater than its pro rata share thereof as provided herein, then the Lender receiving such greater proportion shall (a) notify the Administrative Agent of such fact, and (b) purchase (for cash at face value) participations in the Loans and subparticipations in L/C Obligations and Swing Line Loans of the other Lenders, or make such other adjustments as shall be equitable, so that the benefit of all such payments shall be shared by the Lenders ratably in accordance with the aggregate amount of principal of and accrued interest on their respective Loans and other amounts owing them, provided that:

(i) if any such participations or subparticipations are purchased and all or any portion of the payment giving rise thereto is recovered, such participations or subparticipations shall be rescinded and the purchase price restored to the extent of such recovery, without interest; and

(ii) the provisions of this Section shall not be construed to apply to (A) any payment made by or on behalf of the Borrower pursuant to and in accordance with the express terms of this Agreement (including the application of funds arising from the existence of a Defaulting Lender), (B) the application of Cash Collateral provided for in Section 2.14 or (C) any payment obtained by a Lender as consideration for the assignment of or sale of a participation in any of its Loans or subparticipations in L/C Obligations or Swing Line Loans to any assignee or participant, other than an assignment to the Borrower or any Subsidiary (as to which the provisions of this Section shall apply).

The Borrower consents to the foregoing and agrees, to the extent it may effectively do so under applicable Law, that any Lender acquiring a participation pursuant to the foregoing arrangements may exercise against the Borrower rights of setoff and counterclaim with respect to such participation as fully as if such Lender were a direct creditor of the Borrower in the amount of such participation.

2.14 Cash Collateral.

(a) Certain Credit Support Events. If (i) the L/C Issuer has honored any full or partial drawing request under any Letter of Credit and such drawing has resulted in an L/C Borrowing, (ii) as of

the Letter of Credit Expiration Date, any L/C Obligation for any reason remains outstanding, (iii) the Borrower shall be required to provide Cash Collateral pursuant to Section 8.02(c) or (iv) there shall exist a Defaulting Lender, the Borrower shall immediately (in the case of clause (iii), above) or within one Business Day (in all other cases) following any request by the Administrative Agent or the L/C Issuer provide Cash Collateral in an amount not less than the applicable Minimum Collateral Amount (determined in the case of Cash Collateral provided pursuant to clause (iv), above, after giving effect to Section 2.15(b) and any Cash Collateral provided by the Defaulting Lender).

(b) Grant of Security Interest. The Borrower, and to the extent provided by any Defaulting Lender, such Defaulting Lender, hereby grants to (and subjects to the control of) the Administrative Agent, for the benefit of the Administrative Agent, the L/C Issuer and the Lenders, and agrees to maintain, a first priority security interest in all such cash, deposit accounts and all balances therein, and all other property so provided as collateral pursuant hereto, and in all proceeds of the foregoing, all as security for the obligations to which such Cash Collateral may be applied pursuant to Section 2.14(c). If at any time the Administrative Agent determines that Cash Collateral is subject to any right or claim of any Person other than the Administrative Agent or the L/C Issuer as herein provided (other than Liens permitted under Section 7.01(m)), or that the total amount of such Cash Collateral is less than the Minimum Collateral Amount, the Borrower will, promptly upon demand by the Administrative Agent, pay or provide to the Administrative Agent additional Cash Collateral in an amount sufficient to eliminate such deficiency. All Cash Collateral (other than credit support not constituting funds subject to deposit) shall be maintained in blocked, non-interest bearing deposit accounts at Bank of America. The Borrower shall pay on demand therefor from time to time all customary account opening, activity and other administrative fees and charges in connection with the maintenance and disbursement of Cash Collateral.

(c) Application. Notwithstanding anything to the contrary contained in this Agreement, Cash Collateral provided under any of this Section 2.14 or Sections 2.03, 2.05, 2.15 or 8.02 in respect of Letters of Credit shall be held and applied to the satisfaction of the specific L/C Obligations, obligations to fund participations therein (including, as to Cash Collateral provided by a Defaulting Lender, any interest accrued on such obligation) and other obligations for which the Cash Collateral was so provided, prior to any other application of such property as may otherwise be provided for herein.

(d) Release. Cash Collateral (or the appropriate portion thereof) provided to reduce Fronting Exposure or to secure other obligations shall be released promptly following (i) the elimination of the applicable Fronting Exposure or other obligations giving rise thereto (including by the termination of Defaulting Lender status of the applicable Lender (or, as appropriate, its assignee following compliance with Section 10.06(b)(vi))) or (ii) the determination by the Administrative Agent and the L/C Issuer that there exists excess Cash Collateral; provided, however, (x) any such release shall be without prejudice to, and any disbursement or other transfer of Cash Collateral shall be and remain subject to, any other Lien conferred under the Loan Documents and the other applicable provisions of the Loan Documents, and (y) the Person providing Cash Collateral and the L/C Issuer may agree that Cash Collateral shall not be released but instead held to support future anticipated Fronting Exposure or other obligations.

2.15 Defaulting Lenders

(a) Adjustments. Notwithstanding anything to the contrary contained in this Agreement, if any Lender becomes a Defaulting Lender, then, until such time as that Lender is no longer a Defaulting Lender, to the extent permitted by applicable Law:

(i) Waivers and Amendments. Such Defaulting Lender's right to approve or disapprove any amendment, waiver or consent with respect to this Agreement shall be restricted as set forth in the definition of "Required Lenders" and Section 10.01.

(ii) Defaulting Lender Waterfall. Any payment of principal, interest, fees or other amounts received by the Administrative Agent for the account of such Defaulting Lender (whether voluntary or mandatory, at maturity, pursuant to Article VIII or otherwise) or received by the Administrative Agent from a Defaulting Lender pursuant to Section 10.08 shall be applied at such time or times as may be determined by the Administrative Agent as follows: *first*, to the payment of any amounts owing by such Defaulting Lender to the Administrative Agent hereunder; *second*, to the payment on a pro rata basis of any amounts owing by such Defaulting Lender to the L/C Issuer or the Swing Line Lender hereunder; *third*, to Cash Collateralize the L/C Issuer's Fronting Exposure with respect to such Defaulting Lender in accordance with Section 2.14; *fourth*, as the Borrower may request (so long as no Default exists), to the funding of any Loan in respect of which such Defaulting Lender has failed to fund its portion thereof as required by this Agreement, as determined by the Administrative Agent; *fifth*, if so determined by the Administrative Agent and the Borrower, to be held in a deposit account and released pro rata in order to (x) satisfy such Defaulting Lender's potential future funding obligations with respect to Loans under this Agreement and (y) Cash Collateralize the L/C Issuer's future Fronting Exposure with respect to such Defaulting Lender with respect to future Letters of Credit issued under this Agreement, in accordance with Section 2.14; *sixth*, to the payment of any amounts owing to the Lenders, the L/C Issuer or the Swing Line Lender as a result of any judgment of a court of competent jurisdiction obtained by any Lender, the L/C Issuer or the Swing Line Lender against such Defaulting Lender as a result of such Defaulting Lender's breach of its obligations under this Agreement; *seventh*, so long as no Default exists, to the payment of any amounts owing to the Borrower as a result of any judgment of a court of competent jurisdiction obtained by the Borrower against such Defaulting Lender as a result of such Defaulting Lender's breach of its obligations under this Agreement; and *eighth*, to such Defaulting Lender or as otherwise directed by a court of competent jurisdiction; provided that if (x) such payment is a payment of the principal amount of any Loans or L/C Borrowings in respect of which such Defaulting Lender has not fully funded its appropriate share, and (y) such Loans were made or the related Letters of Credit were issued at a time when the conditions set forth in Section 4.02 were satisfied or waived, such payment shall be applied solely to pay the Loans of, and L/C Obligations owed to, all Non-Defaulting Lenders on a pro rata basis prior to being applied to the payment of any Loans of, or L/C Obligations owed to, such Defaulting Lender until such time as all Loans and funded and unfunded participations in L/C Obligations and Swing Line Loans are held by the Lenders pro rata in accordance with the Commitments hereunder without giving effect to Section 2.15(b). Any payments, prepayments or other amounts paid or payable to a Defaulting Lender that are applied (or held) to pay amounts owed by a Defaulting Lender or to post Cash Collateral pursuant to this Section 2.15(a)(ii), shall be deemed paid to and redirected by such Defaulting Lender, and each Lender irrevocably consents hereto.

(iii) Certain Fees.

(A) No Defaulting Lender shall be entitled to receive any fee payable under Section 2.09(a) for any period during which that Lender is a Defaulting Lender (and the Borrower shall not be required to pay any such fee that otherwise would have been required to have been paid to that Defaulting Lender).

(B) Each Defaulting Lender shall be entitled to receive Letter of Credit Fees for any period during which that Lender is a Defaulting Lender only to the extent allocable to its

Applicable Percentage (with respect to the Revolving Facility) of the stated amount of Letters of Credit for which it has provided Cash Collateral pursuant to Section 2.14.

(C) With respect to any Letter of Credit Fee not required to be paid to any Defaulting Lender pursuant to clause (B) above, the Borrower shall (x) pay to each Non-Defaulting Lender that portion of any such fee otherwise payable to such Defaulting Lender with respect to such Defaulting Lender's participation in L/C Obligations that has been reallocated to such Non-Defaulting Lender pursuant to Section 2.15(b) below, (y) pay to the L/C Issuer the amount of any such fee otherwise payable to such Defaulting Lender to the extent allocable to the L/C Issuer's Fronting Exposure to such Defaulting Lender, and (z) not be required to pay the remaining amount of any such fee.

(b) Reallocation of Applicable Percentages to Reduce Fronting Exposure. All or any part of such Defaulting Lender's participation in L/C Obligations and Swing Line Loans shall be reallocated among the Non-Defaulting Lenders in accordance with their respective Applicable Percentages with respect to the Revolving Facility (calculated without regard to such Defaulting Lender's Revolving Commitment) but only to the extent that (x) the conditions set forth in Section 4.02 are satisfied at the time of such reallocation (and, unless the Borrower shall have otherwise notified the Administrative Agent at such time, the Borrower shall be deemed to have represented and warranted that such conditions are satisfied at such time), and (y) such reallocation does not cause the aggregate Revolving Credit Exposure of any Non-Defaulting Lender to exceed such Non-Defaulting Lender's Revolving Commitment. Subject to Section 10.19, no reallocation hereunder shall constitute a waiver or release of any claim of any party hereunder against a Defaulting Lender arising from that Lender having become a Defaulting Lender, including any claim of a Non-Defaulting Lender as a result of such Non-Defaulting Lender's increased exposure following such reallocation.

(c) Cash Collateral, Repayment of Swing Line Loans. If the reallocation described in Section 2.15(b) above cannot, or can only partially, be effected, the Borrower shall, without prejudice to any right or remedy available to it hereunder or under applicable Law, (x) first, prepay Swing Line Loans in an amount equal to the Swing Line Lender's Fronting Exposure and (y) second, Cash Collateralize the L/C Issuers' Fronting Exposure in accordance with the procedures set forth in Section 2.14.

(d) Defaulting Lender Cure. If the Borrower, the Administrative Agent, the Swing Line Lender and the L/C Issuer agree in writing that a Lender is no longer a Defaulting Lender, the Administrative Agent will so notify the parties hereto, whereupon as of the effective date specified in such notice and subject to any conditions set forth therein (which may include arrangements with respect to any Cash Collateral), that Lender will, to the extent applicable, purchase at par that portion of outstanding Loans of the other Lenders or take such other actions as the Administrative Agent may determine to be necessary to cause the Loans and funded and unfunded participations in Letters of Credit and Swing Line Loans to be held on a pro rata basis by the Lenders in accordance with their Applicable Percentages (without giving effect to Section 2.15(b)), whereupon such Lender will cease to be a Defaulting Lender; provided that no adjustments will be made retroactively with respect to fees accrued or payments made by or on behalf of the Borrower while that Lender was a Defaulting Lender; and provided, further, that except to the extent otherwise expressly agreed by the affected parties, no change hereunder from Defaulting Lender to Lender will constitute a waiver or release of any claim of any party hereunder arising from that Lender's having been a Defaulting Lender.

2.16 Refinancing Loans

(a) The Borrower may from time to time add one or more new term loan facilities to this Agreement (“Refinancing Loans”) pursuant to procedures specified by the Administrative Agent to refinance all or any portion of the outstanding Term ~~Loan~~ Loans or Incremental Term Facilities then in effect (the portion being refinanced, the “Refinanced Loans”) pursuant to a Refinancing Amendment; provided that:

(i) such Refinancing Loans shall not have a principal or commitment amount (or accreted value) greater than the Refinanced Loans (excluding accrued interest, fees, discounts, premiums or expenses);

(ii) no existing Lender shall be under any obligation to provide a commitment to such Refinancing Loans;

(iii) each Person providing a commitment to such Refinancing Loans must qualify as an Eligible Assignee;

(iv) the Borrower shall deliver to the Administrative Agent:

(A) a certificate of a Responsible Officer of the Borrower dated as of the date of the applicable Refinancing Amendment (1) certifying and attaching resolutions adopted by the board of directors or equivalent governing body of the Borrower approving such Refinancing Amendment and (2) certifying that, before and after giving effect to such Refinancing Amendment, each of the conditions set forth in Section 4.02 are satisfied;

(B) such amendments to the Collateral Documents as the Administrative Agent may request to cause the Collateral Documents to secure the Obligations after giving effect to such Refinancing Amendment; and

(C) such opinions of legal counsel to the Borrower as the Administrative Agent may request, addressed to the Administrative Agent and each Lender, dated as of the effective date of such Refinancing Amendment, in form and substance satisfactory to the Administrative Agent;

(v) a fully-executed Refinancing Amendment with respect to such Refinancing Loans;

(vi) such Refinancing Loans (A) shall rank pari passu in right of payment as the other Loans and Commitments; (B) shall not be Guaranteed by any Person or secured by any property other than Collateral; and (C) shall be secured by the Collateral on an equal and ratable basis with the Obligations;

(vii) such Refinancing Loans shall share ratably in any mandatory prepayments of the Term Loan and any Incremental Term Facilities pursuant to Section 2.05 (or otherwise provide for more favorable prepayment treatment for the remaining then-outstanding Term Loan and Incremental Term Facilities) and shall have ratable voting rights with the Term Loan and any Incremental Term Facilities (or otherwise provide for more favorable voting rights for the remaining then-outstanding Term Loan and Incremental Term Facilities);

(viii) such Refinancing Loans shall have such interest rates, interest rate margins, fees, discounts, prepayment premiums, amortization and a final maturity date as agreed by the Borrower and

the Lenders providing such Refinancing Loans, provided that such Refinancing Loans shall not have a maturity date that is prior to the maturity date of, and shall not have a Weighted Average Life that is shorter than the Weighted Average Life of, the Refinanced Loans (and in any event such Refinancing Loans shall not have a maturity date that is prior to the Maturity Date of the Term Loan and shall not have a Weighted Average Life that is shorter than the Weighted Average Life of the Term Loan);

(ix) subject to clause (viii) above, such Refinancing Loans will have terms and conditions that are substantially identical to, or less favorable to the Lenders providing such Refinancing Loans than, the terms and conditions of the Refinanced Loans; provided, however, that such Refinancing Loans may provide for any additional or different financial or other covenants or other provisions that are agreed among the Borrower and the Lenders providing such Refinancing Loans and applicable only during periods after the latest maturity of the Refinanced Loans; and

(x) substantially concurrently with the incurrence of such Refinancing Loans, (A) the Borrower shall apply the aggregate cash proceeds of such Refinancing Loans (net of reasonable direct costs incurred in connection therewith, including legal, accounting and investment banking fees and other professional fees, commissions and expenses) to the prepayment of the Refinanced Loans and (B) the Borrower shall pay any amount required pursuant to Section 3.05 as a result of any such prepayment of the Refinanced Loans.

(b) The Lenders hereby authorize the Administrative Agent to enter into, and the Lenders agree that this Agreement and the other Loan Documents shall be amended by, such Refinancing Amendments to the extent (and only to the extent) the Administrative Agent deems necessary in order to establish Refinancing Loans on terms consistent with and/or to effect the provisions of this Section 2.16. The Administrative Agent shall promptly notify each Lender as to the effectiveness of each Refinancing Amendment.

ARTICLE III

TAXES, YIELD PROTECTION AND ILLEGALITY

3.01 Taxes.

(a) Payments Free of Taxes; Obligation to Withhold; Payments on Account of Taxes.

(i) Any and all payments by or on account of any obligation of the Borrower under any Loan Document shall be made without deduction or withholding for any Taxes, except as required by applicable Laws. If any applicable Laws (as determined in the good faith discretion of the Administrative Agent or the Borrower, as applicable) require the deduction or withholding of any Tax from any such payment by the Administrative Agent or the Borrower, then the Administrative Agent or the Borrower shall be entitled to make such deduction or withholding, upon the basis of the information and documentation to be delivered pursuant to subsection (e) below.

(ii) If the Borrower or the Administrative Agent shall be required by the Internal Revenue Code to withhold or deduct any Taxes, including both United States Federal backup withholding and withholding taxes, from any payment, then (A) the Administrative Agent shall withhold or make such deductions as are determined by the Administrative Agent to be required based upon the information and documentation it has received pursuant to subsection (e) below, (B) the Administrative Agent shall timely

pay the full amount withheld or deducted to the relevant Governmental Authority in accordance with the Internal Revenue Code, and (C) to the extent that the withholding or deduction is made on account of Indemnified Taxes, the sum payable by the Borrower shall be increased as necessary so that after any required withholding or the making of all required deductions (including deductions applicable to additional sums payable under this Section 3.01) the applicable Recipient receives an amount equal to the sum it would have received had no such withholding or deduction been made.

(iii) If the Borrower or the Administrative Agent shall be required by any applicable Laws other than the Internal Revenue Code to withhold or deduct any Taxes from any payment, then (A) the Borrower or the Administrative Agent, as required by such Laws, shall withhold or make such deductions as are determined by it to be required based upon the information and documentation it has received pursuant to subsection (g) below, (B) the Borrower or the Administrative Agent, to the extent required by such Laws, shall timely pay the full amount withheld or deducted to the relevant Governmental Authority in accordance with such Laws, and (C) to the extent that the withholding or deduction is made on account of Indemnified Taxes, the sum payable by the Borrower shall be increased as necessary so that after any required withholding or the making of all required deductions (including deductions applicable to additional sums payable under this Section 3.01) the applicable Recipient receives an amount equal to the sum it would have received had no such withholding or deduction been made.

(b) Payment of Other Taxes by the Borrower. Without limiting the provisions of subsection (a) above, the Borrower shall timely pay to the relevant Governmental Authority in accordance with applicable Law, or at the option of the Administrative Agent timely reimburse it for the payment of, any Other Taxes.

(c) Tax Indemnifications.

(i) The Borrower shall, and does hereby, indemnify each Recipient, and shall make payment in respect thereof within ten days after written demand therefor, for the full amount of any Indemnified Taxes (including Indemnified Taxes imposed or asserted on or attributable to amounts payable under this Section 3.01) payable or paid by such Recipient or required to be withheld or deducted from a payment to such Recipient, and any penalties, interest and reasonable expenses arising therefrom or with respect thereto, whether or not such Indemnified Taxes were correctly or legally imposed or asserted by the relevant Governmental Authority. A certificate as to the amount of such payment or liability delivered to the Borrower by a Lender or the L/C Issuer (with a copy to the Administrative Agent), or by the Administrative Agent on its own behalf or on behalf of a Lender or the L/C Issuer, shall be conclusive absent manifest error. The Borrower shall, and does hereby, indemnify the Administrative Agent, and shall make payment in respect thereof within ten days after written demand therefor, for any amount which a Lender or the L/C Issuer for any reason fails to pay indefeasibly to the Administrative Agent as required pursuant to Section 3.01(c)(ii) below.

(ii) Each Lender and the L/C Issuer shall, and does hereby, severally indemnify, and shall make payment in respect thereof within ten days after demand therefor, (A) the Administrative Agent against any Indemnified Taxes attributable to such Lender or the L/C Issuer (but only to the extent that the Borrower has not already indemnified the Administrative Agent for such Indemnified Taxes and without limiting the obligation of the Borrower to do so), (B) the Administrative Agent and the Borrower, as applicable, against any Taxes attributable to such Lender's failure to comply with the provisions of Section 10.06(d) relating to the maintenance of a Participant Register and (C) the Administrative Agent and the Borrower, as applicable, against any Excluded Taxes attributable to such Lender or the L/C

Issuer, in each case, that are payable or paid by the Administrative Agent or the Borrower in connection with any Loan Document, and any reasonable expenses arising therefrom or with respect thereto, whether or not such Taxes were correctly or legally imposed or asserted by the relevant Governmental Authority. A certificate as to the amount of such payment or liability delivered to any Lender by the Administrative Agent shall be conclusive absent manifest error. Each Lender and the L/C Issuer hereby authorizes the Administrative Agent to set off and apply any and all amounts at any time owing to such Lender or the L/C Issuer, as the case may be, under this Agreement or any other Loan Document against any amount due to the Administrative Agent under this clause (ii).

(d) Evidence of Payments. Upon request by the Borrower or the Administrative Agent, as the case may be, after any payment of Taxes by the Borrower or by the Administrative Agent to a Governmental Authority as provided in this Section 3.01, the Borrower shall deliver to the Administrative Agent or the Administrative Agent shall deliver to the Borrower, as the case may be, the original or a certified copy of a receipt issued by such Governmental Authority evidencing such payment, a copy of any return required by Laws to report such payment or other evidence of such payment reasonably satisfactory to the Borrower or the Administrative Agent, as the case may be.

(e) Status of Lenders: Tax Documentation.

(i) Any Lender that is entitled to an exemption from or reduction of withholding Tax with respect to payments made under any Loan Document shall deliver to the Borrower and the Administrative Agent, at the time or times reasonably requested by the Borrower or the Administrative Agent, such properly completed and executed documentation reasonably requested by the Borrower or the Administrative Agent as will permit such payments to be made without withholding or at a reduced rate of withholding. In addition, any Lender, if reasonably requested by the Borrower or the Administrative Agent, shall deliver such other documentation prescribed by applicable Law or reasonably requested by the Borrower or the Administrative Agent as will enable the Borrower or the Administrative Agent to determine whether or not such Lender is subject to backup withholding or information reporting requirements. Notwithstanding anything to the contrary in the preceding two sentences, the completion, execution and submission of such documentation (other than such documentation set forth in Section 3.01(e)(ii)(A), 3.01(e)(ii)(B) and 3.01(e)(ii)(D) below) shall not be required if in the Lender's reasonable judgment such completion, execution or submission would subject such Lender to any material unreimbursed cost or expense or would materially prejudice the legal or commercial position of such Lender.

(ii) Without limiting the generality of the foregoing,

(A) any Lender that is a U.S. Person shall deliver to the Borrower and the Administrative Agent on or prior to the date on which such Lender becomes a Lender under this Agreement (and from time to time thereafter upon the reasonable request of the Borrower or the Administrative Agent), executed copies of IRS Form W-9 certifying that such Lender is exempt from U.S. federal backup withholding tax;

(B) any Foreign Lender shall, to the extent it is legally entitled to do so, deliver to the Borrower and the Administrative Agent (in such number of copies as shall be requested by the recipient) on or prior to the date on which such Foreign Lender becomes a Lender under this Agreement (and from time to time thereafter upon the reasonable request of the Borrower or the Administrative Agent), whichever of the following is applicable:

(1) in the case of a Foreign Lender claiming the benefits of an income tax treaty to which the United States is a party (x) with respect to payments of interest under any Loan Document, executed copies of IRS Form W-8BEN-E (or W-8BEN, as applicable) establishing an exemption from, or reduction of, U.S. federal withholding Tax pursuant to the “interest” article of such tax treaty and (y) with respect to any other applicable payments under any Loan Document, IRS Form W-8BEN-E (or W-8BEN, as applicable) establishing an exemption from, or reduction of, U.S. federal withholding Tax pursuant to the “business profits” or “other income” article of such tax treaty;

(2) executed copies of IRS Form W-8ECI;

(3) in the case of a Foreign Lender claiming the benefits of the exemption for portfolio interest under Section 881(c) of the Internal Revenue Code, (x) a certificate substantially in the form of Exhibit G-1 to the effect that such Foreign Lender is not a “bank” within the meaning of Section 881(c)(3)(A) of the Internal Revenue Code, a “10 percent shareholder” of the Borrower within the meaning of Section 881(c)(3)(B) of the Internal Revenue Code, or a “controlled foreign corporation” described in Section 881(c)(3)(C) of the Internal Revenue Code (a “U.S. Tax Compliance Certificate”) and (y) executed copies of IRS Form W-8BEN-E (or W-8BEN, as applicable); or

(4) to the extent a Foreign Lender is not the beneficial owner, executed copies of IRS Form W-8IMY, accompanied by IRS Form W-8ECI, IRS Form W-8BEN-E (or W-8BEN, as applicable), a U.S. Tax Compliance Certificate substantially in the form of Exhibit G-2 or Exhibit G-3, IRS Form W-9, and/or other certification documents from each beneficial owner, as applicable; provided that if the Foreign Lender is a partnership and one or more direct or indirect partners of such Foreign Lender are claiming the portfolio interest exemption, such Foreign Lender may provide a U.S. Tax Compliance Certificate substantially in the form of Exhibit G-4 on behalf of each such direct and indirect partner;

(C) any Foreign Lender shall, to the extent it is legally entitled to do so, deliver to the Borrower and the Administrative Agent (in such number of copies as shall be requested by the recipient) on or prior to the date on which such Foreign Lender becomes a Lender under this Agreement (and from time to time thereafter upon the reasonable request of the Borrower or the Administrative Agent), executed copies (or originals, as required) of any other form prescribed by applicable Law as a basis for claiming exemption from or a reduction in U.S. federal withholding Tax, duly completed, together with such supplementary documentation as may be prescribed by applicable Law to permit the Borrower or the Administrative Agent to determine the withholding or deduction required to be made; and

(D) if a payment made to a Lender under any Loan Document would be subject to U.S. federal withholding Tax imposed by FATCA if such Lender were to fail to comply with the applicable reporting requirements of FATCA (including those contained in Section 1471(b) or 1472(b) of the Internal Revenue Code, as applicable), such Lender shall deliver to the Borrower and the Administrative Agent at the time or times prescribed by Law and at such time or times reasonably requested by the Borrower or the Administrative Agent such documentation prescribed by applicable Law (including as prescribed by Section 1471(b)(3)(C)(i) of the Internal Revenue Code) and such additional documentation reasonably requested by the Borrower or the Administrative Agent as may be necessary for the Borrower and the Administrative Agent to comply with their obligations under FATCA and to determine that such Lender has complied with such Lender’s obligations under FATCA or to determine

the amount to deduct and withhold from such payment. Solely for purposes of this clause (D), “FATCA” shall include any amendments made to FATCA after the Closing Date.

(iii) Each Lender agrees that if any form or certification it previously delivered pursuant to this Section 3.01 expires or becomes obsolete or inaccurate in any respect, it shall update such form or certification or promptly notify the Borrower and the Administrative Agent in writing of its legal inability to do so.

(f) Treatment of Certain Refunds. Unless required by applicable Laws, at no time shall the Administrative Agent have any obligation to file for or otherwise pursue on behalf of a Lender or the L/C Issuer, or have any obligation to pay to any Lender or L/C Issuer, any refund of Taxes withheld or deducted from funds paid for the account of such Lender or L/C Issuer, as the case may be. If any Recipient determines, in its sole discretion exercised in good faith, that it has received a refund of any Taxes as to which it has been indemnified by the Borrower or with respect to which the Borrower has paid additional amounts pursuant to this Section 3.01, it shall pay to the Borrower an amount equal to such refund (but only to the extent of indemnity payments made, or additional amounts paid, by the Borrower under this Section 3.01 with respect to the Taxes giving rise to such refund), net of all out-of-pocket expenses (including Taxes) incurred by such Recipient, and without interest (other than any interest paid by the relevant Governmental Authority with respect to such refund), provided that the Borrower, upon the written request of the Recipient, agrees to repay the amount paid over to the Borrower (plus any penalties, interest or other charges imposed by the relevant Governmental Authority) to the Recipient in the event the Recipient is required to repay such refund to such Governmental Authority. Notwithstanding anything to the contrary in this subsection, in no event will the applicable Recipient be required to pay any amount to the Borrower pursuant to this subsection the payment of which would place the Recipient in a less favorable net after-Tax position than such Recipient would have been in if the Tax subject to indemnification and giving rise to such refund had not been deducted, withheld or otherwise imposed and the indemnification payments or additional amounts with respect to such Tax had never been paid. This subsection shall not be construed to require any Recipient to make available its tax returns (or any other information relating to its taxes that it deems confidential) to the Borrower or any other Person.

(g) Survival. Each party’s obligations under this Section 3.01 shall survive the resignation or replacement of the Administrative Agent or any assignment of rights by, or the replacement of, a Lender or the L/C Issuer, the termination of the Aggregate Revolving Commitments and the repayment, satisfaction or discharge of all other Obligations.

3.02 Illegality.

If any Lender determines that any Law has made it unlawful, or that any Governmental Authority has asserted that it is unlawful, for any Lender or its applicable Lending Office to make, maintain or fund Loans whose interest is determined by reference to SOFR or Term SOFR, or to determine or charge interest rates based upon SOFR or Term SOFR, then, upon notice thereof by such Lender to the Borrower (through the Administrative Agent), (a) any obligation of such Lender to make or continue Term SOFR Loans or to convert Base Rate Loans to Term SOFR Loans shall be suspended, and (b) if such notice asserts the illegality of such Lender making or maintaining Base Rate Loans the interest rate on which is determined by reference to the Term SOFR component of the Base Rate, the interest rate on which Base Rate Loans of such Lender shall, if necessary to avoid such illegality, be determined by the Administrative Agent without reference to the Term SOFR component of the Base Rate, in each case until such Lender notifies the Administrative Agent and the Borrower that the circumstances giving rise to such determination no longer exist. Upon receipt of such notice, (x) the Borrower shall, upon demand

from such Lender (with a copy to the Administrative Agent), prepay or, if applicable, convert all Term SOFR Loans of such Lender to Base Rate Loans (the interest rate on which Base Rate Loans of such Lender shall, if necessary to avoid such illegality, be determined by the Administrative Agent without reference to the Term SOFR component of the Base Rate), either on the last day of the Interest Period therefor, if such Lender may lawfully continue to maintain such Term SOFR Loan to such day, or immediately, if such Lender may not lawfully continue to maintain such Term SOFR Loan and (y) if such notice asserts the illegality of such Lender determining or charging interest rates based upon SOFR, the Administrative Agent shall during the period of such suspension compute the Base Rate applicable to such Lender without reference to the Term SOFR component thereof until the Administrative Agent is advised in writing by such Lender that it is no longer illegal for such Lender to determine or charge interest rates based upon SOFR. Upon any such prepayment or conversion, the Borrower shall also pay accrued interest on the amount so prepaid or converted, together with any additional amounts required pursuant to Section 3.05.

Each Lender at its option may make any Credit Extension to the Borrower by causing any domestic or foreign branch or Affiliate of such Lender to make such Credit Extension; provided that any exercise of such option shall not affect the obligation of the Borrower to repay such Credit Extension in accordance with the terms of this Agreement.

3.03 Inability to Determine Rates.

(a) If in connection with any request for a Term SOFR Loan or a conversion of Base Rate Loans to Term SOFR Loans or a continuation of any of such Loans, as applicable, (i) the Administrative Agent determines (which determination shall be conclusive absent manifest error) that (A) no Successor Rate has been determined in accordance with Section 3.03(b), and the circumstances under clause (i) of Section 3.03(b) or the Scheduled Unavailability Date has occurred, or (B) adequate and reasonable means do not otherwise exist for determining Term SOFR for any requested Interest Period with respect to a proposed Term SOFR Loan or in connection with an existing or proposed Base Rate Loan, or (ii) the Administrative Agent or the Required Lenders determine that for any reason that Term SOFR for any requested Interest Period with respect to a proposed Term SOFR Loan does not adequately and fairly reflect the cost to such Lenders of funding such Term SOFR Loan, the Administrative Agent will promptly so notify the Borrower and each Lender.

Thereafter, (x) the obligation of the Lenders to make or maintain Term SOFR Loans, or to convert Base Rate Loans to Term SOFR Loans, shall be suspended (to the extent of the affected Term SOFR Loans or Interest Periods), and (y) in the event of a determination described in the preceding sentence with respect to the Term SOFR component of the Base Rate, the utilization of the Term SOFR component in determining the Base Rate shall be suspended, in each case until the Administrative Agent (or, in the case of a determination by the Required Lenders described in clause (ii) of this Section 3.03(a), until the Administrative Agent upon instruction of the Required Lenders) revokes such notice.

Upon receipt of such notice, (i) the Borrower may revoke any pending request for a Borrowing of, or conversion to, or continuation of Term SOFR Loans (to the extent of the affected Term SOFR Loans or Interest Periods) or, failing that, will be deemed to have converted such request into a request for a Borrowing of Base Rate Loans in the amount specified therein and (ii) any outstanding Term SOFR Loans shall be deemed to have been converted to Base Rate Loans immediately at the end of their respective applicable Interest Period.

(b) Replacement of Term SOFR or Successor Rate. Notwithstanding anything to the contrary in this Agreement or any other Loan Documents, if the Administrative Agent determines (which determination shall be conclusive absent manifest error), or the Borrower or Required Lenders notify the Administrative Agent (with, in the case of the Required Lenders, a copy to the Borrower) that the Borrower or Required Lenders (as applicable) have determined, that:

(i) adequate and reasonable means do not exist for ascertaining one month, three month and six month interest periods of Term SOFR, including, without limitation, because the Term SOFR Screen Rate is not available or published on a current basis and such circumstances are unlikely to be temporary; or

(ii) CME or any successor administrator of the Term SOFR Screen Rate or a Governmental Authority having jurisdiction over the Administrative Agent or such administrator with respect to its publication of Term SOFR, in each case acting in such capacity, has made a public statement identifying a specific date after which one month, three month and six month interest periods of Term SOFR or the Term SOFR Screen Rate shall or will no longer be made available, or permitted to be used for determining the interest rate of U.S. dollar denominated syndicated loans, or shall or will otherwise cease, provided that, at the time of such statement, there is no successor administrator that is satisfactory to the Administrative Agent, that will continue to provide such interest periods of Term SOFR after such specific date (the latest date on which one month, three month and six month interest periods of Term SOFR or the Term SOFR Screen Rate are no longer available permanently or indefinitely, the "Scheduled Unavailability Date");

then, on a date and time determined by the Administrative Agent (any such date, the "Term SOFR Replacement Date"), which date shall be at the end of an Interest Period or on the relevant interest payment date, as applicable, for interest calculated and, solely with respect to clause (ii) above, no later than the Scheduled Unavailability Date, Term SOFR will be replaced hereunder and under any Loan Document with Daily Simple SOFR plus the SOFR Adjustment for any payment period for interest calculated that can be determined by the Administrative Agent, in each case, without any amendment to, or further action or consent of any other party to, this Agreement or any other Loan Document (the "Successor Rate").

If the Successor Rate is Daily Simple SOFR plus the SOFR Adjustment, all interest payments will be payable on a quarterly basis.

Notwithstanding anything to the contrary herein, (i) if the Administrative Agent determines that Daily Simple SOFR is not available on or prior to the Term SOFR Replacement Date, or (ii) if the events or circumstances of the type described in Section 3.03(b)(i) or (ii) have occurred with respect to the Successor Rate then in effect, then in each case, the Administrative Agent and the Borrower may amend this Agreement solely for the purpose of replacing Term SOFR or any then current Successor Rate in accordance with this Section 3.03 at the end of any Interest Period, relevant interest payment date or payment period for interest calculated, as applicable, with an alternative benchmark rate giving due consideration to any evolving or then existing convention for similar U.S. dollar denominated credit facilities syndicated and agented in the United States for such alternative benchmark. and, in each case, including any mathematical or other adjustments to such benchmark giving due consideration to any evolving or then existing convention for similar U.S. dollar denominated credit facilities syndicated and agented in the United States for such benchmark, which adjustment or method for calculating such adjustment shall be published on an information service as selected by the Administrative Agent from time to time in its reasonable discretion and may be periodically updated. For the avoidance of doubt, any

such proposed rate and adjustments, shall constitute a “Successor Rate”. Any such amendment shall become effective at 5:00 p.m. on the fifth Business Day after the Administrative Agent shall have posted such proposed amendment to all Lenders and the Borrower unless, prior to such time, Lenders comprising the Required Lenders have delivered to the Administrative Agent written notice that such Required Lenders object to such amendment.

The Administrative Agent will promptly (in one or more notices) notify the Borrower and each Lender of the implementation of any Successor Rate.

Any Successor Rate shall be applied in a manner consistent with market practice; provided that to the extent such market practice is not administratively feasible for the Administrative Agent, such Successor Rate shall be applied in a manner as otherwise reasonably determined by the Administrative Agent.

Notwithstanding anything else herein, if at any time any Successor Rate as so determined would otherwise be less than zero%, the Successor Rate will be deemed to be zero% for the purposes of this Agreement and the other Loan Documents.

In connection with the implementation of a Successor Rate, the Administrative Agent will have the right to make Conforming Changes from time to time and, notwithstanding anything to the contrary herein or in any other Loan Document, any amendments implementing such Conforming Changes will become effective without any further action or consent of any other party to this Agreement; provided that, with respect to any such amendment effected, the Administrative Agent shall post each such amendment implementing such Conforming Changes to the Borrower and the Lenders reasonably promptly after such amendment becomes effective.

For purposes of this Section 3.03, those Lenders that either have not made, or do not have an obligation under this Agreement to make, the relevant Loans in Dollars shall be excluded from any determination of Required Lenders.

3.04 Increased Costs.

(a) Increased Costs Generally. If any Change in Law shall:

(i) impose, modify or deem applicable any reserve, special deposit, compulsory loan, insurance charge or similar requirement against assets of, deposits with or for the account of, or credit extended or participated in by, any Lender or the L/C Issuer;

(ii) subject any Recipient to any Taxes (other than (A) Indemnified Taxes, (B) Taxes described in clauses (b) through (d) of the definition of Excluded Taxes and (C) Connection Income Taxes) on its loans, loan principal, letters of credit, commitments, or other obligations, or its deposits, reserves, other liabilities or capital attributable thereto; or

(iii) impose on any Lender or the L/C Issuer or the London interbank market any other condition, cost or expense affecting this Agreement or Term SOFR Loans made by such Lender or any Letter of Credit or participation therein;

and the result of any of the foregoing shall be to increase the cost to such Lender of making, converting to, continuing or maintaining any Loan the interest on which is determined by reference to

Term SOFR (or of maintaining its obligation to make any such Loan), or to increase the cost to such Lender or L/C Issuer of participating in, issuing or maintaining any Letter of Credit (or of maintaining its obligation to participate in or to issue any Letter of Credit), or to reduce the amount of any sum received or receivable by such Lender or L/C Issuer hereunder (whether of principal, interest or any other amount) then, upon the written request of such Lender or L/C Issuer, the Borrower will pay to such Lender or L/C Issuer, as the case may be, such additional amount or amounts as will compensate such Lender or L/C Issuer, as the case may be, for such additional costs incurred or reduction suffered.

(b) Capital Requirements. If any Lender or the L/C Issuer determines that any Change in Law affecting such Lender or L/C Issuer or any Lending Office of such Lender or such Lender's or L/C Issuer's holding company, if any, regarding capital or liquidity requirements has or would have the effect of reducing the rate of return on such Lender's or L/C Issuer's capital or on the capital of such Lender's or L/C Issuer's holding company, if any, as a consequence of this Agreement, the Commitments of such Lender or the Loans made by, or participations in Letters of Credit or Swing Line Loans held by, such Lender, or the Letters of Credit issued by the L/C Issuer, to a level below that which such Lender or L/C Issuer or such Lender's or L/C Issuer's holding company could have achieved but for such Change in Law (taking into consideration such Lender's or L/C Issuer's policies and the policies of such Lender's or L/C Issuer's holding company with respect to capital adequacy), then from time to time the Borrower will, upon the written request of such Lender or L/C Issuer, pay to such Lender or L/C Issuer, as the case may be, such additional amount or amounts as will compensate such Lender or L/C Issuer or such Lender's or L/C Issuer's holding company for any such reduction suffered.

(c) Certificates for Reimbursement. A certificate of a Lender or the L/C Issuer setting forth the amount or amounts necessary to compensate such Lender or L/C Issuer or its holding company, as the case may be, as specified in subsection (a) or (b) of this Section and delivered to the Borrower shall be conclusive absent manifest error. The Borrower shall pay such Lender or L/C Issuer, as the case may be, the amount shown as due on any such certificate within ten days after receipt thereof.

(d) [Reserved].

(e) Delay in Requests. Failure or delay on the part of any Lender or the L/C Issuer to demand compensation pursuant to the foregoing provisions of this Section shall not constitute a waiver of such Lender's or L/C Issuer's right to demand such compensation, provided that the Borrower shall not be required to compensate a Lender or the L/C Issuer pursuant to the foregoing provisions of this Section for any increased costs incurred or reductions suffered more than nine months prior to the date that such Lender or L/C Issuer, as the case may be, notifies the Borrower of the Change in Law giving rise to such increased costs or reductions and of such Lender's or L/C Issuer's intention to claim compensation therefor (except that, if the Change in Law giving rise to such increased costs or reductions is retroactive, then the nine-month period referred to above shall be extended to include the period of retroactive effect thereof).

3.05 Compensation for Losses.

Upon written demand of any Lender (with a copy to the Administrative Agent) from time to time, the Borrower shall promptly compensate such Lender for and hold such Lender harmless from any loss, cost or expense incurred by it as a result of:

(a) any continuation, conversion, payment or prepayment of any Term SOFR Loan on a day other than the last day of the Interest Period for such Loan (whether voluntary, mandatory, automatic, by reason of acceleration, or otherwise);

(b) any failure by the Borrower (for a reason other than the failure of such Lender to make a Loan) to prepay, borrow, continue or convert any Term SOFR Loan on the date or in the amount notified by the Borrower; or

(c) any assignment of a Term SOFR Loan on a day other than the last day of the Interest Period therefor as a result of a request by the Borrower pursuant to Section 10.13;

including any loss of anticipated profits and any loss or expense arising from the liquidation or reemployment of funds obtained by it to maintain such Loan or from fees payable to terminate the deposits from which such funds were obtained. The Borrower shall also pay any customary administrative fees charged by such Lender in connection with the foregoing.

3.06 Mitigation of Obligations; Replacement of Lenders.

(a) Designation of a Different Lending Office. If any Lender requests compensation under Section 3.04, or requires the Borrower to pay any Indemnified Taxes or additional amounts to any Lender, the L/C Issuer, or any Governmental Authority for the account of any Lender or the L/C Issuer pursuant to Section 3.01, or if any Lender gives a notice pursuant to Section 3.02, then at the request of the Borrower such Lender or L/C Issuer, as applicable, shall use reasonable efforts to designate a different Lending Office for funding or booking its Loans hereunder or to assign its rights and obligations hereunder to another of its offices, branches or affiliates, if, in the judgment of such Lender or L/C Issuer, as applicable, such designation or assignment (i) would eliminate or reduce amounts payable pursuant to Section 3.01 or 3.04, as the case may be, in the future, or eliminate the need for the notice pursuant to Section 3.02, as applicable, and (ii) in each case, would not subject such Lender or L/C Issuer, as the case may be, to any unreimbursed cost or expense and would not otherwise be disadvantageous to such Lender or L/C Issuer, as the case may be. The Borrower hereby agrees to pay all reasonable costs and expenses incurred by any Lender or the L/C Issuer in connection with any such designation or assignment.

(b) Replacement of Lenders. If any Lender requests compensation under Section 3.04, or if the Borrower is required to pay any Indemnified Taxes or additional amounts to any Lender or any Governmental Authority for the account of any Lender pursuant to Section 3.01 and, in each case, such Lender has declined or is unable to designate a different lending office in accordance with Section 3.06(a), the Borrower may, at its sole expense and effort, replace such Lender in accordance with Section 10.13.

3.07 Survival.

All of the Borrower's obligations under this Article III shall survive termination of the Aggregate Revolving Commitments, repayment of all other Obligations hereunder and resignation of the Administrative Agent.

ARTICLE IV

CONDITIONS PRECEDENT TO CREDIT EXTENSIONS

4.01 Conditions of Effectiveness.

This Agreement shall be effective upon satisfaction of the following conditions precedent in each case in a manner satisfactory to the Administrative Agent and each Lender:

(a) Loan Documents. Receipt by the Administrative Agent of executed counterparts of this Agreement and the other Loan Documents, each properly executed by a Responsible Officer of the Borrower and, in the case of this Agreement, by each Lender.

(b) Opinions of Counsel. Receipt by the Administrative Agent of favorable opinions of legal counsel to the Borrower, addressed to the Administrative Agent and each Lender, dated as of the Closing Date.

(c) Organization Documents, Resolutions, Etc. Receipt by the Administrative Agent of the following:

(i) copies of the Organization Documents of the Borrower certified to be true, correct and complete as of a recent date by the appropriate Governmental Authority of the state of its incorporation or organization, where applicable, and certified by a secretary or assistant secretary of the Borrower to be true, correct and complete as of the Closing Date;

(ii) such certificates of resolutions or other action, incumbency certificates and/or other certificates of Responsible Officers of the Borrower as the Administrative Agent may require evidencing the identity, authority and capacity of each Responsible Officer thereof authorized to act as a Responsible Officer in connection with this Agreement and the other Loan Documents to which the Borrower is a party;

(iii) such documents and certifications as the Administrative Agent may require to evidence that the Borrower is duly organized or formed, and is validly existing, in good standing and qualified to engage in business in its state of organization or formation; and

(iv) copies of the Organization Documents of each of (A) Advanced Circuits, (B) Ergo Baby, (C) Arnold Magnetics, (D) BOA, (E) Sterno, (F) Foam Fab, (G) 5.11, (H) Velocity, (I) Marucci, (J) Lugano Buyer and (K) PrimaLoft, in each case certified to be true, correct and complete as of a recent date by the appropriate Governmental Authority of the state of its incorporation or organization, where applicable; provided, however, that if copies of the Organization Documents for any such entities have previously been delivered to the Administrative Agent and no changes have occurred since the date of such delivery, only a certificate of a Responsible Officer of the Borrower certifying to the same shall be required.

(d) Personal Property Collateral. Receipt by the Administrative Agent of the following:

(i) searches of Uniform Commercial Code filings in the jurisdiction of formation of the Borrower and each other jurisdiction deemed appropriate by the Administrative Agent;

(ii) UCC financing statements for each appropriate jurisdiction as is necessary, in the Administrative Agent's discretion, to perfect the Administrative Agent's security interest in the Collateral;

(iii) all certificates evidencing any certificated Equity Interests pledged to the Administrative Agent pursuant to the Security Agreement, together with duly executed in blank, undated stock powers attached thereto (unless, with respect to the pledged Equity Interests of any Foreign Subsidiary, such stock powers are deemed unnecessary by the Administrative Agent in its discretion under the Law of the jurisdiction of organization of such Foreign Subsidiary);

(iv) searches of ownership of, and Liens on, United States registered intellectual property of the Borrower in the appropriate governmental offices; and

(v) duly executed notices of grant of security interest in the form required by the Security Agreement as are necessary, in the Administrative Agent's discretion, to perfect the Administrative Agent's security interest in the United States registered intellectual property of the Borrower.

(e) Evidence of Insurance. Receipt by the Administrative Agent of copies of insurance policies or certificates of insurance of the Borrower evidencing liability and casualty insurance meeting the requirements set forth in the Loan Documents, including naming the Administrative Agent and its successors and assigns as additional insured (in the case of liability insurance) or loss payee (in the case of property insurance) on behalf of the Lenders.

(f) Solvency Certificate. Receipt by the Administrative Agent of a certificate from the chief financial officer of the Borrower, or such other Responsible Officer of the Borrower as is acceptable to the Administrative Agent, dated as of the Closing Date and certifying that the Borrower and its Subsidiaries on a consolidated basis are Solvent after giving effect to the Closing Date Acquisition and the advance of Loans on the Closing Date.

(g) Related Agreements. Receipt by the Administrative Agent of such Related Agreements as are existing on the Closing Date and are required by the Administrative Agent, certified by a secretary or assistant secretary of the Borrower (or such other Responsible Officer of the Borrower as is acceptable to the Administrative Agent) to be true, correct and complete as of the Closing Date.

(h) Payment of Accrued Interest and Fees under the Existing Credit Agreement. Borrower shall have paid in full all accrued interest and fees under the Existing Credit Agreement.

(i) Closing Date Acquisition. The Closing Date Acquisition shall be consummated substantially concurrently with the funding of the Loans on the Closing Date.

(j) Know Your Customer. Upon the reasonable request of any Lender, the Borrower shall have provided to such Lender, and such Lender shall be reasonably satisfied with, the

documentation and other information so requested in connection with applicable “know your customer” and anti-money-laundering rules and regulations, including, without limitation, the Patriot Act.

(k) Fees. Receipt by the Administrative Agent, the Arrangers and the Lenders of any fees required to be paid on or before the Closing Date.

(l) Attorney Costs. The Borrower shall have paid all fees, charges and disbursements of counsel to the Administrative Agent (directly to such counsel if requested by the Administrative Agent) to the extent invoiced prior to or on the Closing Date, plus such additional amounts of such fees, charges and disbursements as shall constitute its reasonable estimate of such fees, charges and disbursements incurred or to be incurred by it through the closing proceedings (provided that such estimate shall not thereafter preclude a final settling of accounts between the Borrower and the Administrative Agent) to the extent invoiced prior to or on the Closing Date.

Without limiting the generality of the provisions of the last paragraph of Section 9.03, for purposes of determining compliance with the conditions specified in this Section 4.01, each Lender that has signed this Agreement shall be deemed to have consented to, approved or accepted or to be satisfied with, each document or other matter required thereunder to be consented to or approved by or acceptable or satisfactory to a Lender unless the Administrative Agent shall have received notice from such Lender prior to the proposed Closing Date specifying its objection thereto.

(d) Personal Property Collateral. Receipt by the Administrative Agent of the following:

(i) searches of Uniform Commercial Code filings in the jurisdiction of formation of the Borrower and each other jurisdiction deemed appropriate by the Administrative Agent;

(ii) UCC financing statements for each appropriate jurisdiction as is necessary, in the Administrative Agent’s discretion, to perfect the Administrative Agent’s security interest in the Collateral;

(iii) all certificates evidencing any certificated Equity Interests pledged to the Administrative Agent pursuant to the Security Agreement, together with duly executed in blank, undated stock powers attached thereto (unless, with respect to the pledged Equity Interests of any Foreign Subsidiary, such stock powers are deemed unnecessary by the Administrative Agent in its discretion under the Law of the jurisdiction of organization of such Foreign Subsidiary);

(iv) searches of ownership of, and Liens on, United States registered intellectual property of the Borrower in the appropriate governmental offices; and

(v) duly executed notices of grant of security interest in the form required by the Security Agreement as are necessary, in the Administrative Agent’s discretion, to perfect the Administrative Agent’s security interest in the United States registered intellectual property of the Borrower.

(e) Evidence of Insurance. Receipt by the Administrative Agent of copies of insurance policies or certificates of insurance of the Borrower evidencing liability and casualty insurance

meeting the requirements set forth in the Loan Documents, including naming the Administrative Agent and its successors and assigns as additional insured (in the case of liability insurance) or loss payee (in the case of property insurance) on behalf of the Lenders.

(f) Solvency Certificate. Receipt by the Administrative Agent of a certificate from the chief financial officer of the Borrower, or such other Responsible Officer of the Borrower as is acceptable to the Administrative Agent, dated as of the Closing Date and certifying that the Borrower and its Subsidiaries on a consolidated basis are Solvent after giving effect to the Closing Date Acquisition and the advance of Loans on the Closing Date.

(g) Related Agreements. Receipt by the Administrative Agent of such Related Agreements as are existing on the Closing Date and are required by the Administrative Agent, certified by a secretary or assistant secretary of the Borrower (or such other Responsible Officer of the Borrower as is acceptable to the Administrative Agent) to be true, correct and complete as of the Closing Date.

(h) Payment of Accrued Interest and Fees under the Existing Credit Agreement. Borrower shall have paid in full all accrued interest and fees under the Existing Credit Agreement.

(i) Closing Date Acquisition. The Closing Date Acquisition shall be consummated substantially concurrently with the funding of the Loans on the Closing Date.

(j) Know Your Customer. Upon the reasonable request of any Lender, the Borrower shall have provided to such Lender, and such Lender shall be reasonably satisfied with, the documentation and other information so requested in connection with applicable "know your customer" and anti-money-laundering rules and regulations, including, without limitation, the Patriot Act.

(k) Fees. Receipt by the Administrative Agent, the Arrangers and the Lenders of any fees required to be paid on or before the Closing Date.

(l) Attorney Costs. The Borrower shall have paid all fees, charges and disbursements of counsel to the Administrative Agent (directly to such counsel if requested by the Administrative Agent) to the extent invoiced prior to or on the Closing Date, plus such additional amounts of such fees, charges and disbursements as shall constitute its reasonable estimate of such fees, charges and disbursements incurred or to be incurred by it through the closing proceedings (provided that such estimate shall not thereafter preclude a final settling of accounts between the Borrower and the Administrative Agent) to the extent invoiced prior to or on the Closing Date.

Without limiting the generality of the provisions of the last paragraph of Section 9.03, for purposes of determining compliance with the conditions specified in this Section 4.01, each Lender that has signed this Agreement shall be deemed to have consented to, approved or accepted or to be satisfied with, each document or other matter required thereunder to be consented to or approved by or acceptable or satisfactory to a Lender unless the Administrative Agent shall have received notice from such Lender prior to the proposed Closing Date specifying its objection thereto.

4.02 Conditions to all Credit Extensions.

The obligation of each Lender and the L/C Issuer to honor any Request for Credit Extension (including a Request for Credit Extension relating to an advance under an Incremental Facility but

excluding a Loan Notice requesting only a conversion of Loans to the other Type or a continuation of Term SOFR Loans) is subject to the following conditions precedent:

(a) The representations and warranties of the Borrower contained in Article V or any other Loan Document, or which are contained in any document furnished at any time under or in connection herewith or therewith, shall be true and correct in all material respects (or, in the case of any such representations and warranties qualified by materiality or Material Adverse Effect, in all respects as drafted) on and as of the date of such Credit Extension, except to the extent that such representations and warranties specifically refer to an earlier date, in which case such representations and warranties shall be true and correct in all material respects (or, in the case of any such representations and warranties qualified by materiality or Material Adverse Effect, in all respects as drafted) as of such earlier date.

(b) No Default shall exist or would result from such proposed Credit Extension or from the application of the proceeds thereof.

(c) If the proceeds of such Credit Extension will fund an Acquisition or Restricted Payment by the Borrower or a Portfolio Company, the Administrative Agent shall have received certification from the chief executive officer, chief financial officer, treasurer or controller of the Borrower demonstrating sufficient Unused Borrowing Availability for such Credit Extension.

(d) After giving effect to any such Credit Extension, the Borrower shall be in compliance with the financial covenants in Section 7.11 on a Pro Forma Basis; and

(e) The Administrative Agent and, if applicable, the L/C Issuer or the Swing Line Lender shall have received a Request for Credit Extension in accordance with the requirements hereof.

Each Request for Credit Extension (including a Request for Credit Extension relating to an advance under an Incremental Facility but excluding a Loan Notice requesting only a conversion of Loans to the other Type or a continuation of Term SOFR Loans) submitted by the Borrower shall be deemed to be a representation and warranty that the conditions specified in this Section 4.02 have been satisfied on and as of the date of the applicable Credit Extension.

ARTICLE V

REPRESENTATIONS AND WARRANTIES

The Borrower represents and warrants to the Administrative Agent and the Lenders that:

5.01 Existence, Qualification and Power.

The Borrower and each of its Subsidiaries (other than, in the case of the following clause (a), Subsidiaries of a Portfolio Company that are not material to such Portfolio Company when taken as a whole with all of its Subsidiaries) (a) is duly organized or formed, validly existing and, as applicable, in good standing under the Laws of the jurisdiction of its incorporation or organization, (b) has all requisite power and authority and all requisite governmental licenses, authorizations, consents and approvals to (i) own or lease its assets and carry on its business and (ii) execute, deliver and perform its obligations under the Loan Documents to which it is a party, and (c) is duly qualified and is licensed and, as applicable, in good standing under the Laws of each jurisdiction where its ownership, lease or operation of properties or the conduct of its business requires such qualification or license; except in each case referred to in clause

(b)(i) or (c), to the extent that failure to do so could not reasonably be expected to have a Material Adverse Effect.

5.02 Authorization; No Contravention.

The execution, delivery and performance by the Borrower and each Subsidiary of each Loan Document and Related Agreement to which it is party have been duly authorized by all necessary corporate or other organizational action, and do not (a) contravene the terms of any of such Person's Organization Documents; (b) conflict with or result in any breach or contravention of, or the creation of any Lien (other than Liens in favor of the Administrative Agent created pursuant to the Collateral Documents and Liens in favor of the Borrower created pursuant to the Intercompany Debt Documents) under, or require any payment to be made under (i) any Contractual Obligation to which such Person is a party or affecting such Person or the properties of such Person or any of its Subsidiaries or (ii) any order, injunction, writ or decree of any Governmental Authority or any arbitral award to which such Person or its property is subject; or (c) violate any Law.

5.03 Governmental Authorization; Other Consents.

No approval, consent, exemption, authorization, or other action by, or notice to, or filing with, any Governmental Authority or any other Person is necessary or required in connection with the execution, delivery or performance by, or enforcement against, the Borrower of any Loan Document or any Subsidiary of any Intercompany Debt Document, other than (i) those that have already been obtained and are in full force and effect and (ii) filings to perfect the Liens created by the Collateral Documents in favor of the Administrative Agent and the Liens created by the Intercompany Debt Documents in favor of the Borrower.

5.04 Binding Effect.

Each Loan Document has been duly executed and delivered by the Borrower and constitutes a legal, valid and binding obligation of the Borrower, enforceable against the Borrower in accordance with its terms, subject to bankruptcy, insolvency and similar laws affecting the enforceability of creditors' rights generally and to general principles of equity. Each Intercompany Debt Document to which any Subsidiary is a party has been duly executed and delivered by such Subsidiary and constitutes a legal, valid and binding obligation of such Subsidiary, enforceable against such Subsidiary in accordance with its terms, subject to bankruptcy, insolvency and similar laws affecting the enforceability of creditors' rights generally and to general principles of equity.

5.05 Financial Statements; No Material Adverse Effect.

(a) The financial statements delivered pursuant to Section 6.01(a) and (b) (i) were prepared in accordance with GAAP (or, with respect to financial statements of Portfolio Companies organized in Canada, as otherwise permitted by Section 1.03(a)) consistently applied throughout the periods covered thereby, except as otherwise expressly noted therein; (ii) fairly present the financial condition of the Borrower and its Subsidiaries on a consolidated (and, as applicable, consolidating) basis as of the dates thereof and their results of operations and cash flows for the periods covered thereby (and such consolidating financial statements are fairly stated in all material respects when considered in relation to the consolidated financial statements), subject, in the case of unaudited financial statements, to the absence of footnotes and to normal year-end audit adjustments; and (iii) show all material indebtedness

and other liabilities, direct or contingent, of the Borrower and its Subsidiaries as of the dates thereof, including liabilities for taxes, material commitments and Indebtedness.

(b) The Audited Financial Statements (i) were prepared in accordance with GAAP consistently applied throughout the periods covered thereby, except as otherwise expressly noted therein; (ii) fairly present the financial condition of the Borrower and its Subsidiaries on a consolidated (and, as applicable, consolidating) basis as of the dates thereof and their results of operations and cash flows for the periods covered thereby (and such consolidating financial statements are fairly stated in all material respects when considered in relation to the consolidated financial statements); and (iii) show all material indebtedness and other liabilities, direct or contingent, of the Borrower and its Subsidiaries as of the dates thereof, including liabilities for taxes, material commitments and Indebtedness.

(c) From the date of the Audited Financial Statements to and including the Closing Date, there has been no Disposition or any Recovery Event of any material part of the business or property of the Borrower and its Subsidiaries, taken as a whole, and no purchase or other acquisition by any of them of any business or property (including any Equity Interests of any other Person) material in relation to the consolidated financial condition of the Borrower and its Subsidiaries, taken as a whole, in each case, which is not reflected in the foregoing financial statements or in the notes thereto and has not otherwise been disclosed in writing to the Lenders on or prior to the Closing Date.

(d) Since the date of the Audited Financial Statements, there has been no event or circumstance, either individually or in the aggregate, that has had or could reasonably be expected to have a Material Adverse Effect.

5.06 Litigation.

There are no actions, suits, proceedings, claims or disputes pending or, to the knowledge of the Responsible Officers of the Borrower, threatened or contemplated, at law, in equity, in arbitration or before any Governmental Authority, by or against the Borrower or any Subsidiary or against any of their properties or revenues that (a) purport to affect or pertain to this Agreement, any other Loan Document or any of the transactions contemplated hereby or thereby, or (b) could reasonably be expected, individually or in the aggregate, to have a Material Adverse Effect.

(b) The Audited Financial Statements (i) were prepared in accordance with GAAP consistently applied throughout the periods covered thereby, except as otherwise expressly noted therein; (ii) fairly present the financial condition of the Borrower and its Subsidiaries on a consolidated (and, as applicable, consolidating) basis as of the dates thereof and their results of operations and cash flows for the periods covered thereby (and such consolidating financial statements are fairly stated in all material respects when considered in relation to the consolidated financial statements); and (iii) show all material indebtedness and other liabilities, direct or contingent, of the Borrower and its Subsidiaries as of the dates thereof, including liabilities for taxes, material commitments and Indebtedness.

(c) From the date of the Audited Financial Statements to and including the Closing Date, there has been no Disposition or any Recovery Event of any material part of the business or property of the Borrower and its Subsidiaries, taken as a whole, and no purchase or other acquisition by any of them of any business or property (including any Equity Interests of any other Person) material in relation to the consolidated financial condition of the Borrower and its Subsidiaries, taken as a whole, in each case, which is not reflected in the foregoing financial statements or in the notes thereto and has not otherwise been disclosed in writing to the Lenders on or prior to the Closing Date.

(d) Since the date of the Audited Financial Statements, there has been no event or circumstance, either individually or in the aggregate, that has had or could reasonably be expected to have a Material Adverse Effect.

5.07 No Default.

(a) As of the Closing Date, neither the Borrower nor any Subsidiary is in default under or with respect to any Intercompany Debt Document. Neither the Borrower nor any Subsidiary is in default under or with respect to any Intercompany Debt Document or other Contractual Obligation, in each case that individually or in the aggregate could reasonably be expected to have a Material Adverse Effect.

(b) No Default has occurred and is continuing.

5.08 Ownership of Property.

Except as could not, individually or in the aggregate, reasonably be expected to have a Material Adverse Effect, each of the Borrower and its Subsidiaries has good record and marketable title in fee simple to, or valid leasehold interests in, all real property necessary or used in the ordinary conduct of its business.

5.09 Environmental Compliance.

Except as could not, individually or in the aggregate, reasonably be expected to have a Material Adverse Effect:

(a) Each of the facilities and real properties owned, leased or operated by the Borrower or any Subsidiary (the “Facilities”) and all operations at the Facilities are in compliance with all applicable Environmental Laws, and there is no violation of any Environmental Law with respect to the Facilities or the businesses operated by the Borrower and its Subsidiaries at such time (the “Businesses”), and there are no conditions relating to the Facilities or the Businesses that would reasonably be expected to give rise to liability under any applicable Environmental Laws.

(b) None of the Facilities contains, or has previously contained, any Hazardous Materials at, on or under the Facilities in amounts or concentrations that constitute or constituted a violation of, or could give rise to liability under, Environmental Laws.

(c) Neither the Borrower nor any Subsidiary has received any written or verbal notice of, or inquiry from any Governmental Authority regarding, any violation, alleged violation, non-compliance, liability or potential liability regarding environmental matters or compliance with Environmental Laws with regard to any of the Facilities or the Businesses, nor does any Responsible Officer of the Borrower have knowledge or reason to believe that any such notice will be received or is being threatened.

(d) Hazardous Materials have not been transported or disposed of from the Facilities, or generated, treated, stored or disposed of at, on or under any of the Facilities or any other location, in each case by or on behalf of the Borrower or any Subsidiary in violation of, or in a manner that would be reasonably likely to give rise to liability under, any applicable Environmental Law.

(e) No judicial proceeding or governmental or administrative action is pending or, to the knowledge of the Responsible Officers of the Borrower, threatened, under any Environmental Law to which the Borrower or any Subsidiary is or will be named as a party, nor are there any consent decrees or other decrees, consent orders, administrative orders or other orders, or other administrative or judicial requirements outstanding under any Environmental Law with respect to the Borrower, any Subsidiary, the Facilities or the Businesses.

(f) There has been no release or threat of release of Hazardous Materials at or from the Facilities, or arising from or related to the operations (including disposal) of the Borrower or any Subsidiary in connection with the Facilities or otherwise in connection with the Businesses, in violation of or in amounts or in a manner that could give rise to liability under Environmental Laws.

5.10 Insurance.

(a) The properties of the Borrower and its Subsidiaries are insured with financially sound and reputable insurance companies not Affiliates of the Borrower, in such amounts, with such deductibles and covering such risks as are customarily carried by companies engaged in similar businesses and owning similar properties in localities where the Borrower or the applicable Subsidiary operates.

(b) The Borrower and its Subsidiaries maintain, if available, fully paid flood hazard insurance on all real property that is located in a special flood hazard area and that constitutes Collateral, on such terms and in such amounts as required by The National Flood Insurance Reform Act of 1994 or as otherwise required by the Administrative Agent.

5.11 Taxes.

The Borrower and its Subsidiaries have filed all federal, state and other material tax returns and reports required to be filed, and have paid all federal, state and other material taxes, assessments, fees and other governmental charges levied or imposed upon them or their properties, income or assets otherwise due and payable, except (a) to the extent that failure to do so, individually or in the aggregate, could not reasonably be expected to have a Material Adverse Effect and (b) those which are being contested in good faith by appropriate proceedings diligently conducted and for which adequate reserves have been provided in accordance with GAAP. There is no proposed tax assessment against the Borrower or any Subsidiary that would, if made, individually or in the aggregate, have a Material Adverse Effect. As of the Closing Date, neither the Borrower nor any Subsidiary is party to any tax sharing agreement.

5.12 ERISA Compliance.

(a) Each Plan is in compliance in all material respects with the applicable provisions of ERISA, the Internal Revenue Code and other federal or state Laws. Each Pension Plan that is intended to be a qualified plan under Section 401(a) of the Internal Revenue Code has received a favorable determination letter from the IRS to the effect that the form of such Plan is qualified under Section 401(a) of the Internal Revenue Code and the trust related thereto has been determined by the IRS to be exempt from federal income tax under Section 501(a) of the Internal Revenue Code, or an application for such a letter is currently being processed by the IRS. To the knowledge of the Responsible Officers of the Borrower, nothing has occurred that would reasonably be expected to prevent or cause the loss of such tax-qualified status.

(b) There are no pending or, to the knowledge of the Responsible Officers of the Borrower, threatened claims, actions or lawsuits, or action by any Governmental Authority, with respect to any Plan that could reasonably be expected to have a Material Adverse Effect. There has been no prohibited transaction or violation of the fiduciary responsibility rules with respect to any Plan that has resulted or could reasonably be expected to result, either individually or in the aggregate, in a Material Adverse Effect.

(c) Except as could not reasonably be expected to have a Material Adverse Effect, (i) no ERISA Event has occurred, and neither the Borrower nor any ERISA Affiliate is aware of any fact, event or circumstance that could reasonably be expected to constitute or result in an ERISA Event with respect to any Pension Plan; (ii) the Borrower and each ERISA Affiliate has met all applicable requirements under the Pension Funding Rules in respect of each Pension Plan, and no waiver of the minimum funding standards under the Pension Funding Rules has been applied for or obtained; (iii) as of the most recent valuation date for any Pension Plan, the funding target attainment percentage (as defined in Section 430(d)(2) of the Internal Revenue Code) is 60% or higher and neither the Borrower nor any ERISA Affiliate knows of any facts or circumstances that could reasonably be expected to cause the funding target attainment percentage for any such plan to drop below 60% as of the most recent valuation date; (iv) neither the Borrower nor any ERISA Affiliate has incurred any liability to the PBGC other than for the payment of premiums, and there are no premium payments which have become due that are unpaid; (v) neither the Borrower nor any ERISA Affiliate has engaged in a transaction that could be subject to Section 4069 or Section 4212(c) of ERISA; and (vi) no Pension Plan has been terminated by the plan administrator thereof nor by the PBGC, and no event or circumstance has occurred or exists that could reasonably be expected to cause the PBGC to institute proceedings under Title IV of ERISA to terminate any Pension Plan.

(d) As of the Closing Date the Borrower is not and will not be using “plan assets” (within the meaning of 29 CFR § 2510.3-101, as modified by Section 3(42) of ERISA) of one or more Benefit Plans in connection with the Loans, the Letters of Credit or the Commitments.

5.13 Subsidiaries.

Set forth on Schedule 5.13 is a complete and accurate list as of the Closing Date of each Subsidiary, together with (a) jurisdiction of organization, (b) number of shares of each class of Equity Interests outstanding, and (c) number or percentage of outstanding shares of each class owned (directly or indirectly) by the Borrower or any Subsidiary. The outstanding Equity Interests of each Subsidiary are duly authorized, validly issued, fully paid and non-assessable. As of the Closing Date, except as set forth on Schedule 5.13, there are no preemptive or other outstanding rights, options, warrants, conversion rights or other similar agreements or understandings for the purchase or acquisition of any Equity Interests of any Subsidiary.

5.14 Margin Regulations: Investment Company Act.

(a) The Borrower and each Subsidiary is not engaged and will not engage, principally or as one of its important activities, in the business of purchasing or carrying margin stock (within the meaning of Regulation U issued by the FRB), or extending credit for the purpose of purchasing or carrying margin stock. Following the application of the proceeds of each Borrowing or drawing under each Letter of Credit, not more than 25% of the value of the assets (either of the Borrower only or of the Borrower and its Subsidiaries on a consolidated basis) subject to the provisions of Section 7.01 or Section 7.05 or subject to any restriction contained in any agreement or instrument between the Borrower and any Lender

or any Affiliate of any Lender relating to Indebtedness and within the scope of Section 8.01(e) will be margin stock. Following the application of the proceeds of each borrowing of Intercompany Debt, not more than 25% of the value of the assets (either of the borrowing Subsidiary only or of such Subsidiary and its Subsidiaries on a consolidated basis) subject to any restriction on liens or dispositions in the applicable Intercompany Debt Documents will be margin stock.

(b) None of the Borrower, any Person Controlling the Borrower, or any Subsidiary is or is required to be registered as an “investment company” under the Investment Company Act of 1940.

5.15 Disclosure.

The Borrower has disclosed to the Administrative Agent and the Lenders all agreements, instruments and corporate or other restrictions to which it or any of its Subsidiaries is subject, and all other matters known to it, that individually or in the aggregate could reasonably be expected to result in a Material Adverse Effect. No report, financial statement, certificate or other information furnished in writing by or on behalf of the Borrower or any Subsidiary to the Administrative Agent or any Lender in connection with the transactions contemplated hereby and the negotiation of this Agreement or delivered hereunder or under any other Loan Document (in each case, as modified or supplemented by other information so furnished) contains any material misstatement of fact or omits to state any material fact necessary to make the statements therein, in the light of the circumstances under which they were made, not misleading; provided that, with respect to projected financial information and forecasts, the Borrower represents only that such information was prepared in good faith based upon assumptions believed to be reasonable at the time and that actual results during the period or periods covered by any such projections and forecasts may differ from projected or forecasted results. As of the Closing Date, the information included in any Beneficial Ownership Certification delivered to the Administrative Agent or any Lender, if applicable, is true and correct in all respects.

5.16 Compliance with Laws.

Each of the Borrower and each Subsidiary is in compliance with the requirements of all Laws and all orders, writs, injunctions and decrees applicable to it or to its properties, except in such instances in which (a) such requirement of Law or order, writ, injunction or decree is being contested in good faith by appropriate proceedings diligently conducted or (b) the failure to comply therewith could not reasonably be expected to have, individually or in the aggregate, a Material Adverse Effect.

5.17 Intellectual Property; Licenses; Etc.

The Borrower owns, or possesses the right to use, all of the trademarks, service marks, trade names, copyrights, patents, patent rights, franchises, licenses and other intellectual property rights (collectively, “IP Rights”) that are reasonably necessary for the operation of its business. Set forth on Schedule 5.17 is a list of (i) all IP Rights registered or pending registration with the United States Copyright Office or the United States Patent and Trademark Office that as of the Closing Date the Borrower owns and (ii) all licenses of IP Rights registered with the United States Copyright Office or the United States Patent and Trademark Office as of the Closing Date. Except for such claims and infringements that could not reasonably be expected to have, individually or in the aggregate, a Material Adverse Effect, no claim has been asserted and is pending by any Person challenging or questioning the use of any IP Rights or the validity or effectiveness of any IP Rights, nor does any Responsible Officer of the Borrower know of any such claim, and, to the knowledge of the Responsible Officers of the Borrower, neither the use of any IP Rights by the Borrower nor the granting of a right or a license in respect of any

IP Rights from the Borrower infringes on any rights of any other Person. As of the Closing Date, none of the IP Rights owned by the Borrower is subject to any licensing agreement or similar arrangement except as set forth on Schedule 5.17.

5.18 Solvency.

On the Closing Date, both immediately prior to and after giving effect to the Credit Extensions and other transactions to occur on the Closing Date, the Borrower is Solvent individually and the Borrower and its Subsidiaries are Solvent on a consolidated basis.

5.19 Business Locations; Taxpayer Identification Number.

Set forth on Schedule 5.19-1 is a list of all real property located in the United States that is owned or leased by the Borrower as of the Closing Date (identifying whether such real property is owned or leased). Set forth on Schedule 5.19-2 is the jurisdiction of organization, chief executive office, U.S. tax payer identification number and organizational identification number of the Borrower as of the Closing Date. The Borrower has not during the five years preceding the Closing Date (i) changed its legal name, (ii) changed its state of formation, or (iii) been party to a merger, consolidation or other change in structure.

5.20 OFAC; Anti-Corruption Laws.

(a) None of the Borrower, nor any of its Subsidiaries, nor, to the knowledge of the Borrower, any director, officer, employee, agent, affiliate or representative thereof, is an individual or entity that is, or is owned, individually or in the aggregate, or controlled by any individual or entities that are (i) currently the subject or target of any Sanctions, (ii) included on OFAC's List of Specially Designated Nationals, HMT's Consolidated List of Financial Sanctions Targets and the Investment Ban List, or any similar list enforced by any other relevant sanctions authority or (iii) located, organized or resident in a Designated Jurisdiction.

(b) The Borrower and its Subsidiaries have conducted their businesses in compliance with the United States Foreign Corrupt Practices Act of 1977, the UK Bribery Act 2010, and other similar anti-corruption legislation in other jurisdictions and have instituted and maintained policies and procedures designed to promote and achieve compliance with such laws.

(c) No part of the proceeds of any Credit Extension will be used by the Borrower or any Subsidiary, directly or indirectly, in violation of Section 7.15 or Section 7.16 of this Agreement.

5.21 Labor Matters.

The Borrower is not subject to any labor or collective bargaining agreement. There are no existing or, to the knowledge of the Responsible Officers of the Borrower, threatened strikes, lockouts or other labor disputes involving the Borrower or any Subsidiary that singly or in the aggregate could reasonably be expected to have a Material Adverse Effect. Hours worked by and payment made to employees of the Borrower are not in violation of the Fair Labor Standards Act or any other applicable law, rule or regulation dealing with such matters.

5.22 Related Agreements.

The Borrower has furnished to the Administrative Agent a true and correct copy of the Related Agreements pursuant hereto. Each of the Borrower and the Subsidiaries and, to the Borrower's knowledge, each other party to the Related Agreements, has duly taken all necessary organizational action to authorize the execution, delivery and performance of the Related Agreements and the consummation of transactions contemplated thereby. As of the Closing Date, the Related Transactions occurring prior to the Closing Date have been consummated in accordance with the terms of the Related Agreements and applicable Law. The execution and delivery of the Related Agreements in existence as of the Closing Date, and the consummation of the Related Transactions occurring prior to the Closing Date, did not violate any statute or regulation of the United States (including any securities law) or of any state or other applicable jurisdiction, or any order, judgment or decree of any court or governmental body binding on the Borrower or any Subsidiary or, to the Borrower's knowledge, any other party to the Related Agreements, or result in a breach of, or constitute a default under, any material agreement, indenture, instrument or other document, or any judgment, order or decree, to which the Borrower or any Subsidiary is a party or by which the Borrower or any Subsidiary is bound or, to Borrower's knowledge, to which any other party to the Related Agreements is a party or by which any such party is bound. No statement or representation made in the Related Agreements in existence as of the Closing Date by the Borrower or any Subsidiary or, to the Borrower's knowledge, any other Person, contains any untrue statement of a material fact or omits to state any material fact required to be stated therein or necessary in order to make the statements made therein, in light of the circumstances under which they are made, not misleading as of the time that such statement or representation is made. As of the Closing Date and any other date on which such representations and warranties are otherwise remade or deemed remade hereunder, (i) each of the representations and warranties contained in the Related Agreements in existence as of the Closing Date made by the Borrower or any Subsidiary is true and correct in all material respects (or, with respect to any such representations and warranties that are qualified by materiality or material adverse effect, in all respects as drafted) and (ii) to the Borrower's knowledge, each of the representations and warranties contained in the Related Agreements in existence as of the Closing Date made by any Person other than the Borrower or a Subsidiary is true and correct in all material respects (or, with respect to any such representations and warranties that are qualified by materiality or material adverse effect, in all respects as drafted).

5.23 No Affected Financial Institution. The Borrower is not an Affected Financial Institution.

5.24 No Covered Entities. The Borrower is not a Covered Entity.

ARTICLE VI

AFFIRMATIVE COVENANTS

Until the Facility Termination Date, the Borrower shall:

6.01 Financial Statements.

Deliver to the Administrative Agent (for further distribution to the Lenders):

(a) as soon as available, but in any event within ninety (90) days after the end of each fiscal year of:

(i) the Borrower, commencing with the first such fiscal year end to occur after the Closing Date, a consolidated and consolidating (by Portfolio Company and Outside Company) balance sheet of the Borrower and its Subsidiaries as at the end of such fiscal year, and the related consolidated and consolidating (by Portfolio Company and Outside Company) statements of income or operations, changes in shareholders' equity and cash flows for such fiscal year, setting forth in each case in comparative form the figures for the previous fiscal year, all in reasonable detail and prepared in accordance with GAAP (or, with respect to consolidating financial statements of Portfolio Companies organized in Canada, as otherwise permitted by [Section 1.03\(a\)](#)), and in the case of such consolidated statements audited and accompanied by a report and opinion of an independent certified public accountant of recognized standing reasonably acceptable to the Administrative Agent, which report and opinion shall be prepared in accordance with generally accepted auditing standards and shall not be subject to any "going concern" or like qualification or exception or any qualification or exception as to the scope of such audit (except for qualifications relating to changes in accounting principles or practices reflecting changes in GAAP and required or approved by the Borrower's independent certified public accountants), and in the case of such consolidating statements certified by the chief executive officer, chief financial officer, treasurer or controller of the Borrower to the effect that such statements are fairly stated in all material respects when considered in relation to the consolidated financial statements of the Borrower and its Subsidiaries; and

(ii) a Portfolio Company or Outside Company, commencing with the first such fiscal year end to occur after the Closing Date, a consolidated balance sheet of such Portfolio Company or Outside Company, as applicable, and its Subsidiaries as at the end of such fiscal year, and the related consolidated statements of income or operations, changes in shareholders' equity and cash flows for such fiscal year, setting forth in each case in comparative form the figures for the previous fiscal year, all in reasonable detail and prepared in accordance with GAAP (or, with respect to financial statements of Portfolio Companies organized in Canada, as otherwise permitted by [Section 1.03\(a\)](#)), audited and accompanied by a report and opinion of an independent certified public accountant of recognized standing reasonably acceptable to the Administrative Agent, which report and opinion shall be prepared in accordance with generally accepted auditing standards and shall not be subject to any "going concern" or like qualification or exception or any qualification or exception as to the scope of such audit (except for qualifications relating to changes in accounting principles or practices reflecting changes in GAAP and required or approved by such Portfolio Company's or Outside Company's independent certified public accountants); provided, (A) that audited financial statements for Portfolio Companies and Outside Companies with respect to fiscal years prior to the first full fiscal year occurring after such Portfolio Company or Outside Company has become a Portfolio Company or Outside Company shall only be required to be delivered to the extent they are available and (B) the audited financial statements for Rimports and its Subsidiaries for the fiscal year ending December 31, 2026 shall be from May 1, 2026 to December 31, 2026; and

(b) as soon as available, but in any event within forty-five (45) days after the end of each month other than the first month (for which such financial statements shall not be required to be delivered prior to delivery of the financial statements referred to in [Section 6.01\(a\)\(i\)](#)) and last month (for which monthly financial statements shall not be required to be delivered under this

Section 6.01(b)) of each fiscal year, commencing with the month ending May 31, 2022, a consolidated and consolidating (by Portfolio Company and Outside Company) balance sheet of the Borrower and its Subsidiaries as at the end of such month, the related consolidated and consolidating (by Portfolio Company and Outside Company) statements of income or operations for such month and for the portion of the Borrower's fiscal year then ended, and the related consolidated and consolidating (by Portfolio Company and Outside Company) statements of cash flows for the portion of the Borrower's fiscal year then ended and the corresponding portion of the budget for the current fiscal year, all in reasonable detail and in the case of such consolidated statements certified by the chief executive officer, chief financial officer, treasurer or controller of the Borrower as fairly presenting the financial condition, results of operations, shareholders' equity and cash flows of the Borrower and its Subsidiaries in accordance with GAAP, subject only to normal year-end audit adjustments and the absence of footnotes, and in the case of such consolidating statements certified by the chief executive officer, chief financial officer, treasurer or controller of the Borrower to the effect that such statements are fairly stated in all material respects when considered in relation to the consolidated financial statements of the Borrower and its Subsidiaries;

(c) as soon as available, but in any event within sixty (60) days after the end of each fiscal year of the Borrower, commencing with the first fiscal year ending after the Closing Date, forecasts prepared by management of the Borrower, in form reasonably satisfactory to the Administrative Agent, of consolidated and consolidating (by Portfolio Company and Outside Company) balance sheets, statements of income or operations and cash flows, and budgets of the Borrower and its Subsidiaries on a monthly basis for the immediately following fiscal year (including the fiscal year in which the Maturity Date occurs); and

(d) on the first Business Day of every second week following the Fifth Amendment Effective Date, a rolling 13-week forecast of cash flows for the Borrower as of the last day of the immediately preceding week (each a "Cash Flow Forecast"), together with a variance report showing a comparison of the previous week's actual cash flows for the Borrower to the most recently previously delivered Cash Flow Forecast in both dollar and percentage units, together with a written explanation of any variance (positive or negative) for any line item that exceeds ten percent (10%) on a line item (provided that such variance is greater than \$100,000 on any line item) or on a cumulative basis.

As to any information contained in materials furnished pursuant to Section 6.02(c), the Borrower shall not be separately required to furnish such information under Section 6.01(a) or 6.01(b), but the foregoing shall not be in derogation of the obligation of the Borrower to furnish the information and materials described in Section 6.01(a) or 6.01(b) at the times specified therein.

6.02 Certificates; Other Information.

Deliver to the Administrative Agent (for further distribution to the Lenders):

(a) [reserved];

(b) concurrently with the delivery of (i) the financial statements referred to in Section 6.01(a)(i), and (ii) the financial statements referred to in Section 6.01(b) for any fiscal quarter-end, commencing with the fiscal quarter ending June 30, 2022, a duly completed Compliance Certificate signed by the chief executive officer, chief financial officer, treasurer or controller of the Borrower, which delivery may, unless the Administrative Agent or a Lender requests executed originals, be by electronic

communication including fax or email and shall be deemed to be an original authentic counterpart thereof for all purposes;

(c) promptly after the same are available, copies of each annual report, proxy or financial statement or other report or communication sent to the equityholders of the Trust, the Borrower or any Subsidiary, and copies of all annual, regular, periodic and special reports and registration statements which the Trust, the Borrower or any Subsidiary may file or be required to file with the SEC under Section 13 or 15(d) of the Securities Exchange Act of 1934, and not otherwise required to be delivered to the Administrative Agent pursuant hereto;

(d) concurrently with the delivery of (i) the financial statements referred to in Section 6.01(a)(i) and (ii) the financial statements referred to in Section 6.01(b) for any fiscal quarter-end, a report signed by a Responsible Officer of the Borrower and in form and detail reasonably satisfactory to the Administrative Agent that supplements Schedule 5.17 such that, as supplemented, such Schedule would be accurate and complete as of such date (if no supplement is required to cause such Schedule to be accurate and complete as of such date, then the Borrower shall not be required to deliver such a report);

(e) concurrently with the delivery of the financial statements referred to in Sections 6.01(a)(i) and (b), a duly completed Availability Certificate dated as of the last day of the period covered by such financial statements, signed by the chief executive officer, chief financial officer, treasurer or controller of the Borrower, which delivery may, unless the Administrative Agent or a Lender requests executed originals, be by electronic communication including fax or email and shall be deemed to be an original authentic counterpart thereof for all purposes; provided, that, at any time an Event of Default exists, the Administrative Agent may require the Borrower to deliver Availability Certificates more frequently;

(f) ~~promptly, and in any event within one (1) Business Day of receipt, (i) any updated Lugano DIP Budgets, which Lugano DIP Budgets shall be in form and substance reasonably satisfactory to the Administrative Agent prior to the effectiveness thereof, (ii) a confidential weekly report summarizing weekly sales and results of the implementation of the Lugano Liquidation Plan, (iii) copies of all indications of interest, letters of intent, or draft purchase agreements received from any third party, (iv) weekly collateral (accounts receivable, inventory, and cash) reporting, and (v) any other reporting that is required to be delivered by the Lugano Entities to the Borrower under the terms of the Lugano DIP Loan Documents, [reserved];~~

(g) concurrently with the delivery of the financial statements referred to in Section 6.01(a) and, in respect of each month that is the last month of a fiscal quarter, Section 6.01(b), a management discussion and analysis of such financial statements in form and detail reasonably satisfactory to the Administrative Agent;

(h) promptly after any request by the Administrative Agent or any Lender, copies of any detailed audit reports, management letters or recommendations submitted to the board of directors (or the audit committee of the board of directors) of the Trust, the Borrower or any Subsidiary by independent accountants in connection with the accounts or books of the Trust, the Borrower or any Subsidiary, or any audit of any of them;

(i) promptly, and in any event within five (5) Business Days after receipt thereof by the Trust, the Borrower or any Subsidiary, copies of each notice or other correspondence received from the SEC (or comparable agency in any applicable non-U.S. jurisdiction) concerning any investigation or

possible investigation or other inquiry by such agency regarding financial or other operational results of the Trust, the Borrower or any Subsidiary;

(j) promptly following any request therefor from the Administrative Agent or any Lender, information and documentation reasonably requested by the Administrative Agent or any Lender for purposes of compliance with applicable “know your customer” under the PATRIOT Act, the Beneficial Ownership Regulation or other applicable anti-money laundering laws; and

(k) promptly, such additional information regarding the business, financial or corporate affairs of the Borrower or any Subsidiary, or compliance with the terms of the Loan Documents, as the Administrative Agent or any Lender may from time to time reasonably request.

Documents required to be delivered pursuant to Section 6.01(a) or 6.01(b) or Section 6.02(c) (to the extent any such documents are included in materials otherwise filed with the SEC) may be delivered electronically and if so delivered, shall be deemed to have been delivered on the date (i) on which the Borrower posts such documents, or provides a link thereto on the Borrower’s website on the Internet at the website address listed on Schedule 10.02; or (ii) on which such documents are posted on the Borrower’s behalf on an Internet or intranet website, if any, to which each Lender and the Administrative Agent have access (whether a commercial, third-party website or whether sponsored by the Administrative Agent); provided that: (i) the Borrower shall deliver paper copies of such documents to the Administrative Agent or any Lender upon its request to the Borrower to deliver such paper copies until a written request to cease delivering paper copies is given by the Administrative Agent or such Lender (but for not longer than one year unless a subsequent request is made by the Administrative Agent or such Lender to the Borrower to deliver such paper copies) and (ii) the Borrower shall notify the Administrative Agent and each Lender (by facsimile or e-mail) of the posting of any such documents. The Administrative Agent shall have no obligation to request the delivery of or to maintain paper copies of the documents referred to above, and in any event shall have no responsibility to monitor compliance by the Borrower with any such request by a Lender for delivery, and each Lender shall be solely responsible for requesting delivery to it or maintaining its copies of such documents.

The Borrower hereby acknowledges that (a) the Administrative Agent and/or the Arrangers may, but shall not be obligated to, make available to the Lenders and the L/C Issuer materials and/or information provided by or on behalf of the Borrower hereunder (collectively, “Borrower Materials”) by posting the Borrower Materials on Debt Domain, IntraLinks, Syndtrak or another similar electronic system (the “Platform”) and (b) certain of the Lenders (each a “Public Lender”) may have personnel who do not wish to receive material non-public information with respect to the Borrower or its Affiliates, or the respective securities of any of the foregoing, and who may be engaged in investment and other market-related activities with respect to such Persons’ securities. The Borrower hereby agrees that (w) all Borrower Materials that are to be made available to Public Lenders shall be clearly and conspicuously marked “PUBLIC” which, at a minimum, shall mean that the word “PUBLIC” shall appear prominently on the first page thereof; (x) by marking Borrower Materials “PUBLIC,” the Borrower shall be deemed to have authorized the Administrative Agent, the Arrangers, the L/C Issuer and the Lenders to treat such Borrower Materials as not containing any material non-public information with respect to the Borrower or its securities for purposes of United States federal and state securities Laws (provided, however, that to the extent such Borrower Materials constitute Information, they shall be treated as set forth in Section 10.07); (y) all Borrower Materials marked “PUBLIC” are permitted to be made available through a portion of the Platform designated “Public Side Information;” and (z) the Administrative Agent and the Arrangers shall be entitled to treat any Borrower Materials that are not marked “PUBLIC” as being suitable only for posting on a portion of the Platform not designated as “Public Side Information”.

Notwithstanding the foregoing, the Borrower shall be under no obligation to mark any Borrower Materials "PUBLIC."

6.03 Notices.

Promptly upon becoming aware of any of the following, notify the Administrative Agent (for further distribution to the Lenders) of:

(a) the occurrence of any Default.

(b) any matter (including any litigation, arbitration, governmental investigation or proceeding instituted or threatened, or any violation of any Environmental Law) that has resulted or could reasonably be expected to result, individually or collectively with other matters, in a Material Adverse Effect.

(c) the occurrence of any ERISA Event.

(d) any material change in accounting policies or financial reporting practices by the Borrower or any Subsidiary, including any determination by the Borrower referred to in Section 2.10(b).

(e) any event of default under an Intercompany Debt Document applicable to any Portfolio Company that is not cured within three (3) Business Days of occurrence (such notice under this clause (e) to include copies of any written correspondence with the applicable Portfolio Company regarding such event of default).

(f) any Portfolio Company becoming a Disqualified Portfolio Company (such notice under this clause (f) to be accompanied by an updated Availability Certificate reflecting that such Portfolio Company has become a Disqualified Portfolio Company).

Each notice pursuant to this Section 6.03 shall be accompanied by a statement of a Responsible Officer of the Borrower setting forth details of the occurrence referred to therein and stating what action the Borrower has taken and proposes to take with respect thereto. Each notice pursuant to Section 6.03(a) shall describe with particularity any and all provisions of this Agreement and any other Loan Document that have been breached.

6.04 Payment of Taxes.

Pay and discharge, and cause each Subsidiary to pay and discharge, prior to delinquency all material tax liabilities, assessments and governmental charges or levies upon it or its properties or assets, unless the same are being contested in good faith by appropriate proceedings diligently conducted and adequate reserves in accordance with GAAP are being maintained by the Borrower or such Subsidiary.

6.05 Preservation of Existence, Etc.

Except with respect to the Lugano Entities:

(a) Preserve, renew and maintain, and cause each Subsidiary to preserve, renew and maintain, in full force and effect its legal existence under the Laws of the jurisdiction of its organization except in a transaction permitted by Section 7.04 or 7.05.

(b) Preserve, renew and maintain, and cause each Subsidiary to preserve, renew and maintain, in full force and effect its good standing under the Laws of the jurisdiction of its organization except in a transaction permitted by Section 7.04 or 7.05.

(c) Take, and cause each Subsidiary to take, all reasonable action to maintain all rights, privileges, permits, licenses, qualifications and franchises necessary or desirable in the normal conduct of its business, except to the extent that the failure to do so could not reasonably be expected to have a Material Adverse Effect.

(d) Preserve or renew, and cause each Subsidiary to preserve or renew, all of its IP Rights, the non-preservation or non-renewal of which could reasonably be expected to have a Material Adverse Effect.

6.06 Maintenance of Properties.

(a) Maintain, preserve and protect, and cause each Subsidiary to maintain, preserve and protect, all of its material properties and equipment useful and necessary in the operation of its business in good working order and condition, ordinary wear and tear excepted.

(b) Make, and cause each Subsidiary to make, all necessary repairs thereto and renewals and replacements thereof, except where the failure to do so could not reasonably be expected to have a Material Adverse Effect.

(c) Use, and cause each Subsidiary to use, the standard of care typical in the industry in the operation and maintenance of its facilities.

6.07 Maintenance of Insurance.

(a) Maintain, and cause each Subsidiary to maintain, with financially sound and reputable insurance companies not Affiliates of the Borrower, insurance with respect to its properties and business against loss or damage of the kinds customarily insured against by Persons engaged in the same or similar business, of such types and in such amounts as are customarily carried under similar circumstances by such other Persons.

(b) Without limiting the foregoing, (i) maintain, and cause each Subsidiary to maintain, if available, fully paid flood hazard insurance on all real property that is located in a special flood hazard area and that constitutes Collateral or, in the case of each Subsidiary, collateral under any Qualified Intercompany Debt Document, on such terms and in such amounts as required by The National Flood Insurance Reform Act of 1994 or (in the case of such real property that constitutes Collateral) as otherwise required by the Administrative Agent, (ii) furnish to the Administrative Agent evidence of the renewal (and payment of renewal premiums therefor) of all such policies prior to the expiration or lapse thereof, and (iii) furnish to the Administrative Agent prompt written notice of any redesignation of any such improved real property into or out of a special flood hazard area.

(c) Cause the Administrative Agent and its successors and/or assigns to be named as lender's loss payee or mortgagee as its interest may appear, and/or additional insured with respect to any such insurance providing liability coverage or coverage in respect of any Collateral, and cause each provider of any such insurance to agree, by endorsement upon the policy or policies issued by it or by independent

instruments furnished to the Administrative Agent, that it will give the Administrative Agent thirty days (or such lesser amount as the Administrative Agent may agree) prior written notice before any such policy or policies shall be altered or canceled.

(d) With respect to the insurance policies of the Subsidiaries that are borrowers or guarantors under any Intercompany Debt Documents, the Borrower shall, as part of and in connection with such Intercompany Debt Documents, (i) cause the Borrower and its successors and/or assigns to be named as lender's loss payee or mortgagee as its interest may appear, and/or additional insured with respect to any such insurance providing liability coverage or coverage in respect of any collateral for such Intercompany Debt, and cause each provider of any such insurance to agree, by endorsement upon the policy or policies issued by it or by independent instruments furnished to the Borrower, that it will give the Borrower thirty days prior written notice before any such policy or policies shall be altered or canceled, and (ii) obtain a collateral assignment of each business interruption insurance policy maintained by such Subsidiaries.

6.08 Compliance with Laws

Comply, and cause each Subsidiary (other than the Lugano Entities) to comply, with the requirements of all Laws and all orders, writs, injunctions and decrees applicable to it or to its business or property, except in such instances in which (a) such requirement of Law or order, writ, injunction or decree is being contested in good faith by appropriate proceedings diligently conducted; or (b) the failure to comply therewith could not reasonably be expected to have a Material Adverse Effect.

6.09 Books and Records

(a) Maintain, and cause each Subsidiary (other than the Lugano Entities) to maintain, proper books of record and account in accordance with sound business practices, sufficient to allow the preparation of financial statements in accordance with GAAP consistently applied.

(b) Maintain, and cause each Subsidiary to maintain, such books of record and account in material conformity with all applicable requirements of any Governmental Authority having regulatory jurisdiction over the Borrower or such Subsidiary, as the case may be.

6.10 Inspection Rights

Permit, and cause each Subsidiary (other than the Lugano Entities) to permit, representatives and independent contractors of the Administrative Agent (who may be accompanied by representatives of any Lender) to visit and inspect any of its properties, to examine its corporate, financial and operating records, and make copies thereof or abstracts therefrom, and to discuss its affairs, finances and accounts with its directors, officers, and independent public accountants (and the Borrower hereby authorizes such independent public accountants to discuss such financial matters with the Administrative Agent or any representative thereof), all at the expense of the Borrower and at such reasonable times during normal business hours, and as often as may be reasonably desired, upon reasonable advance notice to the Borrower; provided, however, that (i) so long as no Default exists, the Borrower shall not be required to pay for more than one such inspection and examination in any fiscal year of the Borrower, (ii) when a Default exists the Administrative Agent (or any of its representatives and independent contractors) may do any of the foregoing at the expense of the Borrower at any time during normal business hours and without advance notice, and (iii) the visitation, inspection and examination, rights provided for in this Section 6.10, as they relate to any Subsidiary of the Borrower, shall only apply if an Event of Default

exists hereunder or if such Subsidiary is in payment default under any Intercompany Debt Document to which it is a party.

6.11 Use of Proceeds.

Use the proceeds of the Credit Extensions (a) on the Closing Date, to consummate the Closing Date Acquisition, to refinance the indebtedness outstanding under the Existing Credit Agreement, and to pay fees and expenses in connection with the foregoing and (b) on and after the Closing Date, to finance working capital, capital expenditures and other lawful corporate purposes (including the funding of Acquisitions, Restricted Payments and Qualified Intercompany Debt permitted hereby), provided that in no event shall the proceeds of the Credit Extensions be used in contravention of any Law or of any Loan Document.

6.12 Pledged Assets.

(a) Equity Interests. Cause (i) 100% of the issued and outstanding Equity Interests of each Domestic Subsidiary and (ii) 66% of the issued and outstanding Equity Interests entitled to vote (within the meaning of Treas. Reg. Section 1.956-2(c)(2)) and 100% of the issued and outstanding Equity Interests not entitled to vote (within the meaning of Treas. Reg. Section 1.956-2(c)(2)) in each Foreign Subsidiary, in each case to the extent directly owned by the Borrower, to be subject at all times to a first priority, perfected Lien in favor of the Administrative Agent pursuant to the Collateral Documents, and, in connection with the foregoing, deliver to the Administrative Agent such other documentation as the Administrative Agent may request including, any filings and deliveries to perfect such Liens and favorable opinions of counsel all in form and substance reasonably satisfactory to the Administrative Agent.

(b) Other Property. Cause all property (other than Excluded Property) of the Borrower to be subject at all times to first priority, perfected and, in the case of real property (whether leased or owned), title insured (to the extent required by the Administrative Agent) Liens in favor of the Administrative Agent to secure the Obligations pursuant to the Collateral Documents (subject to Permitted Liens) and, in connection with the foregoing, deliver to the Administrative Agent such other documentation as the Administrative Agent may request including filings and deliveries necessary to perfect such Liens, Organization Documents, resolutions, surveys, flood hazard certifications (and, if applicable, evidence of flood insurance as the Administrative Agent requires), landlord's waivers, consents and estoppels, and favorable opinions of counsel to such Person, all in form, content and scope reasonably satisfactory to the Administrative Agent.

6.13 Further Assurances.

Promptly upon request by the Administrative Agent, or any Lender through the Administrative Agent, (a) correct any material defect or error that may be discovered in any Loan Document or in the execution, acknowledgment, filing or recordation thereof, and (b) do, execute, acknowledge, deliver, record, re-record, file, re-file, register and re-register any and all such further acts, deeds, certificates, assurances and other instruments as the Administrative Agent, or any Lender through the Administrative Agent, may reasonably require from time to time in order to (i) carry out more effectively the purposes of the Loan Documents, (ii) to the fullest extent permitted by applicable Law, subject the Borrower's properties, assets, rights or interests to the Liens now or hereafter intended to be covered by any of the Collateral Documents, (iii) perfect and maintain the validity, effectiveness and priority of any of the Collateral Documents and any of the Liens intended to be created thereunder and (iv) assure, convey,

grant, assign, transfer, preserve, protect and confirm more effectively unto the Administrative Agent, the Lenders, the L/C Issuer, the Cash Management Banks and the Hedge Banks the rights granted or now or hereafter intended to be granted to them under any Loan Document or under any other instrument executed in connection with any Loan Document to which the Borrower or any of its Subsidiaries is or is to be a party, and cause each of its Subsidiaries to do so. Notwithstanding anything contained in this Agreement to the contrary, no mortgage, deed of trust or similar instrument shall be executed and delivered with respect to any real property of the Borrower unless and until (x) the Borrower has provided at least twenty (20) days' prior written notice to each Lender with a Revolving Commitment of such pledge of real property as Collateral and (y) each Lender has confirmed to the Administrative Agent that its flood insurance due diligence and flood insurance compliance has been completed to its satisfaction.

6.14 Compliance With Environmental Laws.

Comply, and cause each Subsidiary to comply, and cause all lessees and other Persons operating or occupying its or the applicable Subsidiary's properties to comply, in all material respects, with all applicable Environmental Laws; obtain and renew, and cause each Subsidiary to obtain and renew, all environmental permits necessary for its operations and properties; and conduct, and cause each Subsidiary to conduct, any investigation, study, sampling and testing, and undertake any cleanup, removal, remedial or other action necessary to remove and clean up all Hazardous Materials from any of its properties, in accordance with the requirements of all Environmental Laws; provided, however, that neither the Borrower nor any of its Subsidiaries shall be required to undertake any such cleanup, removal, remedial or other action to the extent that its obligation to do so is being contested in good faith and by proper proceedings and appropriate reserves are being maintained with respect to such circumstances in accordance with GAAP.

6.15 Deposit and Securities Accounts.

Maintain all of its deposit accounts at all times with the Administrative Agent or a Lender, and obtain and deliver to the Administrative Agent such Qualifying Control Agreements as the Administrative Agent requires with respect to its deposit accounts and securities accounts.

6.16 Anti-Corruption Laws.

Conduct its businesses in compliance with the United States Foreign Corrupt Practices Act of 1977, the UK Bribery Act 2010 and other similar anti-corruption legislation in other jurisdictions and maintain policies and procedures designed to promote and achieve compliance with such laws.

6.17 Lender Updates.

Make certain representatives of the Borrower and its advisors, as reasonably requested by the Administrative Agent, available to the Administrative Agent and the Lenders for periodic conference calls to be held on dates and at times as determined by the Administrative Agent in its sole discretion to provide updates regarding the business operations of the Borrower and its Subsidiaries.

6.18 Administrative Agent's Financial Advisor .

The Administrative Agent, through its counsel, has retained FTI Consulting, LLC, as financial advisor to the Administrative Agent (the "Administrative Agent's Financial Advisor"), to monitor the Borrower's financial and operational performance. The Borrower shall cooperate with the Administrative Agent's Financial Advisor and provide the Administrative Agent's Financial Advisor with reasonable access to

the Borrower's facilities, books and records, officers and consultants and to any information reasonably necessary for the Administrative Agent's Financial Advisor to perform the services within the scope of its engagement; provided, however, that such access need not include any access to information that would be subject to legal privilege.

ARTICLE VII
NEGATIVE COVENANTS

Until the Facility Termination Date, the Borrower shall not:

7.01 Liens.

Create, incur, assume or suffer to exist, or permit any Subsidiary (other than any Subsidiary Outside Company) to create, incur, assume or suffer to exist, any Lien upon any of its property, assets or revenues, whether now owned or hereafter acquired, other than the following:

(a) Liens pursuant to any Loan Document;

(b) Liens existing on the Closing Date and listed on Schedule 7.01 and any renewals, replacements or extensions thereof, provided that the property covered thereby is not increased;

(c) Liens (other than Liens imposed under ERISA) for taxes, assessments or governmental charges or levies not yet due or which are being contested in good faith and by appropriate proceedings diligently conducted, if adequate reserves with respect thereto are maintained on the books of the applicable Person in accordance with GAAP;

(d) Liens of landlords, carriers, warehousemen, mechanics, materialmen and repairmen and other like Liens arising in the ordinary course of business, provided that such Liens secure only amounts not overdue for more than thirty days or, if overdue for more than thirty days, are being contested in good faith by appropriate proceedings diligently conducted for which adequate reserves determined in accordance with GAAP have been established;

(e) pledges or deposits in the ordinary course of business in connection with workers' compensation, unemployment insurance and other social security legislation, other than any Lien imposed by ERISA;

(f) deposits to secure the performance of bids, trade contracts and leases (other than Indebtedness), statutory obligations, surety and appeal bonds, performance bonds and other obligations of a like nature incurred in the ordinary course of business;

(g) easements, rights-of-way, restrictions and other similar encumbrances affecting real property which, in the aggregate, are not substantial in amount, and which do not in any case materially detract from the value of the property subject thereto or materially interfere with the ordinary conduct of the business of the applicable Person;

(h) Liens securing judgments for the payment of money (or appeal or other surety bonds relating to such judgments) not constituting an Event of Default under Section 8.01(h);

(i) to the extent securing Indebtedness that is permitted under Section 7.03(e), (i) Liens on the assets of a Portfolio Company securing capital leases of such Portfolio Company (and attaching only to the property being leased), (ii) Liens on the assets of a Portfolio Company existing on property at the time of the acquisition thereof by such Portfolio Company (and not created in contemplation of such acquisition) and (iii) Liens that constitute purchase money security interests on any property of a Portfolio Company securing Indebtedness of such Portfolio Company incurred for the purpose of financing all or any part of the cost of acquiring such property, provided that any such Lien attaches to such property within 60 days of the acquisition thereof and attaches solely to the property financed by such Indebtedness;

(j) leases or subleases granted to others not interfering in any material respect with the business of the Borrower or any Subsidiary;

(k) any interest of title of a lessor under, and Liens arising from UCC financing statements (or equivalent filings, registrations or agreements in foreign jurisdictions) relating to, leases permitted by this Agreement;

(l) Liens deemed to exist in connection with Investments in repurchase agreements permitted under Section 7.02;

(m) normal and customary rights of setoff upon deposits of cash in favor of banks or other depository institutions;

(n) Liens of a collection bank arising under Section 4-210 of the Uniform Commercial Code on items in the course of collection;

(o) Liens arising on any real property as a result of any eminent domain, condemnation or similar proceeding being commenced with respect to such real property.

(p) Liens in favor of the Borrower arising under Qualified Intercompany Debt Documents and securing Intercompany Debt permitted hereunder; and

(q) Liens in favor of the Borrower securing the Indebtedness owing by Lugano Diamonds and Lugano Buyer to Borrower permitted under Section 7.03(l).

~~(r) Liens in favor of the Borrower arising under the Lugano DIP Loan Documents and securing the Lugano DIP Intercompany Debt permitted under Section 7.03(m).~~

7.02 Investments.

Make, or permit any Subsidiary (other than any Subsidiary Outside Company) to make, any Investments, except:

(a) Investments in the form of cash or Cash Equivalents;

(b) Investments outstanding on the Closing Date and set forth in Schedule 7.02;

(c) Investments in Portfolio Companies constituting Qualified Intercompany Debt; provided that, in the case of (i) the initial incurrence of Qualified Intercompany Debt by a Portfolio

Company, (ii) any subsequent incurrence of Qualified Intercompany Debt in connection with the consummation of add-on Acquisitions of Targets by a Portfolio Company, or (iii) any incurrence of Qualified Intercompany Debt by a Portfolio Company in connection with a recapitalization (which shall not include an incurrence of Qualified Intercompany Debt solely to finance a redemption of preferred equity that is permitted hereunder) of such Portfolio Company involving an increase to the amount of Qualified Intercompany Debt of such Portfolio Company, the Administrative Agent has received projections and other financial data reasonably acceptable to the Administrative Agent which demonstrates that, after giving effect to the incurrence of any such Qualified Intercompany Debt by a Portfolio Company (and, as applicable, the Acquisition or recapitalization transaction related thereto), (A) such Portfolio Company is Solvent and (B) the Portfolio Company Leverage Ratio for such Portfolio Company, calculated on a Pro Forma Basis, is not greater than 5.00 to 1.00;

(d) contributions by the Borrower to the capital of a Portfolio Company or a Subsidiary Outside Company, so long as all of the Equity Interests in such Portfolio Company or Subsidiary Outside Company owned by the Borrower have been pledged to the Administrative Agent to secure the Obligations in accordance with the terms of the Loan Documents;

(e) Investments of Indebtedness (i) in Subsidiary Outside Companies, so long as the instruments evidencing any such Indebtedness have been pledged to the Administrative Agent to secure the Obligations in accordance with the terms of the Loan Documents, and (ii) by any Portfolio Company organized in Canada in its operating company Subsidiaries;

(f) Investments consisting of extensions of credit in the nature of accounts receivable or notes receivable arising from the grant of trade credit in the ordinary course of business, and Investments received in satisfaction or partial satisfaction thereof from financially troubled account debtors to the extent reasonably necessary in order to prevent or limit loss;

(g) Guarantees permitted by Section 7.03;

(h) Permitted Eligible Acquisitions and Permitted Ineligible Acquisitions;

(i) equity Investments held in a Non-Subsidiary Outside Company made prior to (and as in existence as of) the date upon which such Person first became a Non-Subsidiary Outside Company that were permitted under this Agreement at the time made (it being agreed and understood that no further Investments may be made in such Non-Subsidiary Outside Company);

(j) advances by the Borrower or such Subsidiary to its employees, officers or directors in the ordinary course of business;

(k) the acquisition by the Borrower of Equity Interests of any Portfolio Company from minority shareholders of such Portfolio Company; provided that (i) no Default or Event of Default is in existence or would occur after giving effect to such acquisition; and (ii) immediately after consummation of such acquisition and the incurrence of any Loans and other Indebtedness in connection therewith, (A) the sum of (x) all cash and Cash Equivalents of the Borrower on deposit in an account that is with the Administrative Agent or is subject to a Qualifying Control Agreement plus (y) Unused Borrowing Availability shall be not less than \$25,000,000; and (B) the Borrower shall be in compliance on a Pro Forma Basis with the covenants set forth in Section 7.11 recomputed for the twelve-month period ending on the last day of the most recently ended month for which a Compliance Certificate has been delivered to the Administrative Agent in accordance with the provisions of this Agreement;

(l) equity Investments outstanding on the Closing Date held in Subsidiaries;

(m) non-cash consideration received in a Disposition permitted under Section 7.05;

(n) Investments consisting of Loans made by any Portfolio Company in any Subsidiary of such Portfolio Company; provided that, if such Portfolio Company has Qualified Intercompany Debt, such Subsidiary guaranties and provides collateral for the Qualified Intercompany Debt of such Portfolio Company pursuant to the relevant Qualified Intercompany Debt Documents;

(o) tax equity Investments by Portfolio Companies in an aggregate amount not to exceed the sum of \$75,000,000 plus the amount of any tax credits received by such Portfolio Company as consideration for such Investment that are available to be utilized by such Portfolio Company for its then current tax year;

(p) other Investments provided that (i) such Investments are not funded with the proceeds of Loans and (ii) the aggregate outstanding principal amount of all such Investments shall not exceed \$10,000,000 at any time; and

(q) Investments from and after the Second Amendment Effective Date and prior to the Fourth Amendment Effective Date constituting Indebtedness to Lugano Diamonds and Lugano Buyer in an aggregate amount not to exceed \$5,000,000 so long as the instruments evidencing any such Indebtedness have been pledged to the Administrative Agent to secure the Obligations in accordance with the terms of the Loan Documents; ~~and~~

~~(r) Investments constituting the Lugano DIP Intercompany Debt, so long as the instruments evidencing any such Indebtedness have been pledged to the Administrative Agent to secure the Obligations in accordance with the terms of the Loan Documents; and~~

~~(s) Investments permitted under the Fifth Amendment Transaction Letter so long as no Default or Event of Default exists or would result therefrom.~~

Notwithstanding anything in this Section 7.02 or otherwise in this Agreement to the contrary, from and after the Fifth Amendment Effective Date the Borrower shall not make, or permit any Subsidiary (other than any Subsidiary Outside Company) to make, (i) any Investments pursuant to the foregoing clause (d) (other than debt Investments that are collaterally assigned to the Administrative Agent), or (ii) any Investments pursuant to the foregoing clauses (h) or (k) unless the Consolidated Total Leverage Ratio of the Borrower would not be greater than 4.50:1.00 on a Pro Forma Basis.

7.03 Indebtedness.

Create, incur, assume or suffer to exist, or permit any Subsidiary (other than any Subsidiary Outside Company) to create, incur, assume or suffer to exist, any Indebtedness, except:

(a) Indebtedness under the Loan Documents;

(b) Indebtedness outstanding on the Closing Date and set forth in Schedule 7.03 and any refinancings, renewals and extensions thereof; provided that (i) the amount of such Indebtedness is not increased at the time of such refinancing, renewal or extension except by an amount equal to a reasonable premium or other reasonable amount paid, and fees and expenses reasonably incurred, in

connection with such refinancing or extension and by an amount equal to any existing commitments unutilized thereunder and (ii) the material terms taken as a whole of such refinancing or extension are not materially less favorable in any material respect to the Borrower and its Subsidiaries or the Lenders than the terms of the Indebtedness being refinanced or extended;

(c) intercompany Indebtedness permitted under Section 7.02; provided that in the case of Indebtedness owing by the Borrower to a Subsidiary (i) such Indebtedness shall be subordinated to the Obligations in a manner and to an extent reasonably acceptable to the Administrative Agent and (ii) such Indebtedness shall not be prepaid unless no Default exists immediately prior to or after giving effect to such prepayment;

(d) obligations (contingent or otherwise) existing or arising under any Swap Contract, provided that (i) such obligations are (or were) entered into by such Person in the ordinary course of business for the purpose of directly mitigating risks associated with liabilities, commitments, investments, assets, or property held or reasonably anticipated by such Person, or changes in the value of securities issued by such Person, and not for purposes of speculation or taking a “market view;” and (ii) such Swap Contract does not contain any provision exonerating the non-defaulting party from its obligation to make payments on outstanding transactions to the defaulting party;

(e) (i) Indebtedness of the Portfolio Companies (exclusive of Indebtedness of the Portfolio Companies permitted pursuant to other clauses of this Section 7.03 that are applicable to Portfolio Companies) that does not exceed in the aggregate at any time outstanding for any Portfolio Company the greater of (x) \$4,000,000 and (y) the product of (I) the Portfolio Company EBITDA of such Portfolio Company for the twelve month period ending on the last day of the month for which financial statements regarding such Portfolio Company have been most recently delivered to the Administrative Agent in accordance with the terms of this Agreement times (II) 0.10 (with measurements under this clause (i) made at the time of incurrence of any such Indebtedness of the Portfolio Companies); (ii) Indebtedness consisting of obligations in respect of the deferred purchase price of property or services (other than Earn Out Obligations) in an aggregate amount not to exceed ~~\$25,000,000~~ \$5,000,000 at any time outstanding and (iii) Indebtedness of the Borrower that does not exceed \$2,000,000 in the aggregate at any time outstanding;

(f) Qualified Intercompany Debt;

(g) [reserved];

(h) Guarantees (i) of obligations under real property leases and obligations in respect of severance payments provided by entities within the same Portfolio Company or Outside Company (as applicable), so long as any such guarantee is provided at the time such obligations are incurred, (ii) by the Borrower of obligations of Subsidiaries to the extent required by applicable law in an aggregate amount not to exceed \$12,500,000 at any time outstanding, (iii) by the Borrower of obligations (contingent or otherwise) of Portfolio Companies existing or arising under Swap Contracts permitted by Section 7.03(d) the Swap Termination Value of which shall not exceed \$7,500,000 in the aggregate for the amount guaranteed under all such Guarantees under this clause (iii), and (iv) arising with respect to customary indemnification obligations in favor of purchasers in connection with dispositions permitted under Section 7.05;

(i) Permitted Earn Out Obligations, provided that on the date of the incurrence of any Permitted Earn Out Obligation the aggregate amount of such Permitted Earn Out Obligation plus the

aggregate amount of all then outstanding Permitted Earn Out Obligations for all Portfolio Companies shall not exceed an amount equal to 20% of Consolidated EBITDA, calculated on a Pro Forma Basis, for the twelve-month period ending on the last day of the most recently ended month for which a Compliance Certificate has been delivered to the Administrative Agent in accordance with the provisions of this Agreement;

(j) (i) unsecured Indebtedness of the Borrower arising under the 2029 Senior Unsecured Notes and any refinancing thereof; provided that (A) the amount of such Indebtedness is not increased in connection with such refinancing except by an amount equal to customary fees and expenses incurred in connection with such refinancing; and (B) any amendment, modification or change to the terms of such Indebtedness in connection with such refinancing shall be permitted under Section 7.12(a);

(ii) unsecured Indebtedness of the Borrower arising under the 2032 Senior Unsecured Notes and any refinancing thereof; provided that (A) the amount of such Indebtedness is not increased in connection with such refinancing except by an amount equal to customary fees and expenses incurred in connection with such refinancing; and (B) any amendment, modification or change to the terms of such Indebtedness in connection with such refinancing shall be permitted under Section 7.12(a); and

(iii) any other unsecured Indebtedness of the Borrower; provided that (A) both before and after giving effect to the incurrence of such Indebtedness and the application of the proceeds thereof, the Consolidated Total Leverage Ratio is at least 0.25 less than the maximum Consolidated Total Leverage Ratio then permitted under Section 7.11(a), and the Borrower is otherwise in compliance with the financial covenants in Section 7.11, in each case on a Pro Forma Basis with such financial covenants recomputed for the twelve-month period ending on the last day of the most recently ended month for which a Compliance Certificate has been delivered to the Administrative Agent in accordance with the provisions of this Agreement, and if such Indebtedness exceeds \$7,500,000 the Borrower shall have delivered to the Administrative Agent a Pro Forma Compliance Certificate demonstrating compliance with the foregoing, (B) no Default shall exist at the time of, or would result from, the incurrence of such Indebtedness, (C) the maturity date of such Indebtedness shall be at least 181 days after the latest maturity of any Loans hereunder, (D) such Indebtedness is not subject to any amortization payments or any mandatory prepayments or sinking fund payments (other than in connection with a change of control, asset sale or event of loss and customary acceleration rights after an event of default) in each case prior to the date at least 181 days after the latest maturity of any Loans hereunder, (E) unless approved by the Administrative Agent, such Indebtedness is on terms and conditions that are not materially more restrictive than the terms and conditions of this Agreement and the other Loan Documents;

(k) to the extent constituting Indebtedness, surety and appeal bonds, performance bonds and other obligations of a like nature incurred in each case by any Portfolio Company in the ordinary course of business, in an aggregate amount not to exceed \$35,000,000; and

(l) to the extent constituting Indebtedness, Investments in Lugano Diamonds and Lugano Buyer permitted under Section 7.02(g).

~~(m) to the extent constituting Indebtedness, Investments in the Lugano Entities permitted under Section 7.02(r); and~~

~~(c) Indebtedness permitted under the Fifth Amendment Transaction Letter so long as no Default or Event of Default exists or would result therefrom.~~

Notwithstanding anything in this Section 7.03 or otherwise in this Agreement to the contrary, from and after the Fifth Amendment Effective Date the Borrower shall not create, incur, assume or suffer to exist, or permit any Subsidiary (other than any Subsidiary Outside Company) to create, incur, assume or suffer to exist, any Indebtedness pursuant to the foregoing clause (i) (other than such Indebtedness as it exists on the Fifth Amendment Effective Date) unless the Consolidated Total Leverage Ratio of the Borrower would not be greater than 4.50:1.00 on a Pro Forma Basis.

7.04 Fundamental Changes.

Merge, dissolve, liquidate or consolidate, or permit any Subsidiary (other than any Subsidiary Outside Company) to merge, dissolve, liquidate or consolidate, with or into another Person, except that so long as no Default exists or would result therefrom, (a) the Borrower may merge or consolidate with any of its Subsidiaries provided that the Borrower is the continuing or surviving Person, (b) any Subsidiary may merge or consolidate into the parent company of such Subsidiary or into a Domestic Subsidiary that is a borrower or guarantor under Qualified Intercompany Debt Documents, (c) subject to clause (a) above, the Borrower or any Subsidiary may merge with any other Person in connection with a Permitted Eligible Acquisition or Permitted Ineligible Acquisition, (d) the Borrower may enter into a Permitted Trust Merger and (e) any Subsidiary may dissolve, liquidate or wind up its affairs at any time provided that such dissolution, liquidation or winding up, as applicable, could not have a Material Adverse Effect.

7.05 Dispositions.

Make, or permit any Subsidiary (other than any Subsidiary Outside Company) to make, any Disposition except:

(a) a sale by the Borrower of a Portfolio Company for at least fair market value (as determined by the board of directors (or equivalent governing body) of the Borrower), so long as (i) no Event of Default exists or would result therefrom, (ii) the Borrower has delivered an updated Availability Certificate to the Administrative Agent demonstrating that, after giving effect to such sale and the application of the proceeds thereof, Borrowing Availability shall be in excess of Total Revolving Outstandings, (iii) after giving effect to such sale and the application of the proceeds thereof, the Borrower shall be in compliance on a Pro Forma Basis with the covenants set forth in Section 7.11, recomputed for the twelve-month period ending on the last day of the most recently ended month for which a Compliance Certificate has been delivered to the Administrative Agent in accordance with the provisions of this Agreement, and the Borrower shall have delivered to the Administrative Agent a Pro Forma Compliance Certificate demonstrating such compliance, (iv) all Intercompany Debt owing by such Portfolio Company is repaid to the Borrower in cash in full at the time of the closing of such sale and (v) at least 75% of the consideration for such sale (excluding any obligations of the acquiring Person to make earn-out, purchase price adjustment, indemnification or other contingent payments) is cash and Cash Equivalents paid contemporaneously with consummation of such sale;

(b) a going-public transaction consummated by a Portfolio Company or a transaction entered into by the Borrower that results in a sale or other disposition of a portion of its Equity Interests in a Portfolio Company for at least fair market value (as determined by the board of directors (or equivalent governing body) of the Borrower), in each case so long as (i) such Portfolio Company is reclassified as an Outside Company upon the consummation of such transaction, (ii) no Event of Default exists or would result therefrom, (iii) the Borrower has delivered an updated Availability Certificate to the Administrative

Agent demonstrating that, after giving effect to such transaction, to the application of the proceeds thereof and to the applicable Portfolio Company constituting an Outside Company, Borrowing Availability shall be in excess of Total Revolving Outstandings, (iv) after giving effect to such transaction, to the application of the proceeds thereof and to the applicable Portfolio Company constituting an Outside Company, the Borrower shall be in compliance on a Pro Forma Basis with the covenants set forth in Section 7.11 recomputed for the twelve-month period ending on the last day of the most recently ended month for which a Compliance Certificate has been delivered to the Administrative Agent in accordance with the provisions of this Agreement, and the Borrower shall have delivered to the Administrative Agent a Pro Forma Compliance Certificate demonstrating such compliance, (v) all Intercompany Debt owing by such Portfolio Company is repaid to the Borrower in cash in full upon the consummation of such transaction and (vi) at least 75% of the consideration paid in connection therewith (excluding any obligations of the acquiring Person to make earn-out, purchase price adjustment, indemnification or other contingent payments) is cash and Cash Equivalents paid contemporaneously with consummation of such transaction;

(d) the Disposition of non-cash consideration received in a Disposition permitted under Section 7.05 for at least fair market value (as determined by the board of directors (or equivalent governing body) of the Borrower provided that no Event of Default exists or would result therefrom; ~~and~~

(e) sales and dispositions of assets by any Portfolio Company for at least fair market value (as determined by the board of directors (or equivalent governing body) of such Portfolio Company), so long as (i) no Event of Default exists or would result therefrom, (ii) the consideration paid in connection therewith is at least 75% cash or Cash Equivalents paid contemporaneously with consummation of the transaction, (iii) the aggregate net book value of all of the assets sold or otherwise disposed of by any Portfolio Company in all such transactions in any fiscal year pursuant to this clause (e) shall not exceed an amount equal to 35% of the aggregate net book value of the tangible assets of such Portfolio Company as of the last day of the immediately prior fiscal year, (iv) the aggregate net book value of all of the assets sold or otherwise disposed of by all Portfolio Companies in all such transactions in any fiscal year pursuant to this clause (e) shall not exceed an amount equal to 15% of the aggregate net book value of the combined tangible assets of all Portfolio Companies as of the last day of the immediately prior fiscal year, and (v) after giving effect to such sale or disposition and to the application of the proceeds thereof, the Borrower shall be in compliance on a Pro Forma Basis with the covenants set forth in Section 7.11 recomputed for the twelve-month period ending on the last day of the most recently ended month for which a Compliance Certificate has been delivered to the Administrative Agent in accordance with the provisions of this Agreement, and the Borrower shall have delivered to the Administrative Agent a Pro Forma Compliance Certificate demonstrating such compliance;

(f) Dispositions of assets by Lugano Holding conducted under the Lugano Bankruptcy and the provisions of the Bankruptcy Code of the United States, including under Sections 363, 1123 or 1129 of the Bankruptcy Code of the United States; provided, that an amount equal to 100% of the Net Cash Proceeds of any such Disposition are paid pursuant to Section 2.05(b)(ii) for application to the Term ~~Loan~~Loans as set forth in Section 2.05(b)(iv)(B); ~~and~~

(g) ~~Dispositions permitted under~~Deleveraging Transaction (as defined in the Fifth Amendment Transaction Letter) so long as no Default or Event of Default exists or would result therefrom; ~~and~~

~~Notwithstanding anything in this Section 7.05 or otherwise in this Agreement to the contrary, from and after the Fifth Amendment Effective Date the Borrower shall not make, or permit any Subsidiary (other than any Subsidiary Outside Company) to make, any Dispositions pursuant to this Section 7.05 unless made (i) pursuant to Section 7.05(g) hereof or (ii) the Consolidated Total Leverage Ratio of the Borrower would not be greater than 4.50:1.00 on a Pro Forma Basis.~~

(h) Sale and Leaseback Transactions so long as (i) no Default or Event of Default exists or would result therefrom and (ii) after giving effect to such Sale and Leaseback Transactions and to the application of the proceeds thereof, the Borrower shall be in compliance on a Pro Forma Basis with the covenants set forth in Section 7.11 recomputed for the twelve-month period ending on the last day of the most recently ended month for which a Compliance Certificate has been delivered to the Administrative Agent in accordance with the provisions of this Agreement.

7.06 Restricted Payments.

Declare or make, or permit any Subsidiary (other than any Subsidiary Outside Company) to declare or make, any Restricted Payment, or incur, or permit any Subsidiary (other than any Subsidiary Outside Company) to incur, any obligation (contingent or otherwise) to do so, except that:

(a) each Subsidiary may declare and make Restricted Payments to Persons that own Equity Interests in such Subsidiary, ratably according to their respective holdings of the type of Equity Interest in respect of which such Restricted Payment is being made;

(b) the Borrower may make distributions to the Trust to permit the Trust to satisfy expenses of the Trust that relate to the Borrower and its Subsidiaries;

(c) to the extent the Borrower remains a pass-through entity, the Borrower may make distributions to the Trust to permit the Trust to pay federal and state income taxes then due and owing by the Trust that are attributable to the Trust's ownership of Equity Interests in the Borrower and the operations of the Borrower and its Subsidiaries, so long as the amount of such distributions for the payment of taxes shall not be greater than the amount such taxes would have been had the Borrower not filed consolidated income tax returns with the Trust;

(d) the Borrower and the Portfolio Companies may pay Management Fees to the Manager, and reimburse the Manager for its reasonable expenses incurred in connection with its management of the Borrower, pursuant to and in accordance with the terms of the Management Fee Agreement and the other Management Fee Documents, each as in effect as of the ~~Fifth~~Sixth Amendment Effective Date (provided, that (i) any amounts paid by the Borrower under the Management Fee Agreement shall be net of amounts paid by the Portfolio Companies to the Manager or its Affiliates pursuant to the Management Fee Documents to which the Portfolio Companies are party and (ii) the making and receipt of payments under the Management Fee Documents shall be subject to the provisions of the Management Fee Subordination Agreement); provided, that, from and after the Fifth Amendment Effective Date, the (i) Borrower shall not pay Management Fees to the Manager in an aggregate amount in excess of \$15,000,000 per fiscal quarter and (ii) the Portfolio Companies shall not pay management fees to the Manager in an aggregate amount in excess of \$2,000,000 per fiscal quarter (provided, for the avoidance of doubt, such payments by Portfolio Companies shall not limit the payments by Borrower allowed by subsection (i) hereof), which payments shall be made in the ordinary course of business consistent with past practice. Notwithstanding the foregoing, the Borrower may, for the avoidance of doubt, recover any over-paid Management Fees over a period of time (as opposed to a complete offset of the next succeeding Management Fee payments) and payments pursuant to the Management Fee

Agreement that are not fully reduced by the entirety of the overpaid Management Fees are permitted so long as such over-paid Management Fee is recovered in a reasonable period of time (as determined by the board of directors of the Borrower), and the Management Fee Agreement may be amended as necessary to effectuate the recovery of such overpaid Management Fees;

(e) Subsidiaries may pay Integration Services Fees, in each case to the extent that (i) such fees are reasonable and customary based on the applicable acquisition or sale and (ii) such fees have been approved by the board of directors (or equivalent governing body) of the applicable Portfolio Company or Outside Company and by the compensation committee of the Borrower;

(f) the Borrower may make Allocation Member Distributions;

(g) the Borrower may make Restricted Payments if, after giving effect thereto and the incurrence of any Indebtedness in connection therewith, (i) no Event of Default exists or would result therefrom, (ii) the aggregate amount of such Restricted Payments would not be greater than \$10,000,000 during any fiscal quarter of the Borrower unless the Consolidated Total Leverage Ratio of the Borrower would not be greater than 4.50:1.00 on a Pro Forma Basis as of the last day of such fiscal quarter, and (iii) the sum of (x) all cash and Cash Equivalents of the Borrower on deposit in an account that is with the Administrative Agent or is subject to a Qualifying Control Agreement *plus* (y) Unused Borrowing Availability is not less than \$10,000,000;

(h) each Portfolio Company may purchase or redeem shares of its preferred stock from any one or more shareholders:

(i) with Intercompany Debt permitted hereunder if, after giving effect thereto and the incurrence of any Indebtedness in connection therewith, (A) no Event of Default exists or would result therefrom, (B) the Consolidated Total Leverage Ratio as of the last day of the most recently ended twelve-month period for which financial statements have been delivered hereunder (calculated on a Pro Forma Basis assuming any such incurrence of Indebtedness in connection therewith had occurred on the first day of such period) is less than 2.00 to 1.00, and (C) the sum of (x) all cash and Cash Equivalents of the Borrower on deposit in an account that is with the Administrative Agent or is subject to a Qualifying Control Agreement *plus* (y) Unused Borrowing Availability is not less than \$25,000,000;

(ii) [reserved]; and

(iii) with proceeds (net of reasonable direct costs incurred in connection therewith, including legal, accounting and investment banking fees, professional fees and expenses, and taxes paid or reasonably estimated by the Borrower to be payable as a result thereof (after taking into account any available tax credits or deductions and any tax sharing arrangements)) of a sale or issuance by the Trust of common Equity Interests in the Trust, which proceeds are contributed by the Trust to the Borrower and further contributed by the Borrower to such Portfolio Company and actually used by such Portfolio Company to purchase or redeem shares of its preferred stock substantially concurrently with such sale or issuance and contributions;

(i) each Portfolio Company may purchase or redeem shares of its common and/or preferred Equity Interests from any one or more minority shareholders in unlimited amounts, provided

that no such purchase or redemption shall be made by a Portfolio Company unless (A) such Portfolio Company is in compliance with the financial covenants under its Intercompany Debt Documents on a pro forma basis after giving effect to such proposed purchase or redemption, (B) no Event of Default exists or would result therefrom and (C) after giving effect to such to such proposed purchase or redemption and the incurrence of any Indebtedness in connection therewith, the Borrower shall be in compliance on a Pro Forma Basis with the covenants set forth in Section 7.11 recomputed for the twelve-month period ending on the last day of the most recently ended month for which a Compliance Certificate has been delivered to the Administrative Agent in accordance with the provisions of this Agreement;

(j) to the extent due and payable and permitted under the applicable subordination provisions thereof, the Portfolio Companies may make regularly scheduled payments in respect of Permitted Earn Out Obligations, provided that (i) the amount of revolver borrowing availability under the Intercompany Debt Documents between the Borrower and the applicable Portfolio Company after giving effect to such payment shall be not less than the product of the Portfolio Company EBITDA of such Portfolio Company for the twelve month period ending on the last day of the month for which a Compliance Certificate has most recently been delivered to the Administrative Agent in accordance with this Agreement times 0.25, (ii) such Portfolio Company is in compliance with the financial covenants under its Intercompany Debt Documents on a pro forma basis after giving effect to such payment, (iii) no Event of Default exists or would result therefrom and (iv) after giving effect to such to such payment, the Borrower shall be in compliance on a Pro Forma Basis with the covenants set forth in Section 7.11 recomputed for the twelve-month period ending on the last day of the most recently ended month for which a Compliance Certificate has been delivered to the Administrative Agent in accordance with the provisions of this Agreement; and

(k) the Borrower and each Subsidiary may declare and make dividend payments or other distributions payable solely in common Equity Interests of such Person.

Notwithstanding anything in this Section 7.06 or otherwise in this Agreement to the contrary, from and after the Second Amendment Effective Date the Borrower shall not make, or permit any Subsidiary (other than any Subsidiary Outside Company) to make, any Restricted Payments pursuant to the foregoing clauses (h), (i) or (j) unless the Consolidated Total Leverage Ratio of the Borrower would not be greater than 4.50:1.00 on a Pro Forma Basis.

7.07 Business Activities.

(a) Permit (i) the Trust to conduct any business other than its ownership of Equity Interests of the Borrower and the ownership of Equity Interests in sister companies to the Borrower in respect of which the Trust has not incurred any Indebtedness, together with activities incidental to the conduct of its business as a holding company, and (ii) the Borrower to conduct any business other than the ownership of its Investments in the Portfolio Companies and Outside Companies, together with activities incidental to the conduct of its business as a holding company.

(b) Permit any Subsidiary to engage in any material line of business substantially different from those lines of business conducted by such Subsidiary on (i) the Closing Date, in the case of Existing Portfolio Companies owned as of the Closing Date, or (ii) the date of the acquisition of such Subsidiary pursuant to a Permitted Eligible Acquisition or a Permitted Ineligible Acquisition (as applicable), in the case of Portfolio Companies and Outside Companies acquired after the Closing Date, or any business substantially related, incidental or ancillary thereto.

7.08 Transactions with Affiliates.

Enter into or permit to exist, or permit any Subsidiary (other than any Subsidiary Outside Company) to enter into or permit to exist, any transaction or series of transactions with any Affiliate of such Person other than (a) intercompany transactions expressly permitted by Section 7.02, Section 7.03, Section 7.04, Section 7.05 or Section 7.06, (b) normal and reasonable compensation and reimbursement of expenses of officers, directors and employees and advances to officers, directors and employees in the ordinary course of business, (c) transaction bonuses to Target's officers, directors, or employees in connection with the Closing Date Acquisition or any Acquisition permitted hereunder (whether in the form of transaction expenses and purchase price adjustments or otherwise and whether paid at closing or thereafter as part of payroll), and (d) except as otherwise specifically limited in this Agreement, other transactions which are on terms and conditions substantially as favorable to such Person as would be obtainable by it in a comparable arms-length transaction with a Person other than an Affiliate.

7.09 Burdensome Agreements.

Enter into, or permit to exist, any Contractual Obligation binding on the Borrower or any Subsidiary (other than the Lugano Entities) that (a) encumbers or restricts the ability of (i) such Person to make Restricted Payments to the Borrower or any Subsidiary, (ii) such Person to pay any Indebtedness or other obligation owed to the Borrower or any Subsidiary, (iii) such Person to make loans or advances to the Borrower or any Subsidiary, (iv) such Person to transfer any of its property to the Borrower or any Subsidiary, (v) the Borrower to pledge its property pursuant to the Loan Documents or any renewals, refinancings, exchanges, refundings or extension thereof, (vi) any Portfolio Company to pledge its property pursuant to the Intercompany Debt Documents to which it is a party or any renewals, refinancings, exchanges, refundings or extension thereof, (vii) the Borrower to act as the Borrower pursuant to, and perform its obligations under, the Loan Documents or any renewals, refinancings, exchanges, refundings or extension thereof, or (viii) any Portfolio Company to act as the borrower pursuant to, and perform its obligations under, the Intercompany Debt Documents to which it is a party or any renewals, refinancings, exchanges, refundings or extension thereof except (in respect of any of the matters referred to in clauses (i)-(iv) and (vi) above) for (1) this Agreement and the other Loan Documents, (2) restrictions provided for under Qualified Intercompany Debt Documents and documentation applicable to Outside Companies governing Outside Debt, (3) any document or instrument governing capital leases and purchase money Indebtedness incurred pursuant to Section 7.03(e), provided that any such restriction contained therein relates only to the asset or assets constructed or acquired in connection therewith, (4) any Permitted Lien or any document or instrument governing any Permitted Lien, provided that any such restriction contained therein relates only to the asset or assets subject to such Permitted Lien, (5) customary restrictions and conditions contained in any agreement relating to the sale of any property permitted under Section 7.05 pending the consummation of such sale and that apply only to the property to be sold, or (6) customary provisions in leases and other contracts restricting the assignment thereof, or (b) requires the grant of any security for any obligation if such property is given as security for the Obligations.

7.10 Use of Proceeds.

Use the proceeds of any Credit Extension, whether directly or indirectly, and whether immediately, incidentally or ultimately, to purchase or carry margin stock (within the meaning of Regulation U of the FRB) or to extend credit to others for the purpose of purchasing or carrying margin stock or to refund indebtedness originally incurred for such purpose.

7.11 Financial Covenants.

(a) Consolidated Total Leverage Ratio. (i) commencing with the fiscal quarter of the Borrower ending June 30, 2022 and continuing through the fiscal quarter of the Borrower ending March 31, 2025, permit the Consolidated Total Leverage Ratio as of the end of any fiscal quarter of the Borrower to be greater than 5.00 to 1.00, (ii) for the fiscal quarters of the Borrower ending December 31, 2025, March 31, 2026, June 30, 2026, and September 30, 2026, permit the Consolidated Total Leverage Ratio as of the end of such fiscal quarter of the Borrower to be greater than 5.75 to 1.00, (iii) for the fiscal quarters of the Borrower ending December 31, 2026 and March 31, 2027, permit the Consolidated Total Leverage Ratio as of the end of such fiscal quarter of the Borrower to be greater than 5.25 to 1.00, ~~and~~ (iv) for the fiscal quarters of the Borrower ending June 30, 2027 and September 30, 2027, permit the Consolidated Total Leverage Ratio as of the end of such fiscal quarter of the Borrower to be greater than 5.00 to 1.00 and (v) continuing at all times thereafter, permit the Consolidated Total Leverage Ratio as of the end of any fiscal quarter of the Borrower to be greater than ~~5.00~~ 4.50 to 1.00.

(b) Consolidated Senior Secured Leverage Ratio. (i) commencing with the fiscal quarter of the Borrower ending June 30, 2022 and continuing through the fiscal quarter of the Borrower ending March 31, 2025, permit the Consolidated Senior Secured Leverage Ratio as of the end of any fiscal quarter of the Borrower to be greater than 3.50 to 1.00, and (ii) commencing with the fiscal quarter of the Borrower ending December 31, 2025 and continuing at all times thereafter, permit the Consolidated Senior Secured Leverage Ratio as of the end of any fiscal quarter of the Borrower to be greater than 2.50 to 1.00.

(c) Consolidated Fixed Charge Coverage Ratio. Commencing with (i) the fiscal quarter of the Borrower ending June 30, 2022 and continuing through the fiscal quarter of the Borrowing ending March 31, 2025, permit the Consolidated Fixed Charge Coverage Ratio as of the end of any fiscal quarter of the Borrower to be less than 1.50 to 1.00, (ii) for the fiscal quarters of the Borrower ending December 31, 2025, March 31, 2026, June 30, 2026, and September 30, 2026, permit the Consolidated Fixed Charge Coverage Ratio as of the end of any such fiscal quarter of the Borrower to be less than 1.00 to 1.00, (iii) for the fiscal quarters ending December 31, 2026 and March 31, 2027, permit the Consolidated Fixed Charge Coverage Ratio as of the end of any such fiscal quarter of the Borrower to be less than 1.10 to 1.00, and (iv) continuing at all times thereafter, permit the Consolidated Fixed Charge Coverage Ratio as of the end of any fiscal quarter to be less than 1.50 to 1.00.

Notwithstanding anything in this Agreement to the contrary (including, without limitation, Section 8.01), no Default or Event of Default shall occur under this Agreement or any other Loan Document based upon the Borrower's failure to comply with any financial covenant set forth in this Section 7.11 for the fiscal quarters ending June 30, 2025 and September 30, 2025.

Notwithstanding anything in this Agreement to the contrary, from and after the Fifth Amendment Effective Date, solely for the purposes of calculating the financial covenants set forth in this Section 7.11, the Lugano Entities shall be deemed to have been Disposed effective as of December 31, 2024.

7.12 Amendments to and Prepayments of Unsecured Indebtedness.

(a) Amend, modify or change the terms of any Indebtedness incurred or maintained in reliance on Section 7.03(j) if such Indebtedness as so amended, modified or changed would not be permitted to be incurred under Section 7.03(j)(iii)(C), (D), or (E).

(b) Make (or give any notice with respect thereto) any voluntary or optional payment or prepayment or redemption or acquisition for value of (including by way of depositing money or securities with the trustee with respect thereto before due for the purpose of paying when due), refund, refinance or exchange of any Indebtedness incurred or maintained in reliance on Section 7.03(j) (each an “Unsecured Debt Prepayment”) other than (i) Unsecured Debt Prepayments funded with the proceeds of Indebtedness incurred after the Closing Date in reliance on Section 7.03(j), (ii) Unsecured Debt Prepayments funded with the proceeds of the issuance of sale of Equity Interests in the Trust (or, after consummation of a Permitted Trust Merger, the Borrower) and (iii) other Unsecured Debt Prepayments so long as (A) no Event of Default exists or would result therefrom (and, assuming any incurrence of Indebtedness in connection therewith had occurred on the first day of the then most recently ended twelve-month period of the Borrower for which a Compliance Certificate has been delivered hereunder, the Borrower would be in compliance with Section 7.11(a) on a Pro Forma Basis), and (B) either (1) after giving effect thereto, the sum of (x) all cash and Cash Equivalents of the Borrower on deposit in an account that is with the Administrative Agent or is subject to a Qualifying Control Agreement *plus* (y) Unused Borrowing Availability is not less than \$25,000,000, or (2) the Consolidated Fixed Charge Coverage Ratio for the most recent twelve-month period of the Borrower for which a Compliance Certificate has been delivered hereunder, calculated on a Pro Forma Basis giving effect to such Unsecured Debt Prepayment and all other Unsecured Debt Prepayments during such period in the denominator of the Consolidated Fixed Charge Coverage Ratio, is greater than 1.00 to 1.00; provided, that from and after the Second Amendment Effective Date the Borrower shall not make (or give any notice of prepayment with respect thereto) any Unsecured Debt Prepayment unless the Consolidated Total Leverage Ratio of the Borrower would not be greater than 4.50:1.00 on a Pro Forma Basis.

7.13 Organization Documents; Related Agreements; Etc.

(a) Permit the amendment, modification or change of the Trust Agreement, the Borrower LLC Agreement or any other Organization Documents of the Trust, the Borrower or any Subsidiary (other than the Lugano Entities) in any way which could reasonably be expected to materially adversely affect the interests of the Administrative Agent or any Lender.

(b) Permit the amendment, modification or change of the Organization Documents of any Portfolio Company, any shareholder agreements relating to the Equity Interests in any Portfolio Company or any other agreements or instruments conferring rights upon the minority holders of the Equity Interests in any Portfolio Company, in each case in any way that does or could (i) prohibit or otherwise impair the Administrative Agent’s Lien on the Equity Interests owned by the Borrower in such Portfolio Company or (ii) allow the minority holders of the Equity Interests in such Portfolio Company to block or otherwise interfere in any way with the exercise of remedies by the Administrative Agent with respect to the Equity Interests owned by the Borrower in such Portfolio Company (including the Administrative Agent’s foreclosure of Liens on such Equity Interests and the sale, transfer or other disposition by the Administrative Agent of such Equity Interests); provided, that this clause (ii) shall not prohibit customary “tag-along” or “co-sale” rights granted to minority holders of Equity Interests so long as such “tag-along” or “co-sale” rights do not apply to (A) the granting of Liens on such Equity Interests in favor of the Administrative Agent, (B) the foreclosure by the Administrative Agent of its Liens on such Equity Interests or transfer of such Equity Interests to the Administrative Agent or (C) any sale, transfer or other disposition by the Administrative Agent of such Equity Interests to a third party.

(c) Amend, modify or change, or waive any rights under, any Related Agreement (other than Intercompany Debt Documents, the Trust Agreement, the Borrower LLC Agreement and any other

Organization Documents of the Trust, the Borrower or any Subsidiary (other than the Lugano Entities)) in a manner materially adverse to the interests of the Administrative Agent or the Lenders.

(d) Except with the prior written consent of the Administrative Agent in its sole discretion in each case, amend, modify or change, or waive any rights under, any Intercompany Debt Documents to the extent such amendment, modification, change or waiver would have the effect of extending any maturity dates, reducing any scheduled amounts for repayments of principal, extending any scheduled payment dates for principal, reducing any interest or fees, reducing any interest rates, reducing, deferring or waiving any mandatory prepayments (other than annual mandatory repayments, if any, with excess cash flow; provided, that annual mandatory repayments to be made with excess cash flow for any single Portfolio Company may not be waived in successive fiscal years without the prior written consent of the Administrative Agent in its sole discretion), waiving any payment defaults or waiving any bankruptcy defaults (provided, that this clause (d) shall not prohibit (i) amended payment terms that are implemented in connection with a recapitalization of a Portfolio Company that is permitted hereunder so long as such payment terms are consistent with the applicable Intercompany Debt Documents as in effect prior to such amendments and are otherwise reasonably acceptable to the Administrative Agent or (ii) extending the maturity of Intercompany Debt (for a period not exceeding, for each credit facility thereunder, the duration of the initial term for such facility provided for in the Intercompany Debt Documents applicable to such Intercompany Debt) and modifying the interest rate(s) and fees applicable thereto to be consistent with current market terms at the time of such extension).

(e) Release, or permit the release of, any Liens provided for under the Intercompany Debt Documents, or terminate, or permit the termination of, any third-party documents and deliveries provided in furtherance of the Liens provided for under the Intercompany Debt Documents, other than (in each case) in connection with a Disposition that is permitted by the provisions of Section 7.05.

(f) Administer any of the Intercompany Debt Documents other than on an arms'-length basis.

(g) Change its fiscal year.

(h) Change its method of accounting (other than as may be required to conform to GAAP).

(i) Without providing ten days (or such lesser period as the Administrative Agent may agree) prior written notice to the Administrative Agent, change its name, state of formation or form of organization.

(j) Enter into, or permit any Subsidiary to enter into, any tax sharing agreement without the prior written consent of the Administrative Agent.

7.14 Ownership of Subsidiaries.

(a) Establish or acquire, or permit any Subsidiary (other than any Subsidiary Outside Company) to establish or acquire, any new Subsidiary except (i) a Subsidiary that is a Target in a Permitted Eligible Acquisition or a Permitted Ineligible Acquisition, or that is a Subsidiary formed for the sole purpose of consummating a Permitted Eligible Acquisition or a Permitted Ineligible Acquisition ("Acquisition Subsidiary"), (ii) a Domestic Subsidiary of a Portfolio Company that is joined to the Qualified Intercompany Debt Documents applicable to such Portfolio Company, with such joinder documents, among other things, causing the Borrower to have a perfected, first-priority Lien (subject only to Permitted Liens) in substantially all of the assets of and Equity Interests in such Domestic Subsidiary,

(iii) Subsidiaries of Outside Companies, and (iv) a Foreign Subsidiary of a Portfolio Company provided that 65% of the total outstanding voting Equity Interests and 100% of the total outstanding nonvoting Equity Interests of such Foreign Subsidiary are pledged to the Borrower pursuant to the definition of Qualified Intercompany Debt Documents, and subject to the 15% limitation for Subsidiaries of a Portfolio Company that are CFCs set forth in the definition of Qualified Intercompany Debt Documents.

(b) Permit any Subsidiary to issue any preferred Equity Interests (other than to the Borrower and minority shareholders of such Subsidiary, provided that such issuances to the Borrower are on a pro rata or greater than pro rata basis) or permit any Person (other than the Borrower and minority shareholders of such Subsidiary) to own any preferred Equity Interests of any Subsidiary (other than such preferred Equity Interests existing on the Closing Date).

Notwithstanding anything in this Section 7.14 or otherwise in this Agreement to the contrary, from and after the Second Amendment Effective Date the Borrower shall not establish or acquire, or permit any Subsidiary (other than any Subsidiary Outside Company) to establish or acquire any new Subsidiary unless the Consolidated Total Leverage Ratio of the Borrower would not be greater than 4.50:1.00 on a Pro Forma Basis.

7.15 Sanctions.

Directly or indirectly, use any Credit Extension or the proceeds of any Credit Extension or lend, contribute or otherwise make available such Credit Extension or the proceeds of any Credit Extension to any Subsidiary, joint venture partner or other Person, to fund any activities of or business with any Person, or in any Designated Jurisdiction, that, at the time of such funding, is the subject of Sanctions, or in any other manner that will result in a violation by any Person (including any Person participating in the transaction, whether as Lender, Arranger, Administrative Agent, L/C Issuer, Swing Line Lender or otherwise) of Sanctions.

7.16 Anti-Corruption Laws.

Directly or indirectly use any Credit Extension or the proceeds of any Credit Extension for any purpose which would breach the United States Foreign Corrupt Practices Act of 1977, the UK Bribery Act 2010 or other similar anti-corruption legislation in other jurisdictions.

~~7.17 Lugano DIP Loan Documents.~~

~~Not accept any modification to the Lugano DIP Budget or amend, extend, restate, or otherwise modify any Lugano DIP Loan Document (other than the Lugano Liquidation Plan) after the entry of a final court order authorizing the effectiveness or filing thereof (as applicable) without the prior written consent of the Administrative Agent, and any such modification shall be in form and substance reasonably acceptable to the Administrative Agent (provided, that any modification that would have the effect, directly or indirectly, of increasing the principal amount of the Lugano DIP Intercompany Debt shall be subject to the prior written consent of the Administrative Agent and the Required Lenders). The Borrower shall not affirmatively consent to any amendment, replacement or other modification of the Lugano Liquidation Plan without the prior written consent of the Administrative Agent.~~

ARTICLE VIII

EVENTS OF DEFAULT AND REMEDIES

8.01 Events of Default.

Any of the following shall constitute an Event of Default:

(a) Non-Payment. The Borrower fails to pay (i) when and as required to be paid herein, any amount of principal of any Loan or any L/C Obligation, or (ii) within three days after the same becomes due, any interest on any Loan or on any L/C Obligation, or any fee due hereunder, or (iii) within five days after the same becomes due, any other amount payable hereunder or under any other Loan Document; or

(b) The Borrower fails to perform or observe any term, covenant or agreement contained in (i) any of Section 6.01 or 6.02 and such failure continues for five days, or (ii) any of Section 6.03(a), 6.05(a), 6.10, 6.11, Article VII, ~~or any term or covenant set forth in the Fifth Amendment Transaction Letter~~; or

(c) Other Defaults. The Borrower fails to perform or observe any other covenant or agreement (not specified in subsection (a) or (b) above) contained in any Loan Document on its part to be performed or observed and such failure continues for thirty days; or

(d) Representations and Warranties. Any representation, warranty, certification or statement of fact made or deemed made by or on behalf of the Borrower herein, in any other Loan Document, or in any document delivered in connection herewith or therewith shall be incorrect or misleading in any material respect when made or deemed made; or

(e) Cross-Default. (i) The Borrower fails to make any payment when due (whether by scheduled maturity, required prepayment, acceleration, demand, or otherwise) in respect of any Material Indebtedness; (ii) the Borrower fails to observe or perform any other agreement or condition relating to any Material Indebtedness or contained in any instrument or agreement evidencing, securing or relating thereto, or any other event occurs, the effect of which default or other event is to cause, or to permit the holder or holders of such Material Indebtedness (or a trustee or agent on behalf of such holder or holders) to cause, with the giving of notice if required, such Material Indebtedness to be demanded or to become due or to be repurchased, prepaid, defeased or redeemed (automatically or otherwise), or an offer to repurchase, prepay, defease or redeem such Material Indebtedness to be made, prior to its stated maturity; provided, that such failure is unremedied and is not validly waived by the holders of such Indebtedness in accordance with the terms of the documents governing such Indebtedness prior to any termination of the Commitments or acceleration of the Loans pursuant to Section 8.02; or (iii) there occurs under any Swap Contract an Early Termination Date (as defined in such Swap Contract) resulting from (A) any event of default under such Swap Contract as to which the Borrower is the Defaulting Party (as defined in such Swap Contract) or (B) any Termination Event (as so defined) under such Swap Contract as to which the Borrower is an Affected Party (as so defined) and, in either event, the Swap Termination Value owed by the Borrower as a result thereof is greater than the Threshold Amount; or

(f) Insolvency Proceedings, Etc. The Trust or the Borrower institutes or consents to the institution of any proceeding under any Debtor Relief Law, or makes an assignment for the benefit of creditors; or applies for or consents to the appointment of any receiver, trustee, custodian, conservator, liquidator, rehabilitator or similar officer for it or for all or any material part of its property; or any receiver, trustee, custodian, conservator, liquidator, rehabilitator or similar officer is appointed without the application or consent of the Trust or the Borrower and the appointment continues undischarged or unstayed for sixty calendar days; or any proceeding under any Debtor Relief Law relating to either the

Trust or the Borrower or to all or any material part of its property is instituted without its consent and continues undismissed or unstayed for sixty calendar days, or an order for relief is entered in any such proceeding; or

(g) Inability to Pay Debts; Attachment. (i) The Trust or the Borrower becomes unable or admits in writing its inability or fails generally to pay its debts as they become due, or (ii) any writ or warrant of attachment or execution or similar process is issued or levied against all or any material part of the property of either the Trust or the Borrower and is not released, vacated or fully bonded within thirty days after its issue or levy; or

(h) Judgments. There is entered against the Borrower one or more final judgments or orders for the payment of money in an aggregate amount (as to all such judgments or orders) exceeding the Threshold Amount (to the extent not covered by independent third-party insurance as to which the insurer has been notified of the claim and does not dispute coverage), and (i) enforcement proceedings are commenced by any creditor upon such judgment or order, or (ii) there is a period of ten consecutive days during which a stay of enforcement of such judgment, by reason of a pending appeal or otherwise, is not in effect; or

(i) ERISA. (i) An ERISA Event occurs with respect to a Pension Plan or Multiemployer Plan which has resulted or could reasonably be expected to result in liability of the Borrower under Title IV of ERISA to the Pension Plan, Multiemployer Plan or the PBGC in an aggregate amount in excess of the Threshold Amount, or (ii) the Borrower or any ERISA Affiliate fails to pay when due, after the expiration of any applicable grace period, any installment payment with respect to its withdrawal liability under Section 4201 of ERISA under a Multiemployer Plan in an aggregate amount in excess of the Threshold Amount; or

(j) Invalidity of Loan Documents. Any provision of any Loan Document, at any time after its execution and delivery and for any reason other than as expressly permitted hereunder or thereunder or satisfaction in full of all the Obligations, ceases to be in full force and effect or ceases to give the Administrative Agent any material part of the Liens purported to be created thereby; or the Borrower or any other Person contests in any manner the validity or enforceability of any provision of any Loan Document; or the Borrower denies that it has any or further liability or obligation under any provision of any Loan Document, or purports to revoke, terminate or rescind any Loan Document; or

(k) Change of Control. There occurs any Change of Control; or

(l) Invalidity of Subordination Provisions. The subordination provisions of the Management Fee Subordination Agreement shall, in whole or in part, terminate, cease to be effective or cease to be legally valid, binding and enforceable against any holder of the applicable subordinated obligations covered thereby.

8.02 Remedies Upon Event of Default.

If any Event of Default occurs and is continuing, the Administrative Agent shall, at the request of, or may, with the consent of, the Required Lenders, take any or all of the following actions:

(a) declare the commitment of each Lender to make Loans and any obligation of the L/C Issuer to make L/C Credit Extensions to be terminated, whereupon such commitments and obligations shall be terminated;

(b) declare the unpaid principal amount of all outstanding Loans, all interest accrued and unpaid thereon, and all other amounts owing or payable hereunder or under any other Loan Document to be immediately due and payable, without presentment, demand, protest or other notice of any kind, all of which are hereby expressly waived by the Borrower;

(c) require that the Borrower Cash Collateralize the L/C Obligations (in an amount equal to the Minimum Collateral Amount with respect thereto); and

(d) exercise on behalf of itself, the Lenders and the L/C Issuer all rights and remedies available to it, the Lenders and the L/C Issuer under the Loan Documents or applicable Law or at equity;

provided, however, that upon the occurrence of an actual or deemed entry of an order for relief with respect to the Borrower under the Bankruptcy Code of the United States, the obligation of each Lender to make Loans and any obligation of the L/C Issuer to make L/C Credit Extensions shall automatically terminate, the unpaid principal amount of all outstanding Loans and all interest and other amounts as aforesaid shall automatically become due and payable, and the obligation of the Borrower to Cash Collateralize the L/C Obligations as aforesaid shall automatically become effective, in each case without further act of the Administrative Agent or any Lender.

8.03 Application of Funds.

After the exercise of remedies provided for in Section 8.02 (or after the Loans have automatically become immediately due and payable and the L/C Obligations have automatically been required to be Cash Collateralized as set forth in the proviso to Section 8.02), any amounts received on account of the Obligations shall, subject to the provisions of Sections 2.14 and 2.15, be applied by the Administrative Agent in the following order:

First, to payment of that portion of the Obligations constituting fees, indemnities, expenses and other amounts (including fees, charges and disbursements of counsel to the Administrative Agent and amounts payable under Article III) payable to the Administrative Agent in its capacity as such;

Second, to payment of that portion of the Obligations constituting fees, indemnities and other amounts (other than principal, interest and Letter of Credit Fees) payable to the Lenders and the L/C Issuer (including fees, charges and disbursements of counsel to the respective Lenders and the L/C Issuer and amounts payable under Article III), ratably among them in proportion to the respective amounts described in this clause Second payable to them;

Third, to payment of that portion of the Obligations constituting accrued and unpaid Letter of Credit Fees and interest on the Loans and L/C Borrowings, ratably among the Lenders and the L/C Issuer in proportion to the respective amounts described in this clause Third payable to them;

Fourth, to (a) payment of that portion of the Obligations constituting unpaid principal of the Loans and L/C Borrowings, (b) payment of Obligations then owing under any Secured Hedge Agreements, (c) payment of Obligations then owing under any Secured Cash Management Agreements and (d) Cash Collateralize that portion of L/C Obligations comprised of the aggregate undrawn amount of Letters of Credit, ratably among the Lenders, the L/C Issuer, the Hedge Banks and the Cash Management Banks in proportion to the respective amounts described in this clause Fourth payable to them; and

Last, the balance, if any, after all of the Obligations have been indefeasibly paid in full, to the Borrower or as otherwise required by Law.

Subject to Sections 2.03(c) and 2.14, amounts used to Cash Collateralize the aggregate undrawn amount of Letters of Credit pursuant to clause Fourth above shall be applied to satisfy drawings under such Letters of Credit as they occur. If any amount remains on deposit as Cash Collateral after all Letters of Credit have either been fully drawn or expired, such remaining amount shall be applied to the other Obligations, if any, in the order set forth above.

Notwithstanding the foregoing, Obligations arising under Secured Cash Management Agreements and Secured Hedge Agreements shall be excluded from the application described above if the Administrative Agent has not received a Secured Party Designation Notice, together with such supporting documentation as the Administrative Agent may request, from the applicable Cash Management Bank or Hedge Bank, as the case may be. Each Cash Management Bank or Hedge Bank not a party to this Agreement that has given the notice contemplated by the preceding sentence shall, by such notice, be deemed to have acknowledged and accepted the appointment of the Administrative Agent pursuant to the terms of Article IX for itself and its Affiliates as if a "Lender" party hereto.

ARTICLE IX

ADMINISTRATIVE AGENT

9.01 Appointment and Authority.

Each of the Lenders and L/C Issuer hereby irrevocably appoints Bank of America to act on its behalf as the Administrative Agent hereunder and under the other Loan Documents and authorizes the Administrative Agent to take such actions on its behalf and to exercise such powers as are delegated to the Administrative Agent by the terms hereof or thereof, together with such actions and powers as are reasonably incidental thereto. The provisions of this Article are solely for the benefit of the Administrative Agent, the Lenders and the L/C Issuer, and the Borrower and its Subsidiaries shall have no rights as a third party beneficiary of any of such provisions. It is understood and agreed that the use of the term "agent" herein or in any other Loan Documents (or any other similar term) with reference to the Administrative Agent is not intended to connote any fiduciary or other implied (or express) obligations arising under agency doctrine of any applicable Law. Instead such term is used as a matter of market custom, and is intended to create or reflect only an administrative relationship between contracting parties.

The Administrative Agent shall also act as the "collateral agent" under the Loan Documents, and each of the Lenders (in its capacities as a Lender, Swing Line Lender (if applicable), potential Hedge Banks and potential Cash Management Banks) and the L/C Issuer hereby irrevocably appoints and authorizes the Administrative Agent to act as the agent of such Lender and the L/C Issuer for purposes of acquiring, holding and enforcing any and all Liens on Collateral, together with such powers and discretion as are reasonably incidental thereto. In this connection, the Administrative Agent, as "collateral agent" and any co-agents, sub-agents and attorneys-in-fact appointed by the Administrative Agent pursuant to Section 9.05 for purposes of holding or enforcing any Lien on the Collateral (or any portion

thereof) granted under the Collateral Documents, or for exercising any rights and remedies thereunder at the direction of the Administrative Agent, shall be entitled to the benefits of all provisions of this Article IX and Article X (including Section 10.04(c)), as though such co-agents, sub-agents and attorneys-in-fact were the “collateral agent” under the Loan Documents) as if set forth in full herein with respect thereto.

9.02 Rights as a Lender.

The Person serving as the Administrative Agent hereunder shall have the same rights and powers in its capacity as a Lender as any other Lender and may exercise the same as though it were not the Administrative Agent and the term “Lender” or “Lenders” shall, unless otherwise expressly indicated or unless the context otherwise requires, include the Person serving as the Administrative Agent hereunder in its individual capacity. Such Person and its Affiliates may accept deposits from, lend money to, own securities of, act as the financial advisor or in any other advisory capacity for and generally engage in any kind of business with the Borrower or any Subsidiary or other Affiliate thereof as if such Person were not the Administrative Agent hereunder and without any duty to account therefor to the Lenders or to provide notice to, or obtain consent of, the Lenders with respect thereto.

9.03 Exculpatory Provisions.

Neither the Administrative Agent nor any Arranger shall have any duties or obligations except those expressly set forth herein and in the other Loan Documents, and its duties hereunder shall be administrative in nature. Without limiting the generality of the foregoing, neither the Administrative Agent nor any Arranger:

(a) shall be subject to any fiduciary or other implied duties, regardless of whether a Default has occurred and is continuing;

(b) shall have any duty to take any discretionary action or exercise any discretionary powers, except discretionary rights and powers expressly contemplated hereby or by the other Loan Documents that the Administrative Agent is required to exercise as directed in writing by the Required Lenders (or such other number or percentage of the Lenders as shall be expressly provided for herein or in the other Loan Documents), provided that the Administrative Agent shall not be required to take any action that, in its opinion or the opinion of its counsel, may expose the Administrative Agent to liability or that is contrary to any Loan Document or applicable Law, including for the avoidance of doubt any action that may be in violation of the automatic stay under any Debtor Relief Law or that may effect a forfeiture, modification or termination of property of a Defaulting Lender in violation of any Debtor Relief Law; and

(c) shall have any duty or responsibility to disclose, and shall not be liable for the failure to disclose, to any Lender or the L/C Issuer any credit or other information concerning the business, prospects, operations, property, financial and other condition or creditworthiness of any of the Borrower or any of its Affiliates that is communicated to, or in the possession of, the Administrative Agent, any Arranger or any of their Related Parties in any capacity, except for notices, reports and other documents expressly required to be furnished to the Lenders by the Administrative Agent herein.

Neither the Administrative Agent nor any of its Related Parties shall be liable for any action taken or not taken by the Administrative Agent or any of its Related Parties under or in connection with this Agreement or any other Loan Document or the transactions contemplated hereby or thereby (i) with the consent or at the request of the Required Lenders (or such other number or percentage of the Lenders as shall be necessary, or as the Administrative Agent shall believe in good faith shall be necessary, under the

circumstances as provided in Sections 10.01 and 8.02) or (ii) in the absence of its own gross negligence or willful misconduct as determined by a court of competent jurisdiction by final and nonappealable judgment. Any such action taken or failure to act pursuant to the foregoing shall be binding on all Lenders. The Administrative Agent shall be deemed not to have knowledge of any Default unless and until notice describing such Default is given in writing to the Administrative Agent by the Borrower, a Lender or the L/C Issuer.

Neither the Administrative Agent nor any of its Related Parties have any duty or obligation to any Lender or participant or any other Person to ascertain or inquire into (i) any statement, warranty or representation made in or in connection with this Agreement or any other Loan Document, (ii) the contents of any certificate, report or other document delivered hereunder or thereunder or in connection herewith or therewith, (iii) the performance or observance of any of the covenants, agreements or other terms or conditions set forth herein or therein or the occurrence of any Default, (iv) the validity, enforceability, effectiveness or genuineness of this Agreement, any other Loan Document or any other agreement, instrument or document, or the creation, perfection or priority of any Lien purported to be created by the Collateral Documents, (v) the value or the sufficiency of any Collateral, or (vi) the satisfaction of any condition set forth in Article IV or elsewhere herein, other than to confirm receipt of items expressly required to be delivered to the Administrative Agent.

9.04 Reliance by Administrative Agent.

The Administrative Agent shall be entitled to rely upon, and shall be fully protected in relying and shall not incur any liability for relying upon, any notice, request, certificate, communication, consent, statement, instrument, document or other writing (including any electronic message, Internet or intranet website posting or other distribution) believed by it to be genuine and to have been signed, sent or otherwise authenticated by the proper Person. The Administrative Agent also may rely upon any statement made to it orally or by telephone and believed by it to have been made by the proper Person, and shall be fully protected in relying and shall not incur any liability for relying thereon. In determining compliance with any condition hereunder to the making of a Loan, or the issuance, extension, renewal or increase of a Letter of Credit, that by its terms must be fulfilled to the satisfaction of a Lender or the L/C Issuer, the Administrative Agent may presume that such condition is satisfactory to such Lender or the L/C Issuer unless the Administrative Agent shall have received notice to the contrary from such Lender or the L/C Issuer prior to the making of such Loan or the issuance, extension, renewal or increase of such Letter of Credit. The Administrative Agent may consult with legal counsel (who may be counsel for the Borrower), independent accountants and other experts selected by it, and shall not be liable for any action taken or not taken by it in accordance with the advice of any such counsel, accountants or experts.

9.05 Delegation of Duties.

The Administrative Agent may perform any and all of its duties and exercise its rights and powers hereunder or under any other Loan Document by or through any one or more sub-agents appointed by the Administrative Agent. The Administrative Agent and any such sub-agent may perform any and all of its duties and exercise its rights and powers by or through their respective Related Parties. The exculpatory provisions of this Article shall apply to any such sub-agent and to the Related Parties of the Administrative Agent and any such sub-agent, and shall apply to their respective activities in connection with the syndication of the credit facilities provided for herein as well as activities as Administrative Agent. The Administrative Agent shall not be responsible for the negligence or misconduct of any sub-agents except to the extent that a court of competent jurisdiction determines in a final and non appealable

judgment that the Administrative Agent acted with gross negligence or willful misconduct in the selection of such sub-agents.

9.06 Resignation of Administrative Agent.

(a) The Administrative Agent may at any time give notice of its resignation to the Lenders, the L/C Issuer and the Borrower. Upon receipt of any such notice of resignation, the Required Lenders shall have the right, in consultation with the Borrower, to appoint a successor, which shall be a bank with an office in the United States, or an Affiliate of any such bank with an office in the United States. If no such successor shall have been so appointed by the Required Lenders and shall have accepted such appointment within thirty days after the retiring Administrative Agent gives notice of its resignation (or such earlier day as shall be agreed by the Required Lenders) (the “Resignation Effective Date”), then the retiring Administrative Agent may (but shall not be obligated to) on behalf of the Lenders and the L/C Issuer, appoint a successor Administrative Agent meeting the qualifications set forth above, provided that in no event shall any such successor Administrative Agent be a Defaulting Lender. Whether or not a successor has been appointed, such resignation shall become effective in accordance with such notice on the Resignation Effective Date.

(b) If the Person serving as Administrative Agent is a Defaulting Lender pursuant to clause (d) of the definition thereof, the Required Lenders may, to the extent permitted by applicable Law, by notice in writing to the Borrower and such Person remove such Person as Administrative Agent and, in consultation with the Borrower, appoint a successor. If no such successor shall have been so appointed by the Required Lenders and shall have accepted such appointment within thirty days (or such earlier day as shall be agreed by the Required Lenders) (the “Removal Effective Date”), then such removal shall nonetheless become effective in accordance with such notice on the Removal Effective Date.

(c) With effect from the Resignation Effective Date or the Removal Effective Date (as applicable) (i) the retiring or removed Administrative Agent shall be discharged from its duties and obligations hereunder and under the other Loan Documents (except that in the case of any collateral security held by the Administrative Agent on behalf of the Lenders or the L/C Issuer under any of the Loan Documents, the retiring or removed Administrative Agent shall continue to hold such collateral security until such time as a successor Administrative Agent is appointed) and (ii) except for any indemnity payments or other amounts then owed to the retiring or removed Administrative Agent, all payments, communications and determinations provided to be made by, to or through the Administrative Agent shall instead be made by or to each Lender and the L/C Issuer directly, until such time, if any, as the Required Lenders appoint a successor Administrative Agent as provided for above. Upon the acceptance of a successor’s appointment as Administrative Agent hereunder, such successor shall succeed to and become vested with all of the rights, powers, privileges and duties of the retiring (or removed) Administrative Agent (other than as provided in Section 3.01(g) and other than any rights to indemnity payments or other amounts owed to the retiring or removed Administrative Agent as of the Resignation Effective Date or the Removal Effective Date, as applicable), and the retiring or removed Administrative Agent shall be discharged from all of its duties and obligations hereunder or under the other Loan Documents (if not already discharged therefrom as provided above in this Section). The fees payable by the Borrower to a successor Administrative Agent shall be the same as those payable to its predecessor unless otherwise agreed between the Borrower and such successor. After the retiring or removed Administrative Agent’s resignation or removal hereunder and under the other Loan Documents, the provisions of this Article and Section 10.04 shall continue in effect for the benefit of such retiring or removed Administrative Agent, its sub-agents and their respective Related Parties in respect of any actions taken or omitted to be taken by any of them (i) while the retiring or removed Administrative

Agent was acting as Administrative Agent and (ii) after such resignation or removal for as long as any of them continues to act in any capacity hereunder or under the other Loan Documents, including (A) acting as collateral agent or otherwise holding any collateral security on behalf of any of the Lenders and (B) in respect of any actions taken in connection with transferring the agency to any successor Administrative Agent.

(d) Any resignation by Bank of America as Administrative Agent pursuant to this Section shall also constitute its resignation as L/C Issuer and Swing Line Lender. If Bank of America resigns as the L/C Issuer, it shall retain all the rights, powers, privileges and duties of the L/C Issuer hereunder with respect to all Letters of Credit issued by it and outstanding as of the effective date of its resignation as L/C Issuer and all L/C Obligations with respect thereto, including the right to require the Lenders to make Base Rate Loans or fund risk participations in Unreimbursed Amounts pursuant to Section 2.03(c). If Bank of America resigns as Swing Line Lender, it shall retain all the rights of the Swing Line Lender provided for hereunder with respect to Swing Line Loans made by it and outstanding as of the effective date of such resignation, including the right to require the Lenders to make Base Rate Loans or fund risk participations in outstanding Swing Line Loans pursuant to Section 2.04(c). Upon the appointment by the Borrower of a successor L/C Issuer or Swing Line Lender hereunder (which successor shall in all cases be a Lender other than a Defaulting Lender), (i) such successor shall succeed to and become vested with all of the rights, powers, privileges and duties of the retiring L/C Issuer or Swing Line Lender, as applicable, (ii) the retiring L/C Issuer and Swing Line Lender shall be discharged from all of their respective duties and obligations hereunder or under the other Loan Documents and (iii) the successor L/C Issuer shall issue letters of credit in substitution for the Letters of Credit, if any, issued by Bank of America and outstanding at the time of such succession or make other arrangements satisfactory to Bank of America to effectively assume the obligations of Bank of America with respect to such Letters of Credit.

9.07 Non-Reliance on Administrative Agent and Other Lenders.

Each Lender and the L/C Issuer acknowledges that neither the Administrative Agent nor any Arranger has made any representation or warranty to it, and that no act by the Administrative Agent or any Arranger hereafter taken, including any consent to, and acceptance of any assignment or review of the affairs of the Borrower or any Affiliate thereof, shall be deemed to constitute any representation or warranty by the Administrative Agent or the Arranger to any Lender or the L/C Issuer as to any matter, including whether the Administrative Agent or any Arranger has disclosed material information in their (or their Related Parties') possession. Each Lender and the L/C Issuer represents to the Administrative Agent and each Arranger that it has, independently and without reliance upon the Administrative Agent, the Arranger, any other Lender or any of their Related Parties and based on such documents and information as it has deemed appropriate, made its own credit analysis of, appraisal of, and investigation into, the business, prospects, operations, property, financial and other condition and creditworthiness of the Borrower and its Subsidiaries, and all applicable bank or other regulatory Laws relating to the transactions contemplated hereby, and made its own decision to enter into this Agreement and to extend credit to the Borrower hereunder. Each Lender and the L/C Issuer also acknowledges that it will, independently and without reliance upon the Administrative Agent, any Arranger, any other Lender or any of their Related Parties and based on such documents and information as it shall from time to time deem appropriate, continue to make its own decisions in taking or not taking action under or based upon this Agreement, any other Loan Document or any related agreement or any document furnished hereunder or thereunder, and to make such investigations as it deems necessary to inform itself as to the business, prospects, operations, property, financial and other condition and creditworthiness of the Borrower. Each Lender and the L/C Issuer represents and warrants that (i) the Loan Documents set forth the terms of a commercial lending facility and (ii) it is engaged in making, acquiring or holding commercial loans in the

ordinary course and is entering into this Agreement as a Lender or L/C Issuer for the purpose of making, acquiring or holding commercial loans and providing other facilities set forth herein as may be applicable to such Lender or the L/C Issuer and not for the purpose of purchasing, acquiring or holding any other type of financial instrument, and each Lender and the L/C Issuer agrees not to assert a claim in contravention of the foregoing. Each Lender and the L/C Issuer represents and warrants that it is sophisticated with respect to decisions to make, acquire and/or hold commercial loans and to provide other facilities set forth herein, as may be applicable to such Lender or such L/C Issuer, and either it, or the Person exercising discretion in making its decision to make, acquire and/or hold such commercial loans or to provide such other facilities, is experienced in making, acquiring or holding such commercial loans or providing such other facilities.

9.08 No Other Duties; Etc.

Anything herein to the contrary notwithstanding, none of the bookrunners, arrangers, documentation agents, syndication agents or co-agents shall have any powers, duties or responsibilities under this Agreement or any of the other Loan Documents, except in its capacity, as applicable, as the Administrative Agent, a Lender or the L/C Issuer hereunder.

9.09 Administrative Agent May File Proofs of Claim; Credit Bidding.

In case of the pendency of any proceeding under any Debtor Relief Law or any other judicial proceeding relative to the Borrower, the Administrative Agent (irrespective of whether the principal of any Loan or L/C Obligation shall then be due and payable as herein expressed or by declaration or otherwise and irrespective of whether the Administrative Agent shall have made any demand on the Borrower) shall be entitled and empowered, by intervention in such proceeding or otherwise:

(a) to file and prove a claim for the whole amount of the principal and interest owing and unpaid in respect of the Loans, L/C Obligations and all other Obligations that are owing and unpaid and to file such other documents as may be necessary or advisable in order to have the claims of the Lenders, the L/C Issuer and the Administrative Agent (including any claim for the reasonable compensation, expenses, disbursements and advances of the Lenders, the L/C Issuer and the Administrative Agent and their respective agents and counsel and all other amounts due the Lenders, the L/C Issuer and the Administrative Agent under Sections 2.03(h), 2.03(i), 2.09 and 10.04) allowed in such judicial proceeding; and

(b) to collect and receive any monies or other property payable or deliverable on any such claims and to distribute the same;

and any custodian, receiver, assignee, trustee, liquidator, sequestrator or other similar official in any such judicial proceeding is hereby authorized by each Lender and the L/C Issuer to make such payments to the Administrative Agent and, in the event that the Administrative Agent shall consent to the making of such payments directly to the Lenders and the L/C Issuer, to pay to the Administrative Agent any amount due for the reasonable compensation, expenses, disbursements and advances of the Administrative Agent and its agents and counsel, and any other amounts due the Administrative Agent under Sections 2.09 and 10.04.

Nothing contained herein shall be deemed to authorize the Administrative Agent to authorize or consent to or accept or adopt on behalf of any Lender or L/C Issuer any plan of reorganization, arrangement, adjustment or composition affecting the Obligations or the rights of any Lender or L/C

Issuer to authorize the Administrative Agent to vote in respect of the claim of any Lender or L/C Issuer in any such proceeding.

The holders of the Obligations hereby irrevocably authorize the Administrative Agent, at the direction of the Required Lenders, to credit bid all or any portion of the Obligations (including accepting some or all of the Collateral in satisfaction of some or all of the Obligations pursuant to a deed in lieu of foreclosure or otherwise) and in such manner purchase (either directly or through one or more acquisition vehicles) all or any portion of the Collateral (a) at any sale thereof conducted under the provisions of the Bankruptcy Code of the United States, including under Sections 363, 1123 or 1129 of the Bankruptcy Code of the United States, or any similar Laws in any other jurisdictions to which the Borrower is subject, (b) at any other sale or foreclosure or acceptance of collateral in lieu of debt conducted by (or with the consent or at the direction of) the Administrative Agent (whether by judicial action or otherwise) in accordance with any applicable Law. In connection with any such credit bid and purchase, the Obligations owed to the holders thereof shall be entitled to be, and shall be, credit bid on a ratable basis (with Obligations with respect to contingent or unliquidated claims receiving contingent interests in the acquired assets on a ratable basis that would vest upon the liquidation of such claims in an amount proportional to the liquidated portion of the contingent claim amount used in allocating the contingent interests) in the asset or assets so purchased (or in the Equity Interests or debt instruments of the acquisition vehicle or vehicles that are used to consummate such purchase). In connection with any such bid, (i) the Administrative Agent shall be authorized to form one or more acquisition vehicles to make a bid and to adopt documents providing for the governance of the acquisition vehicle or vehicles (provided that any actions by the Administrative Agent with respect to such acquisition vehicle or vehicles, including any disposition of the assets or Equity Interests thereof shall be governed, directly or indirectly, by the vote of the Required Lenders, irrespective of the termination of this Agreement), and (ii) to the extent that Obligations that are assigned to an acquisition vehicle are not used to acquire Collateral for any reason (as a result of another bid being higher or better, because the amount of Obligations assigned to the acquisition vehicle exceeds the amount of debt credit bid by the acquisition vehicle or otherwise), such Obligations shall automatically be reassigned to the Lenders pro rata and the Equity Interests and/or debt instruments issued by any acquisition vehicle on account of the Obligations that had been assigned to the acquisition vehicle shall automatically be cancelled, without the need for any Lender or any acquisition vehicle to take any further action.

9.10 Collateral Matters.

Without limiting the provisions of Section 9.09, each of the Lenders (including in its capacities as a potential Cash Management Bank and a potential Hedge Bank) and the L/C Issuer irrevocably authorize the Administrative Agent, at its option and in its discretion,

(a) to release any Lien on any property granted to or held by the Administrative Agent under any Loan Document (i) upon the Facility Termination Date, (ii) that is sold or otherwise disposed of as part of or in connection with any sale or other disposition permitted hereunder or under any other Loan Document or any Recovery Event or (iii) as approved in accordance with Section 10.01; and

(b) to subordinate any Lien on any property granted to or held by the Administrative Agent under any Loan Document to the holder of any Lien on such property that is permitted by Section 7.01(i).

Upon request by the Administrative Agent at any time, the Required Lenders will confirm in writing the Administrative Agent's authority to release or subordinate its interest in particular types or items of property pursuant to this Section 9.10.

The Administrative Agent shall not be responsible for or have a duty to ascertain or inquire into any representation or warranty regarding the existence, value or collectability of the Collateral, the existence, priority or perfection of the Administrative Agent's Lien thereon, or any certificate prepared by any Person in connection therewith, nor shall the Administrative Agent be responsible or liable to the Lenders for any failure to monitor or maintain any portion of the Collateral.

9.11 Secured Cash Management Agreements and Secured Hedge Agreements

No Cash Management Bank or Hedge Bank that obtains the benefit of Section 8.03 or any Collateral by virtue of the provisions hereof or any Collateral Document shall have any right to notice of any action or to consent to, direct or object to any action hereunder or under any other Loan Document or otherwise in respect of the Collateral (including the release or impairment of any Collateral) (or to notice of or to consent to any amendment, waiver or modification of the provisions hereof or any Collateral Document) other than in its capacity as a Lender and, in such case, only to the extent expressly provided in the Loan Documents. Notwithstanding any other provision of this Article IX to the contrary, the Administrative Agent shall not be required to verify the payment of, or that other satisfactory arrangements have been made with respect to, Obligations arising under Secured Cash Management Agreements and Secured Hedge Agreements except to the extent expressly provided herein and unless the Administrative Agent has received a Secured Party Designation Notice of such Obligations, together with such supporting documentation as the Administrative Agent may request, from the applicable Cash Management Bank or Hedge Bank, as the case may be. The Administrative Agent shall not be required to verify the payment of, or that other satisfactory arrangements have been made with respect to, Obligations arising under Secured Cash Management Agreements and Secured Hedge Agreements in the case of the Facility Termination Date.

9.12 ERISA Matters

(a) Each Lender (x) represents and warrants, as of the date such Person became a Lender party hereto, to, and (y) covenants, from the date such Person became a Lender party hereto to the date such Person ceases being a Lender party hereto, for the benefit of, the Administrative Agent and the Arrangers and their respective Affiliates, and not, for the avoidance of doubt, to or for the benefit of the Borrower, that at least one of the following is and will be true:

(i) such Lender is not using "plan assets" (within the meaning of 29 CFR § 2510.3-101, as modified by Section 3(42) of ERISA) of one or more Benefit Plans with respect to such Lender's entrance into, participation in, administration of and performance of the Loans, the Letters of Credit, the Commitments or this Agreement,

(ii) the transaction exemption set forth in one or more PTEs, such as PTE 84-14 (a class exemption for certain transactions determined by independent qualified professional asset managers), PTE 95-60 (a class exemption for certain transactions involving insurance company general accounts), PTE 90-1 (a class exemption for certain transactions involving insurance company pooled separate accounts), PTE 91-38 (a class exemption for certain transactions involving bank collective investment funds) or PTE 96-23 (a class exemption for certain transactions determined by in-house asset

managers), is applicable with respect to such Lender's entrance into, participation in, administration of and performance of the Loans, the Letters of Credit, the Commitments and this Agreement,

(iii) (A) such Lender is an investment fund managed by a "Qualified Professional Asset Manager" (within the meaning of Part VI of PTE 84-14), (B) such Qualified Professional Asset Manager made the investment decision on behalf of such Lender to enter into, participate in, administer and perform the Loans, the Letters of Credit, the Commitments and this Agreement, (C) the entrance into, participation in, administration of and performance of the Loans, the Letters of Credit, the Commitments and this Agreement satisfies the requirements of sub-sections (b) through (g) of Part I of PTE 84-14 and (D) to the best knowledge of such Lender, the requirements of subsection (a) of Part I of PTE 84-14 are satisfied with respect to such Lender's entrance into, participation in, administration of and performance of the Loans, the Letters of Credit, the Commitments and this Agreement, or

(iv) such other representation, warranty and covenant as may be agreed in writing between the Administrative Agent, in its sole discretion, and such Lender.

(b) In addition, unless either (1) clause (i) in the immediately preceding clause (a) is true with respect to a Lender or (2) a Lender has provided another representation, warranty and covenant in accordance with clause (iv) in the immediately preceding clause (a), such Lender further (x) represents and warrants, as of the date such Person became a Lender party hereto, to, and (y) covenants, from the date such Person became a Lender party hereto to the date such Person ceases being a Lender party hereto, for the benefit of, the Administrative Agent and not, for the avoidance of doubt, to or for the benefit of the Borrower, that the Administrative Agent is not a fiduciary with respect to the assets of such Lender involved in such Lender's entrance into, participation in, administration of and performance of the Loans, the Letters of Credit, the Commitments and this Agreement (including in connection with the reservation or exercise of any rights by the Administrative Agent under this Agreement, any Loan Document or any documents related hereto or thereto).

9.13 Recovery of Erroneous Payments.

Without limitation of any other provision in this Agreement, if at any time the Administrative Agent makes a payment hereunder in error to any Lender or the L/C Issuer (the "Credit Party"), whether or not in respect of an Obligation due and owing by the Borrower at such time, where such payment is a Rescindable Amount, then in any such event, each Credit Party receiving a Rescindable Amount severally agrees to repay to the Administrative Agent forthwith on demand the Rescindable Amount received by such Credit Party in immediately available funds in the currency so received, with interest thereon, for each day from and including the date such Rescindable Amount is received by it to but excluding the date of payment to the Administrative Agent, at the greater of the Federal Funds Rate and a rate determined by the Administrative Agent in accordance with banking industry rules on interbank compensation. Each Credit Party irrevocably waives any and all defenses, including any "discharge for value" (under which a creditor might otherwise claim a right to retain funds mistakenly paid by a third party in respect of a debt owed by another) or similar defense to its obligation to return any Rescindable Amount. The Administrative Agent shall inform each Credit Party promptly upon determining that any payment made to such Credit Party comprised, in whole or in part, a Rescindable Amount."

ARTICLE X MISCELLANEOUS

10.01 Amendments, Etc.

No amendment or waiver of any provision of this Agreement or any other Loan Document, and no consent to any departure by the Borrower therefrom, shall be effective unless in writing signed by the Required Lenders and the Borrower, and acknowledged by the Administrative Agent, and each such waiver or consent shall be effective only in the specific instance and for the specific purpose for which given; provided, however, that

(a) no such amendment, waiver or consent shall:

(i) extend or increase the Commitment of any Lender (or reinstate any Commitment terminated pursuant to Section 8.02) without the written consent of such Lender (it being understood and agreed that a waiver of any condition precedent set forth in Section 4.02 or of any Default or a mandatory reduction in Commitments is not considered an extension or increase in Commitments of any Lender);

(ii) postpone any date fixed by this Agreement or any other Loan Document for any payment (excluding mandatory prepayments) of principal, interest, fees or other amounts due to the Lenders (or any of them) or any scheduled or mandatory reduction of the Commitments hereunder or under any other Loan Document without the written consent of each Lender entitled to receive such payment or whose Commitments are to be reduced;

(iii) reduce the principal of, or the rate of interest specified herein on, any Loan or L/C Borrowing, or (subject to clause (i) of the final proviso to this Section 10.01) any fees or other amounts payable hereunder or under any other Loan Document without the written consent of each Lender entitled to receive such amount (it being understood that neither of the following constitutes a reduction in the rate of interest on any Loan or L/C Borrowing or any fees or other amounts: (A) any change to the definition of "Default Rate" or any waiver of any obligation of the Borrower to pay interest or Letter of Credit Fees at the Default Rate or (B) any change to or waiver of any financial covenant hereunder (or any defined term used therein), even if the effect of such change or waiver would be to reduce the rate of interest on any Loan or L/C Borrowing or to reduce any fee payable hereunder);

(iv) change Section 8.03 or Section 2.13 in a manner that would alter the pro rata sharing of payments required thereby without the written consent of each Lender directly affected thereby;

(v) change any provision of this Section 10.01(a) or the definition of "Required Lenders" without the written consent of each Lender directly affected thereby;

(vi) subordinate, or have the effect of subordinating, the Obligations to any other Indebtedness or other obligation or, except as permitted by Section 9.10(b) as in effect on the Closing Date, subordinate, or have the effect of subordinating, the Liens securing the Obligations to Liens securing any other Indebtedness or other obligation, in each case without the written consent of each Lender directly affected thereby;

(vii) release, or have the effect of releasing all or substantially all of the Collateral without the written consent of each Lender whose Obligations are secured by such Collateral;

(viii) release the Borrower without the consent of each Lender; or

(b) unless also signed by the L/C Issuer, no amendment, waiver or consent shall affect the rights or duties of the L/C Issuer under this Agreement or any Issuer Document relating to any Letter of Credit issued or to be issued by the L/C Issuer;

(c) unless also signed by the Swing Line Lender, no amendment, waiver or consent shall affect the rights or duties of the Swing Line Lender under this Agreement; and

(d) unless also signed by the Administrative Agent, no amendment, waiver or consent shall affect the rights or duties of the Administrative Agent under this Agreement or any other Loan Document;

provided further, however, that notwithstanding anything to the contrary herein:

(i) the Fee Letter and any Auto Borrow Agreement may be amended, or rights or privileges thereunder waived, in a writing executed only by the parties thereto;

(ii) no Defaulting Lender shall have any right to approve or disapprove any amendment, waiver or consent hereunder (any amendment, waiver or consent which by its terms requires the consent of all Lenders or each affected Lender may be effected with the consent of the applicable Lenders other than Defaulting Lenders), except that (A) the Commitment of such Defaulting Lender may not be increased or extended without the consent of such Lender and (B) any waiver, amendment or modification requiring the consent of all Lenders or each affected Lender that by its terms affects such Defaulting Lender disproportionately adversely relative to other affected Lenders shall require the consent of such Defaulting Lender;

(iii) each Lender is entitled to vote as such Lender sees fit on any bankruptcy reorganization plan that affects the Loans, and each Lender acknowledges that the provisions of Section 1126(c) of the Bankruptcy Code of the United States supersedes the unanimous consent provisions set forth herein;

(iv) the Required Lenders shall determine whether or not to allow the Borrower to use cash collateral in the context of a bankruptcy or insolvency proceeding and such determination shall be binding on all of the Lenders; and

(v) an Incremental Facility Amendment shall be effective if signed by the Borrower, the Administrative Agent and each Person that agrees to provide a portion of the applicable Incremental Facility, and a Refinancing Amendment shall be effective if signed by the Borrower, the Administrative Agent and each Person that agrees to provide a portion of the applicable Refinancing Loans.

Notwithstanding any provision herein to the contrary, this Agreement may be amended with the written consent of the Required Lenders, the Administrative Agent and the Borrower (1) to add one or more additional revolving credit or term loan facilities to this Agreement and to permit the extensions of credit and all related obligations and liabilities arising in connection therewith from time to time outstanding to share ratably (or on a basis subordinated to the existing facilities hereunder) in the benefits of this Agreement and the other Loan Documents with the obligations and liabilities from time to time outstanding in respect of the existing facilities hereunder, and (2) in connection with the foregoing, to permit, as deemed appropriate by the Administrative Agent and approved by the Required Lenders, the Lenders providing such additional credit facilities to participate in any required vote or action required to be approved by the Required Lenders or by any other number, percentage or class of Lenders hereunder.

Notwithstanding any provision herein to the contrary (x) the Administrative Agent and the Borrower may amend, modify or supplement this Agreement or any other Loan Document to cure or correct administrative errors or omissions, any ambiguity, omission, defect or inconsistency or to effect administrative changes, and such amendment shall become effective without any further consent of any other party to such Loan Document so long as (i) such amendment, modification or supplement does not adversely affect the rights of any Lender or other holder of Obligations in any material respect and (ii) the Lenders shall have received at least five Business Days' prior written notice thereof and the Administrative Agent shall not have received, within five Business Days of the date of such notice to the Lenders, a written notice from the Required Lenders stating that the Required Lenders object to such amendment and (y) the Administrative Agent and the Borrower may make amendments contemplated by Section 3.03(c).

10.02 Notices; Effectiveness; Electronic Communications.

(a) Notices Generally. Except in the case of notices and other communications expressly permitted to be given by telephone (and except as provided in subsection (b) below), all notices and other communications provided for herein shall be in writing and shall be delivered by hand or overnight courier service, mailed by certified or registered mail or sent by facsimile as follows, and all notices and other communications expressly permitted hereunder to be given by telephone shall be made to the applicable telephone number, as follows:

(i) if to the Borrower, the Administrative Agent, the L/C Issuer or the Swing Line Lender, to the address, facsimile number, e-mail address or telephone number specified for such Person on Schedule 10.02; and

(ii) if to any other Lender, to the address, facsimile number, e-mail address or telephone number specified in its Administrative Questionnaire (including, as appropriate, notices delivered solely to the Person designated by a Lender on its Administrative Questionnaire then in effect for the delivery of notices that may contain material non-public information relating to the Borrower).

Notices and other communications sent by hand or overnight courier service, or mailed by certified or registered mail, shall be deemed to have been given when received; notices and other communications sent by facsimile or e-mail transmission shall be deemed to have been given when sent (except that, if not given during normal business hours for the recipient, shall be deemed to have been given at the opening of business on the next Business Day for the recipient). Notices and other communications delivered through electronic communications to the extent provided in subsection (b) below, shall be effective as provided in such subsection (b).

(b) Electronic Communications. Notices and other communications to the Lenders and the L/C Issuer hereunder may be delivered or furnished by electronic communication (including e-mail address, FpML messaging and Internet or intranet websites) pursuant to procedures approved by the Administrative Agent, provided that the foregoing shall not apply to notices to any Lender or L/C Issuer pursuant to Article II if such Lender or L/C Issuer, as applicable, has notified the Administrative Agent that it is incapable of receiving notices under such Article by electronic communication. The Administrative Agent, the Swing Line Lender, the L/C Issuer or the Borrower may each, in its discretion, agree to accept notices and other communications to it hereunder by electronic communications pursuant to procedures approved by it, provided that approval of such procedures may be limited to particular notices or communications.

Unless the Administrative Agent otherwise prescribes, (i) notices and other communications sent to an e-mail address shall be deemed received upon the sender's receipt of an acknowledgement from the intended recipient (such as by the "return receipt requested" function, as available, return e-mail or other written acknowledgement) and (ii) notices or communications posted to an Internet or intranet website shall be deemed received upon the deemed receipt by the intended recipient at its e-mail address as described in the foregoing clause (i) of notification that such notice or communication is available and identifying the website address therefor; provided that, for both clauses (i) and (ii), if such notice, email or other communication is not sent during the normal business hours of the recipient, such notice, email or communication shall be deemed to have been sent at the opening of business on the next business day for the recipient.

(c) The Platform. THE PLATFORM IS PROVIDED "AS IS" AND "AS AVAILABLE." THE AGENT PARTIES (AS DEFINED BELOW) DO NOT WARRANT THE ACCURACY OR COMPLETENESS OF THE BORROWER MATERIALS OR THE ADEQUACY OF THE PLATFORM, AND EXPRESSLY DISCLAIM LIABILITY FOR ERRORS IN OR OMISSIONS FROM THE BORROWER MATERIALS. NO WARRANTY OF ANY KIND, EXPRESS, IMPLIED OR STATUTORY, INCLUDING ANY WARRANTY OF MERCHANTABILITY, FITNESS FOR A PARTICULAR PURPOSE, NON-INFRINGEMENT OF THIRD PARTY RIGHTS OR FREEDOM FROM VIRUSES OR OTHER CODE DEFECTS, IS MADE BY ANY AGENT PARTY IN CONNECTION WITH THE BORROWER MATERIALS OR THE PLATFORM. In no event shall the Administrative Agent or any of its Related Parties (collectively, the "Agent Parties") have any liability to the Borrower, any Lender, the L/C Issuer or any other Person for losses, claims, damages, liabilities or expenses of any kind (whether in tort, contract or otherwise) arising out of the Borrower's or the Administrative Agent's transmission of Borrower Materials or any other Information or notices through the Internet, the Platform or any other telecommunications, electronic or other information transmission systems.

(d) Change of Address, Etc. The Borrower, the Administrative Agent, the L/C Issuer and the Swing Line Lender may change its address, facsimile or telephone number for notices and other communications hereunder by notice to the other parties hereto. Each other Lender may change its address, facsimile or telephone number or e-mail address for notices and other communications hereunder by notice to the Borrower, the Administrative Agent, the L/C Issuer and the Swing Line Lender. In addition, each Lender agrees to notify the Administrative Agent from time to time to ensure that the Administrative Agent has on record (i) an effective address, contact name, telephone number, facsimile number and e-mail address to which notices and other communications may be sent and (ii) accurate wire instructions for such Lender. Furthermore, each Public Lender agrees to cause at least one individual at or on behalf of such Public Lender to at all times have selected the "Private Side Information" or similar designation on the content declaration screen of the Platform in order to enable such Public Lender or its delegate, in accordance with such Public Lender's compliance procedures and applicable Law, including United States federal and state securities Laws, to make reference to Borrower Materials that are not made available through the "Public Side Information" portion of the Platform and that may contain material non-public information with respect to the Borrower or its securities for purposes of United States federal or state securities Laws.

(e) Reliance by Administrative Agent, L/C Issuer and Lenders. The Administrative Agent, the L/C Issuer and the Lenders shall be entitled to rely and act upon any notices (including telephonic or electronic Loan Notices, Letter of Credit Applications and Swing Line Loan Notices) purportedly given by or on behalf of the Borrower even if (i) such notices were not made in a manner specified herein, were

incomplete or were not preceded or followed by any other form of notice specified herein, or (ii) the terms thereof, as understood by the recipient, varied from any confirmation thereof. The Borrower shall indemnify the Administrative Agent, the L/C Issuer, each Lender and the Related Parties of each of them from all losses, costs, expenses and liabilities resulting from the reliance by such Person on each notice purportedly given by or on behalf of the Borrower. All telephonic notices to and other telephonic communications with the Administrative Agent may be recorded by the Administrative Agent, and each of the parties hereto hereby consents to such recording.

10.03 No Waiver; Cumulative Remedies; Enforcement.

No failure by any Lender, the L/C Issuer or the Administrative Agent to exercise, and no delay by any such Person in exercising, any right, remedy, power or privilege hereunder or under any other Loan Document shall operate as a waiver thereof; nor shall any single or partial exercise of any right, remedy, power or privilege hereunder or under any other Loan Document (including the imposition of the Default Rate) preclude any other or further exercise thereof or the exercise of any other right, remedy, power or privilege. The rights, remedies, powers and privileges herein provided and provided under each other Loan Document are cumulative and not exclusive of any rights, remedies, powers and privileges provided by Law.

Notwithstanding anything to the contrary contained herein or in any other Loan Document, the authority to enforce rights and remedies hereunder and under the other Loan Documents against the Borrower shall be vested exclusively in, and all actions and proceedings at Law in connection with such enforcement shall be instituted and maintained exclusively by, the Administrative Agent in accordance with Section 8.02 for the benefit of all the Lenders and the L/C Issuer; provided, however, that the foregoing shall not prohibit (a) the Administrative Agent from exercising on its own behalf the rights and remedies that inure to its benefit (solely in its capacity as Administrative Agent) hereunder and under the other Loan Documents, (b) the L/C Issuer or the Swing Line Lender from exercising the rights and remedies that inure to its benefit (solely in its capacity as L/C Issuer or Swing Line Lender, as the case may be) hereunder and under the other Loan Documents, (c) any Lender from exercising setoff rights in accordance with Section 10.08 (subject to the terms of Section 2.13), or (d) any Lender from filing proofs of claim or appearing and filing pleadings on its own behalf during the pendency of a proceeding relative to the Borrower under any Debtor Relief Law; and provided further, that if at any time there is no Person acting as Administrative Agent hereunder and under the other Loan Documents, then (i) the Required Lenders shall have the rights otherwise ascribed to the Administrative Agent pursuant to Section 8.02 and (ii) in addition to the matters set forth in clauses (b), (c) and (d) of the preceding proviso and subject to Section 2.13, any Lender may, with the consent of the Required Lenders, enforce any rights and remedies available to it and as authorized by the Required Lenders.

10.04 Expenses; Indemnity; Damage Waiver.

(a) Costs and Expenses. The Borrower shall pay (i) all reasonable and documented out-of-pocket expenses incurred by the Administrative Agent and its Affiliates (including the reasonable fees, charges and disbursements of counsel for the Administrative Agent) in connection with the syndication of the credit facilities provided for herein, the preparation, negotiation, execution, delivery and administration of this Agreement and the other Loan Documents or any amendments, modifications or waivers of the provisions hereof or thereof (whether or not the transactions contemplated hereby or thereby shall be consummated), (ii) all reasonable and documented out-of-pocket expenses incurred by the L/C Issuer in connection with the issuance, amendment, renewal or extension of any Letter of Credit or any demand for payment thereunder and (iii) all reasonable and documented out-of-pocket expenses

incurred by the Administrative Agent, any Lender or the L/C Issuer (without duplication) (including the reasonable and documented fees, charges and disbursements of any counsel for the Administrative Agent, any Lender or the L/C Issuer), and shall pay all fees and time charges for attorneys who may be employees of the Administrative Agent, any Lender or the L/C Issuer, in connection with the enforcement or protection of its rights (A) in connection with this Agreement and the other Loan Documents, including its rights under this Section, or (B) in connection with the Loans made or Letters of Credit issued hereunder, including all such reasonable and documented out-of-pocket expenses incurred during any workout, restructuring or negotiations in respect of such Loans or Letters of Credit.

(b) Indemnification by the Borrower. The Borrower shall indemnify the Administrative Agent (and any sub-agent thereof), each Lender and the L/C Issuer, and each Related Party of any of the foregoing Persons (each such Person being called an “Indemnitee”) against, and hold each Indemnitee harmless from, any and all losses, claims, damages, liabilities and related expenses (including the fees, charges and disbursements of any counsel for any Indemnitee), and shall indemnify and hold harmless each Indemnitee from all fees and time charges and disbursements for attorneys who may be employees of any Indemnitee, incurred by any Indemnitee or asserted against any Indemnitee by any Person (including the Borrower) arising out of, in connection with, or as a result of (i) the execution or delivery of this Agreement, any other Loan Document or any agreement or instrument contemplated hereby or thereby, the performance by the parties hereto of their respective obligations hereunder or thereunder, the consummation of the transactions contemplated hereby or thereby, or, in the case of the Administrative Agent (and any sub-agent thereof) and its Related Parties only, the administration of this Agreement and the other Loan Documents (including in respect of any matters addressed in Section 3.01), (ii) any Loan or Letter of Credit or the use or proposed use of the proceeds therefrom (including any refusal by the L/C Issuer to honor a demand for payment under a Letter of Credit if the documents presented in connection with such demand do not strictly comply with the terms of such Letter of Credit), (iii) any actual or alleged presence or release of Hazardous Materials on or from any property owned or operated by the Borrower or any Subsidiary, or any Environmental Liability related in any way to the Borrower or any Subsidiary, or (iv) any actual or prospective claim, litigation, investigation or proceeding relating to any of the foregoing, whether based on contract, tort or any other theory, whether brought by a third party or by the Borrower, and regardless of whether any Indemnitee is a party thereto; provided that such indemnity shall not, as to any Indemnitee, be available to the extent that such losses, claims, damages, liabilities or related expenses (I) are determined by a court of competent jurisdiction by final and nonappealable judgment to have resulted from the gross negligence or willful misconduct of such Indemnitee or (II) arise from any dispute solely among the Indemnitees (other than any claims (A) against any Indemnitee in its capacity or in fulfilling its role as an Arranger, the Administrative Agent or any similar role or (B) arising out of any act or omission on the part of the Borrower and its Subsidiaries). Without limiting the provisions of Section 3.01(c), this Section 10.04(b) shall not apply with respect to Taxes other than any Taxes that represent losses, claims, damages, etc. arising from any non-Tax claim. Any Indemnitee shall promptly refund an indemnification payment received hereunder to the extent that there is a final judicial determination that such Indemnitee was not entitled to indemnification with respect to such payment pursuant to this Section 10.04.

(c) Reimbursement by Lenders. To the extent that the Borrower for any reason fails to indefeasibly pay any amount required under subsection (a) or (b) of this Section to be paid by it to the Administrative Agent (or any sub-agent thereof), the L/C Issuer, the Swing Line Lender or any Related Party of any of the foregoing, each Lender severally agrees to pay to the Administrative Agent (or any such sub-agent), the L/C Issuer, the Swing Line Lender or such Related Party, as the case may be, such Lender’s pro rata share (determined as of the time that the applicable unreimbursed expense or indemnity payment is sought based on each Lender’s share of the Total Credit Exposures of all Lenders at such

time) of such unpaid amount (including any such unpaid amount in respect of a claim asserted by such Lender), such payment to be made severally among them based on such Lenders' Applicable Percentage (determined as of the time that the applicable unreimbursed expense or indemnity payment is sought), provided, further, that the unreimbursed expense or indemnified loss, claim, damage, liability or related expense, as the case may be, was incurred by or asserted against the Administrative Agent (or any such sub-agent), the L/C Issuer or the Swing Line Lender in its capacity as such, or against any Related Party of any of the foregoing acting for the Administrative Agent (or any such sub-agent), the L/C Issuer or the Swing Line Lender in connection with such capacity. The obligations of the Lenders under this subsection (c) are subject to the provisions of Section 2.12(d).

(d) Waiver of Consequential Damages, Etc. To the fullest extent permitted by applicable Law, the Borrower shall not assert, and the Borrower hereby waives, and acknowledges that no other Person shall have, any claim against any Indemnitee, on any theory of liability, for special, indirect, consequential or punitive damages (as opposed to direct or actual damages) arising out of, in connection with, or as a result of, this Agreement, any other Loan Document or any agreement or instrument contemplated hereby, the transactions contemplated hereby or thereby, any Loan or Letter of Credit or the use of the proceeds thereof. No Indemnitee shall be liable for any damages arising from the use by unintended recipients of any information or other materials distributed to such unintended recipients by such Indemnitee through telecommunications, electronic or other information transmission systems in connection with this Agreement or the other Loan Documents or the transactions contemplated hereby or thereby other than for direct or actual damages resulting from the gross negligence or willful misconduct of such Indemnitee as determined by a final and nonappealable judgment of a court of competent jurisdiction.

(e) Payments. All amounts due under this Section shall be payable not later than ten Business Days after demand therefor.

(f) Survival. The agreements in this Section and the indemnity provisions of Section 10.02(g) shall survive the resignation of the Administrative Agent, the L/C Issuer and the Swing Line Lender, the replacement of any Lender, the termination of the Commitments and the repayment, satisfaction or discharge of all the other Obligations.

10.05 Payments Set Aside.

To the extent that any payment by or on behalf of the Borrower is made to the Administrative Agent, the L/C Issuer or any Lender, or the Administrative Agent, the L/C Issuer or any Lender exercises its right of setoff, and such payment or the proceeds of such setoff or any part thereof is subsequently invalidated, declared to be fraudulent or preferential, set aside or required (including pursuant to any settlement entered into by the Administrative Agent, the L/C Issuer or such Lender in its discretion) to be repaid to a trustee, receiver or any other party, in connection with any proceeding under any Debtor Relief Law or otherwise, then (a) to the extent of such recovery, the obligation or part thereof originally intended to be satisfied shall be revived and continued in full force and effect as if such payment had not been made or such setoff had not occurred, and (b) each Lender and the L/C Issuer severally agrees to pay to the Administrative Agent upon demand its applicable share (without duplication) of any amount so recovered from or repaid by the Administrative Agent, plus interest thereon from the date of such demand to the date such payment is made at a rate per annum equal to the Federal Funds Rate from time to time in effect. The obligations of the Lenders and the L/C Issuer under clause (b) of the preceding sentence shall survive the payment in full of the Obligations and the termination of this Agreement.

10.06 Successors and Assigns.

(a) Successors and Assigns Generally. The provisions of this Agreement and the other Loan Documents shall be binding upon and inure to the benefit of the parties hereto and thereto and their respective successors and assigns permitted hereby, except that the Borrower may not assign or otherwise transfer any of its rights or obligations hereunder or thereunder without the prior written consent of the Administrative Agent and each Lender and no Lender may assign or otherwise transfer any of its rights or obligations hereunder except (i) to an assignee in accordance with the provisions of subsection (b) of this Section, (ii) by way of participation in accordance with the provisions of subsection (d) of this Section or (iii) by way of pledge or assignment of a security interest subject to the restrictions of subsection (f) of this Section (and any other attempted assignment or transfer by any party hereto shall be null and void). Nothing in this Agreement, expressed or implied, shall be construed to confer upon any Person (other than the parties hereto, their respective successors and assigns permitted hereby, Participants to the extent provided in subsection (d) of this Section and, to the extent expressly contemplated hereby, the Related Parties of each of the Administrative Agent, the L/C Issuer and the Lenders) any legal or equitable right, remedy or claim under or by reason of this Agreement.

(b) Assignments by Lenders. Any Lender may at any time assign to one or more assignees all or a portion of its rights and obligations under this Agreement and the other Loan Documents (including all or a portion of its Commitment and the Loans (including for purposes of this subsection (b), participations in L/C Obligations and in Swing Line Loans) at the time owing to it); provided that any such assignment shall be subject to the following conditions:

(i) Minimum Amounts.

(A) in the case of an assignment of the entire remaining amount of the assigning Lender's Commitment and the related Loans at the time owing to it (in each case with respect to any credit facility provided hereunder) or contemporaneous assignments to related Approved Funds that equal at least the amount specified in subsection (b)(i)(B) of this Section in the aggregate or in the case of an assignment to a Lender, an Affiliate of a Lender or an Approved Fund, no minimum amount need be assigned; and

(B) in any case not described in subsection (b)(i)(A) of this Section, the aggregate amount of the Commitment (which for this purpose includes Loans outstanding thereunder) or, if the applicable Commitment is not then in effect, the principal outstanding balance of the Loans of the assigning Lender subject to each such assignment, determined as of the date the Assignment and Assumption with respect to such assignment is delivered to the Administrative Agent or, if "Trade Date" is specified in the Assignment and Assumption, as of the Trade Date, shall not be less than \$5,000,000, in the case of any assignment in respect of any revolving credit facility provided hereunder and \$5,000,000 in the case of any assignment in respect of any term loan facility provided hereunder, unless each of the Administrative Agent and, so long as no Event of Default has occurred and is continuing, the Borrower otherwise consents (each such consent not to be unreasonably withheld or delayed).

(ii) Proportionate Amounts. Each partial assignment shall be made as an assignment of a proportionate part of all the assigning Lender's Loans and Commitments, and rights and obligations with respect thereto assigned, except that this clause (ii) shall not (A) apply to the Swing Line Lender's rights and obligations in respect of Swing Line Loans or (B) prohibit any Lender from assigning all or a portion of its rights and obligations among any revolving credit facility or term loan facility provided hereunder on a non-pro rata basis;

(iii) Required Consents. No consent shall be required for any assignment except to the extent required by subsection (b)(i)(B) of this Section and, in addition:

(A) the consent of the Borrower (such consent not to be unreasonably withheld or delayed (it being agreed that withholding consent for any requirement by the Borrower to obtain consent of or filing with any Governmental Authority shall be reasonable)) shall be required unless (1) an Event of Default has occurred and is continuing at the time of such assignment or (2) such assignment is to a Lender, an Affiliate of a Lender or an Approved Fund; provided that the Borrower shall be deemed to have consented to any such assignment unless it shall object thereto by written notice to the Administrative Agent within five (5) Business Days after having received notice thereof; and provided, further, that the Borrower's consent shall not be required during the primary syndication of the credit facilities provided herein;

(B) the consent of the Administrative Agent (such consent not to be unreasonably withheld or delayed) shall be required for assignments in respect of (1) any unfunded commitment to a term loan facility provided hereunder or any Revolving Commitment if such assignment is to a Person that is not a Lender with a Commitment in respect of the applicable credit facility subject to such assignment, an Affiliate of such Lender or an Approved Fund with respect to such Lender or (2) any term loan facility to a Person that is not a Lender, an Affiliate of a Lender or an Approved Fund; and

(C) the consent of the L/C Issuer and the Swing Line Lender shall be required for any assignment in respect of Revolving Loans and Revolving Commitments.

(iv) Assignment and Assumption. The parties to each assignment shall execute and deliver to the Administrative Agent an Assignment and Assumption, together with a processing and recordation fee in the amount of \$3,500; provided, however, that the Administrative Agent may, in its sole discretion, elect to waive such processing and recordation fee in the case of any assignment. The assignee, if it is not a Lender, shall deliver to the Administrative Agent an Administrative Questionnaire.

(v) No Assignment to Certain Persons. No such assignment shall be made (A) to the Borrower or any of the Borrower's Affiliates or Subsidiaries, (B) to any Defaulting Lender or any of its Subsidiaries, or any Person who, upon becoming a Lender hereunder, would constitute any of the foregoing Persons described in this clause (B), or (C) to a natural Person (or a holding company, investment vehicle or trust for, or owned and operated for the primary benefit of one or more natural Persons).

(vi) Certain Additional Payments. In connection with any assignment of rights and obligations of any Defaulting Lender hereunder, no such assignment shall be effective unless and until, in addition to the other conditions thereto set forth herein, the parties to the assignment shall make such additional payments to the Administrative Agent in an aggregate amount sufficient, upon distribution thereof as appropriate (which may be outright payment, purchases by the assignee of participations or subparticipations, or other compensating actions, including funding, with the consent of the Borrower and the Administrative Agent, the applicable pro rata share of Loans previously requested but not funded by the Defaulting Lender, to each of which the applicable assignee and assignor hereby irrevocably consent), to (x) pay and satisfy in full all payment liabilities then owed by such Defaulting Lender to the Administrative Agent, the L/C Issuer or any Lender hereunder (and interest accrued thereon) and (y) acquire (and fund as appropriate) its full pro rata share of all Loans and participations in Letters of Credit and Swing Line Loans in accordance with its Applicable Percentage. Notwithstanding the foregoing, in

the event that any assignment of rights and obligations of any Defaulting Lender hereunder shall become effective under applicable Law without compliance with the provisions of this paragraph, then the assignee of such interest shall be deemed to be a Defaulting Lender for all purposes of this Agreement until such compliance occurs.

Subject to acceptance and recording thereof by the Administrative Agent pursuant to subsection (c) of this Section, from and after the effective date specified in each Assignment and Assumption, the assignee thereunder shall be a party to this Agreement and, to the extent of the interest assigned by such Assignment and Assumption, have the rights and obligations of a Lender under this Agreement, and the assigning Lender thereunder shall, to the extent of the interest assigned by such Assignment and Assumption, be released from its obligations under this Agreement (and, in the case of an Assignment and Assumption covering all of the assigning Lender's rights and obligations under this Agreement, such Lender shall cease to be a party hereto but shall continue to be entitled to the benefits of Sections 3.01, 3.04, 3.05 and 10.04 with respect to facts and circumstances occurring prior to the effective date of such assignment); provided, that except to the extent otherwise expressly agreed by the affected parties, no assignment by a Defaulting Lender will constitute a waiver or release of any claim of any party hereunder arising from that Lender's having been a Defaulting Lender. Upon request, the Borrower (at its expense) shall execute and deliver a Note to the assignee Lender. Any assignment or transfer by a Lender of rights or obligations under this Agreement that does not comply with this subsection shall be treated for purposes of this Agreement as a sale by such Lender of a participation in such rights and obligations in accordance with subsection (d) of this Section.

(c) Register. The Administrative Agent, acting solely for this purpose as a non-fiduciary agent of the Borrower (and such agency being solely for tax purposes), shall maintain at the Administrative Agent's Office a copy of each Assignment and Assumption delivered to it (or the equivalent thereof in electronic form) and a register for the recordation of the names and addresses of the Lenders, and the Commitments of, and principal amounts (and stated interest) of the Loans and L/C Obligations owing to, each Lender pursuant to the terms hereof from time to time (the "Register"). The entries in the Register shall be conclusive absent manifest error, and the Borrower, the Administrative Agent and the Lenders shall treat each Person whose name is recorded in the Register pursuant to the terms hereof as a Lender hereunder for all purposes of this Agreement. The Register shall be available for inspection by the Borrower and any Lender, at any reasonable time and from time to time upon reasonable prior notice.

(d) Participations. Any Lender may at any time, without the consent of, or notice to, the Borrower or the Administrative Agent, sell participations to any Person (other than a natural Person (or a holding company, investment vehicle or trust for, or owned and operated for the primary benefit of one or more natural Persons), a Defaulting Lender or the Borrower or any of the Borrower's Affiliates or Subsidiaries) (each, a "Participant") in all or a portion of such Lender's rights and/or obligations under this Agreement (including all or a portion of its Commitment and/or the Loans (including such Lender's participations in L/C Obligations and/or Swing Line Loans) owing to it); provided that (i) such Lender's obligations under this Agreement shall remain unchanged, (ii) such Lender shall remain solely responsible to the other parties hereto for the performance of such obligations and (iii) the Borrower, the Administrative Agent, the Lenders and the L/C Issuer shall continue to deal solely and directly with such Lender in connection with such Lender's rights and obligations under this Agreement. For the avoidance of doubt, each Lender shall be responsible for the indemnity under Section 10.04(c) without regard to the existence of any participation.

Any agreement or instrument pursuant to which a Lender sells such a participation shall provide that such Lender shall retain the sole right to enforce this Agreement and to approve any amendment, modification or waiver of any provision of this Agreement; provided that such agreement or instrument may provide that such Lender will not, without the consent of the Participant, agree to any amendment, waiver or other modification described in Section 10.01(a), that affects such Participant. The Borrower agrees that each Participant shall be entitled to the benefits of Sections 3.01, 3.04 and 3.05 to the same extent as if it were a Lender and had acquired its interest by assignment pursuant to subsection (b) of this Section (it being understood that the documentation required under Section 3.01(e) shall be delivered to the Lender who sells the participation); provided that such Participant (A) agrees to be subject to the provisions of Sections 3.06 and 10.13 as if it were an assignee under paragraph (b) of this Section and (B) shall not be entitled to receive any greater payment under Sections 3.01 or 3.04, with respect to any participation, than the Lender from whom it acquired the applicable participation would have been entitled to receive, except to the extent such entitlement to receive a greater payment results from a Change in Law that occurs after the Participant acquired the applicable participation. Each Lender that sells a participation agrees, at the Borrower's request and expense, to use reasonable efforts to cooperate with the Borrower to effectuate the provisions of Section 3.06 with respect to any Participant. To the extent permitted by Law, each Participant also shall be entitled to the benefits of Section 10.08 as though it were a Lender; provided that such Participant agrees to be subject to Section 2.13 as though it were a Lender. Each Lender that sells a participation shall, acting solely for this purpose as a non-fiduciary agent of the Borrower, maintain a register on which it enters the name and address of each Participant and the principal amounts (and stated interest) of each Participant's interest in the Loans or other obligations under the Loan Documents (the "Participant Register"); provided that no Lender shall have any obligation to disclose all or any portion of the Participant Register (including the identity of any Participant or any information relating to a Participant's interest in any commitments, loans, letters of credit or its other obligations under any Loan Document) to any Person except to the extent that such disclosure is necessary to establish that such commitment, loan, letter of credit or other obligation is in registered form under Section 5f.103-1(c) of the United States Treasury Regulations. The entries in the Participant Register shall be conclusive absent manifest error, and such Lender shall treat each Person whose name is recorded in the Participant Register as the owner of such participation for all purposes of this Agreement notwithstanding any notice to the contrary. For the avoidance of doubt, the Administrative Agent (in its capacity as Administrative Agent) shall have no responsibility for maintaining a Participant Register.

(e) Certain Pledges. Any Lender may at any time pledge or assign a security interest in all or any portion of its rights under this Agreement (including under its Note, if any) to secure obligations of such Lender, including any pledge or assignment to secure obligations to a Federal Reserve Bank; provided that no such pledge or assignment shall release such Lender from any of its obligations hereunder or substitute any such pledgee or assignee for such Lender as a party hereto.

(f) Resignation as L/C Issuer or Swing Line Lender after Assignment.

(i) Notwithstanding anything to the contrary contained herein, if at any time Bank of America assigns all of its Revolving Commitment and Revolving Loans pursuant to subsection (b) above, it may, upon thirty days' notice to the Borrower and the Lenders, resign as the L/C Issuer. In the event of any such resignation as the L/C Issuer, the Borrower shall be entitled to appoint from among the Lenders a successor L/C Issuer hereunder; provided, however, that no failure by the Borrower to appoint any such successor shall affect the resignation of Bank of America as L/C Issuer. If Bank of America resigns as the L/C Issuer, it shall retain all the rights, powers, privileges and duties of the L/C Issuer hereunder with respect to all Letters of Credit issued by it and outstanding as of the effective date of its resignation as L/C Issuer and all L/C Obligations with respect thereto (including the right to require the Lenders to make

Base Rate Loans or fund risk participations in Unreimbursed Amounts pursuant to Section 2.03(c)). Upon the appointment of a successor L/C Issuer, (1) such successor shall succeed to and become vested with all of the rights, powers, privileges and duties of the retiring L/C Issuer and (2) the successor L/C Issuer shall issue letters of credit in substitution for the Letters of Credit, if any, issued by the retiring L/C Issuer and outstanding at the time of such succession or make other arrangements satisfactory to the retiring L/C Issuer to effectively assume the obligations of the retiring L/C Issuer with respect to such Letters of Credit.

(ii) Notwithstanding anything to the contrary contained herein, if at any time Bank of America assigns all of its Revolving Commitment and Revolving Loans pursuant to subsection (b) above, Bank of America may, upon thirty days' notice to the Borrower, resign as Swing Line Lender. In the event of any such resignation as Swing Line Lender, the Borrower shall be entitled to appoint from among the Lenders a successor Swing Line Lender hereunder; provided, however, that no failure by the Borrower to appoint any such successor shall affect the resignation of Bank of America as Swing Line Lender. If Bank of America resigns as Swing Line Lender, it shall retain all the rights of the Swing Line Lender provided for hereunder with respect to Swing Line Loans made by it and outstanding as of the effective date of such resignation, including the right to require the Lenders to make Base Rate Loans or fund risk participations in outstanding Swing Line Loans pursuant to Section 2.04(c). Upon the appointment of a successor Swing Line Lender, such successor shall succeed to and become vested with all of the rights, powers, privileges and duties of the retiring Swing Line Lender.

10.07 Treatment of Certain Information: Confidentiality.

(a) Treatment of Confidential Information. Each of the Administrative Agent, the Lenders and the L/C Issuer agrees to maintain the confidentiality of the Information (as defined below), except that Information may be disclosed (i) to its Affiliates, its auditors and its Related Parties (it being understood that the Persons to whom such disclosure is made will be informed of the confidential nature of such Information and instructed to keep such Information confidential), (ii) to the extent required or requested by any regulatory authority purporting to have jurisdiction over such Person or its Related Parties (including any self-regulatory authority, such as the National Association of Insurance Commissioners) provided that, unless specifically prohibited by applicable law or court order, the Administrative Agent, the Lenders and the L/C Issuer, as applicable, shall notify the Borrower (to the extent practicable) of any request by any Governmental Authority or representative thereof (other than any such request in connection with an examination of the financial condition of such Administrative Agent, Lender or L/C Issuer, as applicable, by such Governmental Authority or other examinations of such Administrative Agent, Lenders or L/C Issuer, as applicable by such Governmental Authority) for disclosure of any such non-public information prior to disclosure of such information, (iii) to the extent required by applicable Laws or regulations or by any subpoena or similar legal process, (iv) to any other party hereto, (v) in connection with the exercise of any remedies hereunder or under any other Loan Document or any action or proceeding relating to this Agreement or any other Loan Document or the enforcement of rights hereunder or thereunder, (vi) subject to an agreement containing provisions substantially the same as those of this Section, to (A) any assignee of or Participant in, or any prospective assignee of or Participant in, any of its rights and obligations under this Agreement or any Eligible Assignee invited to become a Lender pursuant to Section 2.01(c) or (B) any actual or prospective party (or its Related Parties) to any swap, derivative or other transaction under which payments are to be made by reference to the Borrower and its obligations, this Agreement or payments hereunder, (vii) on a confidential basis to (A) any rating agency in connection with rating the Borrower or its Subsidiaries or the credit facilities provided hereunder or (B) the provider of any Platform or other electronic delivery service used by the Administrative Agent, the L/C Issuer and/or the Swing Line Lender to deliver

Borrower Materials or notices to the Lenders or (viii) the CUSIP Service Bureau or any similar agency in connection with the application, issuance, publishing and monitoring of CUSIP numbers or other market identifiers with respect to the credit facilities provided hereunder, (ix) with the consent of the Borrower, (x) to the extent such Information (A) becomes publicly available other than as a result of a breach of this Section or (B) becomes available to the Administrative Agent, any Lender, the L/C Issuer or any of their respective Affiliates on a nonconfidential basis from a source other than the Borrower, or (xi) is independently discovered or developed by a party hereto without utilizing any Information received from the Borrower or violating the terms of this Section 10.07. In addition, the Administrative Agent and the Lenders may disclose the existence of this Agreement and information about this Agreement to market data collectors, similar service providers to the lending industry and service providers to the Administrative Agent and the Lenders in connection with the administration of this Agreement, the other Loan Documents, and the Commitments. For purposes of this Section, "Information" means all information received from the Borrower or any Subsidiary relating to the Borrower or any Subsidiary or any of their respective businesses, other than any such information that is available to the Administrative Agent, any Lender or the L/C Issuer on a nonconfidential basis prior to disclosure by the Borrower or any Subsidiary, provided that, in the case of information received from the Borrower or any Subsidiary after the Closing Date, such information is clearly identified at the time of delivery as confidential. Any Person required to maintain the confidentiality of Information as provided in this Section shall be considered to have complied with its obligation to do so if such Person has exercised the same degree of care to maintain the confidentiality of such Information as such Person would accord to its own confidential information.

(a) Non-Public Information. Each of the Administrative Agent, the Lenders and the L/C Issuer acknowledges that (a) the Information may include material non-public information concerning the Borrower or a Subsidiary, as the case may be, (b) it has developed compliance procedures regarding the use of material non-public information and (c) it will handle such material non-public information in accordance with applicable Law, including United States federal and state securities Laws.

(b) Press Releases. The Borrower and its Affiliates agree that they will not in the future issue any press releases or other public disclosure using the name of the Administrative Agent or any Lender or their respective Affiliates or referring to this Agreement or any of the Loan Documents without the prior consent of the Administrative Agent, unless (and only to the extent that) the Borrower or such Affiliate is required to do so under law and then, in any event the Borrower or such Affiliate will consult with such Person before issuing such press release or other public disclosure.

(c) Customary Advertising Material. The Borrower consents to the publications by the Administrative Agent of customary advertising material relating to the transactions contemplated hereby using the name, product photographs, logo or trademark of the Borrower.

10.08 Right of Setoff.

If an Event of Default shall have occurred and be continuing, each Lender, the L/C Issuer and each of their respective Affiliates is hereby authorized at any time and from time to time, to the fullest extent permitted by applicable Law, to set off and apply any and all deposits (general or special, time or demand, provisional or final, in whatever currency) at any time held and other obligations (in whatever currency) at any time owing by such Lender, the L/C Issuer or any such Affiliate to or for the credit or the account of the Borrower against any and all of the obligations of the Borrower now or hereafter existing under this Agreement or any other Loan Document to such Lender or the L/C Issuer or their respective Affiliates, irrespective of whether or not such Lender, the L/C Issuer or such Affiliate shall have made

any demand under this Agreement or any other Loan Document and although such obligations of the Borrower may be contingent or unmatured or are owed to a branch, office or Affiliate of such Lender or the L/C Issuer different from the branch, office or Affiliate holding such deposit or obligated on such indebtedness; provided, that in the event that any Defaulting Lender shall exercise any such right of setoff, (x) all amounts so set off shall be paid over immediately to the Administrative Agent for further application in accordance with the provisions of Section 2.15 and, pending such payment, shall be segregated by such Defaulting Lender from its other funds and deemed held in trust for the benefit of the Administrative Agent, the L/C Issuer and the Lenders, and (y) the Defaulting Lender shall provide promptly to the Administrative Agent a statement describing in reasonable detail the Obligations owing to such Defaulting Lender as to which it exercised such right of setoff. The rights of each Lender, the L/C Issuer and their respective Affiliates under this Section are in addition to other rights and remedies (including other rights of setoff) that such Lender, the L/C Issuer or their respective Affiliates may have. Each Lender and the L/C Issuer agrees to notify the Borrower and the Administrative Agent promptly after any such setoff and application, provided that the failure to give such notice shall not affect the validity of such setoff and application.

10.09 Interest Rate Limitation

Notwithstanding anything to the contrary contained in any Loan Document, the interest paid or agreed to be paid under the Loan Documents shall not exceed the maximum rate of non-usurious interest permitted by applicable Law (the "Maximum Rate"). If the Administrative Agent or any Lender shall receive interest in an amount that exceeds the Maximum Rate, the excess interest shall be applied to the principal of the Loans or, if it exceeds such unpaid principal, refunded to the Borrower. In determining whether the interest contracted for, charged, or received by the Administrative Agent or a Lender exceeds the Maximum Rate, such Person may, to the extent permitted by applicable Law, (a) characterize any payment that is not principal as an expense, fee, or premium rather than interest, (b) exclude voluntary prepayments and the effects thereof, and (c) amortize, prorate, allocate, and spread in equal or unequal parts the total amount of interest throughout the contemplated term of the Obligations hereunder.

10.10 Counterparts; Integration; Effectiveness

This Agreement and each of the other Loan Documents may be executed in counterparts (and by different parties hereto in different counterparts), each of which shall constitute an original, but all of which when taken together shall constitute a single contract. This Agreement, the other Loan Documents and any separate letter agreements with respect to fees payable to the Administrative Agent or the L/C Issuer, constitute the entire contract among the parties relating to the subject matter hereof and supersede any and all previous agreements and understandings, oral or written, relating to the subject matter hereof. Except as provided in Section 4.01, this Agreement shall become effective when it shall have been executed by the Administrative Agent and when the Administrative Agent shall have received counterparts hereof that, when taken together, bear the signatures of each of the other parties hereto. Delivery of an executed counterpart of a signature page of this Agreement by facsimile or other electronic imaging means (e.g., "pdf" or "tif") shall be effective as delivery of a manually executed counterpart of this Agreement. or such other Loan Document or certificate. Without limiting the foregoing, to the extent a manually executed counterpart is not specifically required to be delivered under the terms of any Loan Document, upon the request of any party, such fax transmission or e-mail transmission shall be promptly followed by such manually executed counterpart.

10.11 Survival of Representations and Warranties

All representations and warranties made hereunder and in any other Loan Document or other document delivered pursuant hereto or thereto or in connection herewith or therewith shall survive the execution and delivery hereof and thereof. Such representations and warranties have been or will be relied upon by the Administrative Agent and each Lender, regardless of any investigation made by the Administrative Agent or any Lender or on their behalf and notwithstanding that the Administrative Agent or any Lender may have had notice or knowledge of any Default at the time of any Credit Extension, and shall continue in full force and effect as long as any Loan or any other Obligation hereunder shall remain unpaid or unsatisfied or any Letter of Credit shall remain outstanding.

10.12 Severability.

If any provision of this Agreement or the other Loan Documents is held to be illegal, invalid or unenforceable, (a) the legality, validity and enforceability of the remaining provisions of this Agreement and the other Loan Documents shall not be affected or impaired thereby and (b) the parties shall endeavor in good faith negotiations to replace the illegal, invalid or unenforceable provisions with valid provisions the economic effect of which comes as close as possible to that of the illegal, invalid or unenforceable provisions. The invalidity of a provision in a particular jurisdiction shall not invalidate or render unenforceable such provision in any other jurisdiction. Without limiting the foregoing provisions of this Section 10.12, if and to the extent that the enforceability of any provisions in this Agreement relating to Defaulting Lenders shall be limited by Debtor Relief Laws, as determined in good faith by the Administrative Agent, the L/C Issuer or the Swing Line Lender, as applicable, then such provisions shall be deemed to be in effect only to the extent not so limited.

10.13 Replacement of Lenders.

If the Borrower is entitled to replace a Lender pursuant to the provisions of Section 3.06, or if any Lender is a Defaulting Lender or a Non-Consenting Lender, then the Borrower may, at its sole expense and effort, upon notice to such Lender and the Administrative Agent, require such Lender to assign and delegate, without recourse (in accordance with and subject to the restrictions contained in, and consents required by, Section 10.06), all of its interests, rights (other than its existing rights to payments pursuant to Sections 3.01 and 3.04) and obligations under this Agreement and the related Loan Documents to an Eligible Assignee that shall assume such obligations (which assignee may be another Lender, if a Lender accepts such assignment), provided that:

(a) the Borrower shall have paid to the Administrative Agent the assignment fee (if any) specified in Section 10.06(b);

(b) such Lender shall have received payment of an amount equal to the outstanding principal of its Loans and L/C Advances, accrued interest thereon, accrued fees and all other amounts payable to it hereunder and under the other Loan Documents (including any amounts under Section 3.05) from the assignee (to the extent of such outstanding principal and accrued interest and fees) or the Borrower (in the case of all other amounts);

(c) in the case of any such assignment resulting from a claim for compensation under Section 3.04 or payments required to be made pursuant to Section 3.01, such assignment will result in a reduction in such compensation or payments thereafter;

(d) such assignment does not conflict with applicable Laws; and

(e) in the case of an assignment resulting from a Lender becoming a Non-Consenting Lender, the applicable assignee shall have consented to the applicable amendment, waiver or consent.

A Lender shall not be required to make any such assignment or delegation if, prior thereto, as a result of a waiver by such Lender or otherwise, the circumstances entitling the Borrower to require such assignment and delegation cease to apply.

10.14 Governing Law; Jurisdiction; Etc.

(a) GOVERNING LAW. THIS AGREEMENT AND THE OTHER LOAN DOCUMENTS (EXCEPT, AS TO ANY OTHER LOAN DOCUMENT, AS EXPRESSLY SET FORTH THEREIN) AND ANY CLAIMS, CONTROVERSY, DISPUTE OR CAUSE OF ACTION (WHETHER IN CONTRACT OR TORT OR OTHERWISE) BASED UPON, ARISING OUT OF OR RELATING TO THIS AGREEMENT OR ANY OTHER LOAN DOCUMENT (EXCEPT, AS TO ANY OTHER LOAN DOCUMENT, AS EXPRESSLY SET FORTH THEREIN) AND THE TRANSACTIONS CONTEMPLATED HEREBY AND THEREBY SHALL BE GOVERNED BY, AND CONSTRUED IN ACCORDANCE WITH, THE LAW OF THE STATE OF NEW YORK.

(b) SUBMISSION TO JURISDICTION. THE BORROWER IRREVOCABLY AND UNCONDITIONALLY AGREES THAT IT WILL NOT COMMENCE ANY ACTION, LITIGATION OR PROCEEDING OF ANY KIND OR DESCRIPTION, WHETHER IN LAW OR EQUITY, WHETHER IN CONTRACT OR IN TORT OR OTHERWISE, AGAINST THE ADMINISTRATIVE AGENT, ANY LENDER, THE L/C ISSUER, OR ANY RELATED PARTY OF THE FOREGOING IN ANY WAY RELATING TO THIS AGREEMENT OR ANY OTHER LOAN DOCUMENT OR THE TRANSACTION RELATING HERETO OR THERETO, IN ANY FORUM OTHER THAN THE COURTS OF THE STATE OF NEW YORK SITTING IN NEW YORK COUNTY AND OF THE UNITED STATES DISTRICT COURT OF THE SOUTHERN DISTRICT OF NEW YORK, AND ANY APPELLATE COURT FROM ANY THEREOF, AND EACH OF THE PARTIES HERETO IRREVOCABLY AND UNCONDITIONALLY SUBMITS TO THE JURISDICTION OF SUCH COURTS AND AGREES THAT ALL CLAIMS IN RESPECT OF ANY SUCH ACTION, LITIGATION OR PROCEEDING MAY BE HEARD AND DETERMINED IN SUCH NEW YORK STATE COURT OR, TO THE FULLEST EXTENT PERMITTED BY APPLICABLE LAW, IN SUCH FEDERAL COURT. EACH OF THE PARTIES HERETO AGREES THAT A FINAL JUDGMENT IN ANY SUCH ACTION, LITIGATION OR PROCEEDING SHALL BE CONCLUSIVE AND MAY BE ENFORCED IN OTHER JURISDICTIONS BY SUIT ON THE JUDGMENT OR IN ANY OTHER MANNER PROVIDED BY LAW. NOTHING IN THIS AGREEMENT OR IN ANY OTHER LOAN DOCUMENT SHALL AFFECT ANY RIGHT THAT THE ADMINISTRATIVE AGENT, ANY LENDER OR THE L/C ISSUER MAY OTHERWISE HAVE TO BRING ANY ACTION OR PROCEEDING RELATING TO THIS AGREEMENT OR ANY OTHER LOAN DOCUMENT AGAINST THE BORROWER OR ITS PROPERTIES IN THE COURTS OF ANY JURISDICTION.

(c) WAIVER OF VENUE. THE BORROWER IRREVOCABLY AND UNCONDITIONALLY WAIVES, TO THE FULLEST EXTENT PERMITTED BY APPLICABLE LAW, ANY OBJECTION THAT IT MAY NOW OR HEREAFTER HAVE TO THE LAYING OF VENUE OF ANY ACTION OR PROCEEDING ARISING OUT OF OR RELATING TO THIS AGREEMENT OR ANY OTHER LOAN DOCUMENT IN ANY COURT REFERRED TO IN PARAGRAPH (B) OF THIS SECTION. EACH OF THE PARTIES HERETO HEREBY IRREVOCABLY WAIVES, TO THE FULLEST EXTENT PERMITTED BY APPLICABLE LAW,

THE DEFENSE OF AN INCONVENIENT FORUM TO THE MAINTENANCE OF SUCH ACTION OR PROCEEDING IN ANY SUCH COURT.

(d) SERVICE OF PROCESS. EACH PARTY HERETO IRREVOCABLY CONSENTS TO SERVICE OF PROCESS IN THE MANNER PROVIDED FOR NOTICES IN SECTION 10.02. NOTHING IN THIS AGREEMENT WILL AFFECT THE RIGHT OF ANY PARTY HERETO TO SERVE PROCESS IN ANY OTHER MANNER PERMITTED BY APPLICABLE LAW.

10.15 Waiver of Jury Trial.

EACH PARTY HERETO HEREBY IRREVOCABLY WAIVES, TO THE FULLEST EXTENT PERMITTED BY APPLICABLE LAW, ANY RIGHT IT MAY HAVE TO A TRIAL BY JURY IN ANY LEGAL PROCEEDING DIRECTLY OR INDIRECTLY ARISING OUT OF OR RELATING TO THIS AGREEMENT OR ANY OTHER LOAN DOCUMENT OR THE TRANSACTIONS CONTEMPLATED HEREBY OR THEREBY (WHETHER BASED ON CONTRACT, TORT OR ANY OTHER THEORY). EACH PARTY HERETO (A) CERTIFIES THAT NO REPRESENTATIVE, AGENT OR ATTORNEY OF ANY OTHER PERSON HAS REPRESENTED, EXPRESSLY OR OTHERWISE, THAT SUCH OTHER PERSON WOULD NOT, IN THE EVENT OF LITIGATION, SEEK TO ENFORCE THE FOREGOING WAIVER AND (B) ACKNOWLEDGES THAT IT AND THE OTHER PARTIES HERETO HAVE BEEN INDUCED TO ENTER INTO THIS AGREEMENT AND THE OTHER LOAN DOCUMENTS BY, AMONG OTHER THINGS, THE MUTUAL WAIVERS AND CERTIFICATIONS IN THIS SECTION.

10.16 No Advisory or Fiduciary Responsibility.

In connection with all aspects of each transaction contemplated hereby (including in connection with any amendment, waiver or other modification hereof or of any other Loan Document), the Borrower acknowledges and agrees, and acknowledges its Affiliates' understanding, that: (i) (A) the arranging and other services regarding this Agreement provided by the Administrative Agent, the Arrangers and the Lenders are arm's-length commercial transactions between the Borrower and its Affiliates, on the one hand, and the Administrative Agent, the Arrangers and the Lenders, on the other hand, (B) the Borrower has consulted its own legal, accounting, regulatory and tax advisors to the extent it has deemed appropriate, and (C) the Borrower is capable of evaluating, and understands and accepts, the terms, risks and conditions of the transactions contemplated hereby and by the other Loan Documents; (ii) (A) the Administrative Agent, the Arrangers and the Lenders each is and has been acting solely as a principal and, except as expressly agreed in writing by the relevant parties, has not been, is not, and will not be acting as an advisor, agent or fiduciary for the Borrower or any of its Affiliates, or any other Person and (B) neither the Administrative Agent, the Arrangers nor any Lender has any obligation to the Borrower or any of its Affiliates with respect to the transactions contemplated hereby except those obligations expressly set forth herein and in the other Loan Documents; and (iii) the Administrative Agent, the Arrangers, the Lenders and their respective Affiliates may be engaged in a broad range of transactions that involve interests that differ from those of the Borrower and its Affiliates, and neither the Administrative Agent, the Arrangers nor any Lender has any obligation to disclose any of such interests to the Borrower and its Affiliates. To the fullest extent permitted by Law, the Borrower hereby waives and releases any claims that it may have against the Administrative Agent, the Arrangers or any Lender with respect to any breach or alleged breach of agency or fiduciary duty in connection with any aspect of any transaction contemplated hereby.

10.17 Electronic Execution of Assignments and Certain Other Documents.

This Agreement and any document, amendment, approval, consent, information, notice, certificate, request, statement, disclosure or authorization related to this Agreement (each a “Communication”), including Communications required to be in writing, may be in the form of an Electronic Record and may be executed using Electronic Signatures. The Borrower agrees that any Electronic Signature on or associated with any Communication shall be valid and binding on the Borrower to the same extent as a manual, original signature, and that any Communication entered into by Electronic Signature, will constitute the legal, valid and binding obligation of the Borrower enforceable against such in accordance with the terms thereof to the same extent as if a manually executed original signature was delivered. Any Communication may be executed in as many counterparts as necessary or convenient, including both paper and electronic counterparts, but all such counterparts are one and the same Communication. For the avoidance of doubt, the authorization under this paragraph may include, without limitation, use or acceptance by the Administrative Agent and each of the Lenders of a manually signed paper Communication which has been converted into electronic form (such as scanned into PDF format), or an electronically signed Communication converted into another format, for transmission, delivery and/or retention. The Administrative Agent and each of the Lenders may, at its option, create one or more copies of any Communication in the form of an imaged Electronic Record (“Electronic Copy”), which shall be deemed created in the ordinary course of such Person’s business, and destroy the original paper document. All Communications in the form of an Electronic Record, including an Electronic Copy, shall be considered an original for all purposes, and shall have the same legal effect, validity and enforceability as a paper record. Notwithstanding anything contained herein to the contrary, the Administrative Agent is under no obligation to accept an Electronic Signature in any form or in any format unless expressly agreed to by the Administrative Agent pursuant to procedures approved by it; provided, further, without limiting the foregoing, (a) to the extent the Administrative Agent has agreed to accept such Electronic Signature, the Administrative Agent and each of the Lenders shall be entitled to rely on any such Electronic Signature purportedly given by or on behalf of the Borrower without further verification and (b) upon the request of the Administrative Agent or any Lender, any Electronic Signature shall be promptly followed by such manually executed counterpart.

10.18 USA PATRIOT Act Notice.

Each Lender that is subject to the Act and the Administrative Agent (for itself and not on behalf of any Lender) hereby notifies the Borrower that pursuant to the requirements of the Act, it is required to obtain, verify and record information that identifies the Borrower, which information includes the name and address of the Borrower and other information that will allow such Lender or the Administrative Agent, as applicable, to identify the Borrower in accordance with the Act. The Borrower shall, promptly following a request by the Administrative Agent or any Lender, provide all documentation and other information that the Administrative Agent or such Lender requests in order to comply with its ongoing obligations under applicable “know your customer” and anti-money laundering rules and regulations, including the Act.

10.19 Acknowledgement and Consent to Bail-In of Affected Financial Institutions.

Solely to the extent any Lender or L/C Issuer that is an Affected Financial Institution is a party to this Agreement and notwithstanding anything to the contrary in any Loan Document or in any other agreement, arrangement or understanding among any such parties, each party hereto acknowledges that any liability of any Lender or L/C Issuer that is an Affected Financial Institution arising under any Loan Document, to the extent such liability is unsecured, may be subject to the Write-Down and Conversion

Powers of the applicable Resolution Authority and agrees and consents to, and acknowledges and agrees to be bound by:

(i) the application of any Write-Down and Conversion Powers by the applicable Resolution Authority to any such liabilities arising hereunder which may be payable to it by any Lender or L/C Issuer that is an Affected Financial Institution; and

(ii) the effects of any Bail-in Action on any such liability, including, if applicable:

(A) a reduction in full or in part or cancellation of any such liability;

(B) a conversion of all, or a portion of, such liability into shares or other instruments of ownership in such Affected Financial Institution, its parent undertaking, or a bridge institution that may be issued to it or otherwise conferred on it, and that such shares or other instruments of ownership will be accepted by it in lieu of any rights with respect to any such liability under this Agreement or any other Loan Document; or

(C) the variation of the terms of such liability in connection with the exercise of the write-down and conversion powers of the applicable Resolution Authority.

10.20 Acknowledgement Regarding Any Supported QFCs.

To the extent that the Loan Documents provide support, through a guarantee or otherwise, for any Swap Contract or any other agreement or instrument that is a QFC (such support, “QFC Credit Support”, and each such QFC, a “Supported QFC”), the parties acknowledge and agree as follows with respect to the resolution power of the Federal Deposit Insurance Corporation under the Federal Deposit Insurance Act and Title II of the Dodd-Frank Wall Street Reform and Consumer Protection Act (together with the regulations promulgated thereunder, the “U.S. Special Resolution Regimes”) in respect of such Supported QFC and QFC Credit Support (with the provisions below applicable notwithstanding that the Loan Documents and any Supported QFC may in fact be stated to be governed by the laws of the State of New York and/or of the United States or any other state of the United States) in the event a Covered Entity that is party to a Supported QFC (each, a “Covered Party”) becomes subject to a proceeding under a U.S. Special Resolution Regime, the transfer of such Supported QFC and the benefit of such QFC Credit Support (and any interest and obligation in or under such Supported QFC and such QFC Credit Support, and any rights in property securing such Supported QFC or such QFC Credit Support) from such Covered Party will be effective to the same extent as the transfer would be effective under the U.S. Special Resolution Regime if the Supported QFC and such QFC Credit Support (and any such interest, obligation and rights in property) were governed by the laws of the United States or a state of the United States. In the event a Covered Party or a BHC Act Affiliate of a Covered Party becomes subject to a proceeding under a U.S. Special Resolution Regime, Default Rights under the Loan Documents that might otherwise apply to such Supported QFC or any QFC Credit Support that may be exercised against such Covered Party are permitted to be exercised to no greater extent than such Default Rights could be exercised under the U.S. Special Resolution Regime if the Supported QFC and the Loan Documents were governed by the laws of the United States or a state of the United States. Without limitation of the foregoing, it is understood and agreed that rights and remedies of the parties with respect to a Defaulting Lender shall in no event affect the rights of any Covered Party with respect to a Supported QFC or any QFC Credit Support.

10.21 Amendment and Restatement.

The parties hereto agree that, on the Closing Date, the following transactions shall be deemed to occur automatically, without further action by any party hereto:

(a) that certain Second Amended and Restated Credit Agreement dated as of March 23, 2021, among the Borrower, the lenders identified therein and Bank of America, as administrative agent, swing line lender and L/C issuer (the "Existing Credit Agreement") shall be amended and restated in its entirety by this Agreement (and this Agreement is not executed in novation of the Existing Credit Agreement);

(b) all Obligations under the Existing Credit Agreement outstanding on the Closing Date shall in all respects be continuing and shall be deemed to be Obligations outstanding hereunder;

(c) the Collateral Documents and the Liens created thereunder in favor of Bank of America, N.A., as administrative agent for the benefit of the holders of the Obligations (as defined in the Existing Credit Agreement) shall remain in full force and effect with respect to the Obligations and are hereby reaffirmed;

(d) all references in the other Loan Documents to the Existing Credit Agreement shall be deemed to refer without further amendment to this Agreement;

(e) if any Revolving Loans are outstanding under the Existing Credit Agreement on the Closing Date, then each Lender shall make Revolving Loans on the Closing Date, the proceeds of which shall be applied by the Administrative Agent to prepay the outstanding Revolving Loans under the Existing Credit Agreement, in an amount necessary such that immediately after giving effect thereto each Lender holds its Applicable Percentage (with respect to the Revolving Facility) of the outstanding Revolving Loans;

(f) if any Letters of Credit or Swing Line Loans are outstanding under the Existing Credit Agreement on the Closing Date, then on the Closing Date the risk participations of the Lenders in each outstanding Letter of Credit and each outstanding Swing Line Loan shall be automatically reallocated such that the risk participation of each Lender in each outstanding Letter of Credit and Swing Line Loan equals such Lender's Applicable Percentage (with respect to the Revolving Facility) of each such Letter of Credit and Swing Line Loan; and

(g) each Lender that is a party to the Existing Credit Agreement immediately prior to the Closing Date waives, and agrees not to demand from the Borrower any claim under Section 3.05 of the Existing Credit Agreement for any loss, cost and expense attributable to the conversion of any Eurodollar Rate Loans (as defined in the Existing Credit Agreement) to Term SOFR Loans on the Closing Date.

[SIGNATURE PAGES REMOVED]

CERTIFICATIONS PURSUANT TO SECTION 302 OF THE SARBANES-OXLEY ACT OF 2002

I, Elias J. Sabo, certify that:

1. I have reviewed this Quarterly Report on Form 10-Q of Compass Group Diversified Holdings LLC (the "registrant");
2. Based on my knowledge, this report does not contain any untrue statement of a material fact or omit to state a material fact necessary to make the statements made, in light of the circumstances under which such statements were made, not misleading with respect to the period covered by this report;
3. Based on my knowledge, the financial statements, and other financial information included in this report, fairly present in all material respects the financial condition, results of operations and cash flows of the registrant as of, and for, the periods presented in this report;
4. The registrant's other certifying officer and I are responsible for establishing and maintaining disclosure controls and procedures (as defined in Exchange Act Rules 13a-15(e) and 15d-15(e)) and internal control over financial reporting (as defined in Exchange Act Rules 13a-15(f) and 15d-15(f)) for the registrant and have:
 - a. designed such disclosure controls and procedures, or caused such disclosure controls and procedures to be designed under our supervision, to ensure that material information relating to the registrant, including its consolidated subsidiaries, is made known to us by others within those entities, particularly during the period in which this report is being prepared;
 - b. designed such internal control over financial reporting, or caused such internal control over financial reporting to be designed under our supervision, to provide reasonable assurance regarding the reliability of financial reporting and the preparation of financial statements for external purposes in accordance with generally accepted accounting principles;
 - c. evaluated the effectiveness of the registrant's disclosure controls and procedures and presented in this report our conclusions about the effectiveness of the disclosure controls and procedures, as of the end of the period covered by this report based on such evaluation; and
 - d. disclosed in this report any change in the registrant's internal control over financial reporting that occurred during the registrant's most recent fiscal quarter (the registrant's fourth fiscal quarter in the case of an annual report) that has materially affected, or is reasonably likely to materially affect, the registrant's internal control over financial reporting; and
5. The registrant's other certifying officer and I have disclosed, based on our most recent evaluation of internal control over financial reporting, to the registrant's auditors and the audit committee of the registrant's board of directors (or persons performing the equivalent functions):
 - a. all significant deficiencies and material weaknesses in the design or operation of internal control over financial reporting which are reasonably likely to adversely affect the registrant's ability to record, process, summarize and report financial information; and
 - b. any fraud, whether or not material, that involves management or other employees who have a significant role in the registrant's internal control over financial reporting.

August 10, 2026

/s/ Elias J. Sabo

Elias J. Sabo

*Chief Executive Officer of
Compass Group Diversified Holdings LLC
(Principal Executive Officer)*

CERTIFICATIONS PURSUANT TO SECTION 302 OF THE SARBANES-OXLEY ACT OF 2002

I, Stephen Keller, certify that:

1. I have reviewed this Quarterly Report on Form 10-Q of Compass Diversified Holdings and Compass Group Diversified Holdings LLC (each, the "registrant");
2. Based on my knowledge, this report does not contain any untrue statement of a material fact or omit to state a material fact necessary to make the statements made, in light of the circumstances under which such statements were made, not misleading with respect to the period covered by this report;
3. Based on my knowledge, the financial statements, and other financial information included in this report, fairly present in all material respects the financial condition, results of operations and cash flows of the registrant as of, and for, the periods presented in this report;
4. The registrant's other certifying officer and I are responsible for establishing and maintaining disclosure controls and procedures (as defined in Exchange Act Rules 13a-15(e) and 15d-15(e)) and internal control over financial reporting (as defined in Exchange Act Rules 13a-15(f) and 15d-15(f)) for the registrant and have:
 - a. designed such disclosure controls and procedures, or caused such disclosure controls and procedures to be designed under our supervision, to ensure that material information relating to the registrant, including its consolidated subsidiaries, is made known to us by others within those entities, particularly during the period in which this report is being prepared;
 - b. designed such internal control over financial reporting, or caused such internal control over financial reporting to be designed under our supervision, to provide reasonable assurance regarding the reliability of financial reporting and the preparation of financial statements for external purposes in accordance with generally accepted accounting principles;
 - c. evaluated the effectiveness of the registrant's disclosure controls and procedures and presented in this report our conclusions about the effectiveness of the disclosure controls and procedures, as of the end of the period covered by this report based on such evaluation; and
 - d. disclosed in this report any change in the registrant's internal control over financial reporting that occurred during the registrant's most recent fiscal quarter (the registrant's fourth fiscal quarter in the case of an annual report) that has materially affected, or is reasonably likely to materially affect, the registrant's internal control over financial reporting; and
5. The registrant's other certifying officer and I have disclosed, based on our most recent evaluation of internal control over financial reporting, to the registrant's auditors and the audit committee of the registrant's board of directors (or persons performing the equivalent functions):
 - a. all significant deficiencies and material weaknesses in the design or operation of internal control over financial reporting which are reasonably likely to adversely affect the registrant's ability to record, process, summarize and report financial information; and
 - b. any fraud, whether or not material, that involves management or other employees who have a significant role in the registrant's internal control over financial reporting.

August 10, 2026

/s/ Stephen Keller

Stephen Keller

*Regular Trustee of Compass Diversified Holdings and Chief Financial Officer of
Compass Group Diversified Holdings LLC
(Principal Financial and Accounting Officer)*

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

In connection with the Quarterly Report of COMPASS GROUP DIVERSIFIED HOLDINGS LLC on Form 10-Q for the period ended June 30, 2026 as filed with the Securities and Exchange Commission on the date hereof (the "Report"), I, Elias J. Sabo, Chief Executive Officer of Compass Group Diversified Holdings LLC, certify, pursuant to 18 U.S.C. Section 1350, as adopted pursuant to Section 906 of the Sarbanes-Oxley Act of 2002, that to my knowledge:

- (1) The Report fully complies with the requirements of Section 13(a) or 15(d) of the Securities Exchange Act of 1934, as amended; and
- (2) The information contained in the Report fairly presents, in all material respects, the financial condition and results of operations of Compass Group Diversified Holdings LLC.

Dated: August 10, 2026

/s/ Elias J. Sabo

Elias J. Sabo
Chief Executive Officer,
Compass Group Diversified Holdings LLC

The foregoing certification is being furnished to accompany Compass Group Diversified Holdings LLC's Quarterly Report on Form 10-Q for the quarterly period ended June 30, 2026 solely pursuant to Section 906 of the Sarbanes-Oxley Act of 2002 and shall not be deemed filed as part of the Report or as a separate disclosure document and shall not be deemed incorporated by reference into any other filing of Compass Group Diversified Holdings LLC that incorporates the Report by reference. A signed original of this written certification required by Section 906 has been provided to Compass Group Diversified Holdings LLC and will be retained by Compass Group Diversified Holdings LLC and furnished to the Securities and Exchange Commission or its staff upon request.

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

In connection with the Quarterly Report of COMPASS DIVERSIFIED HOLDINGS and COMPASS GROUP DIVERSIFIED HOLDINGS LLC on Form 10-Q for the period ended June 30, 2026 as filed with the Securities and Exchange Commission on the date hereof (the "Report"), I, Stephen Keller, Regular Trustee of Compass Diversified Holdings and Chief Financial Officer of Compass Group Diversified Holdings LLC, certify, pursuant to 18 U.S.C. Section 1350, as adopted pursuant to Section 906 of the Sarbanes-Oxley Act of 2002, that to my knowledge:

- (1) The Report fully complies with the requirements of Section 13(a) or 15(d) of the Securities Exchange Act of 1934 as amended; and
- (2) The information contained in the Report fairly presents, in all material respects, the financial condition and results of operations of Compass Diversified Holdings and Compass Group Diversified Holdings LLC.

Dated: August 10, 2026

/s/ Stephen Keller

Stephen Keller
Regular Trustee, Compass Diversified Holdings and Chief Financial
Officer,
Compass Group Diversified Holdings LLC

The foregoing certification is being furnished to accompany Compass Diversified Holdings' and Compass Group Diversified Holdings LLC's Quarterly Report on Form 10-Q for the quarterly period ended June 30, 2026 solely pursuant to Section 906 of the Sarbanes-Oxley Act of 2002 and shall not be deemed filed as part of the Report or as a separate disclosure document and shall not be deemed incorporated by reference into any other filing of Compass Diversified Holdings and Compass Group Diversified Holdings LLC that incorporates the Report by reference. A signed original of this written certification required by Section 906 has been provided to Compass Diversified Holdings and Compass Group Diversified Holdings LLC and will be retained by Compass Diversified Holdings and Compass Group Diversified Holdings LLC and furnished to the Securities and Exchange Commission or its staff upon request.