

UNITED STATES
SECURITIES AND EXCHANGE COMMISSION
Washington, D.C. 20549
FORM 10-Q

(Mark One)

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

For the quarterly period ended June 30, 2023

or

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

For the transition period from _____ to _____

Commission file number 1-7928

BIO-RAD LABORATORIES, INC.

(Exact name of registrant as specified in its charter)

Delaware

(State or other jurisdiction of incorporation)

94-1381833

(I.R.S. Employer Identification No.)

1000 Alfred Nobel Drive, Hercules, California

94547

(Address of principal executive offices)

(Zip Code)

(510) 724-7000

(Registrant's telephone number, including area code)

No Change

(Former name, former address and former fiscal year, if changed since last report.)

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

Title of each class	Trading Symbol(s)	Name of each exchange on which registered
Class A Common Stock, Par Value \$0.0001 per share	BIO	New York Stock Exchange
Class B Common Stock, Par Value \$0.0001 per share	BIOb	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 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. (Check one):

Large accelerated filer ☒

Non-accelerated filer ☐

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 ☒

Indicate the number of shares outstanding of each of the issuer's classes of common stock, as of the latest practicable date.

Common Shares Outstanding at July 28, 2023:

Class A - 24,004,023

Class B - 5,072,204

BIO-RAD LABORATORIES, INC.

FORM 10-Q JUNE 30, 2023

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INFORMATION RELATING TO FORWARD-LOOKING STATEMENTS

Other than statements of historical fact, statements made in this report include forward-looking statements, within the meaning of the Private Securities Litigation Reform Act of 1995. These forward-looking statements include, without limitation, statements we make regarding our future financial performance, operating results, plans and objectives. Forward-looking statements generally can be identified by the use of forward-looking terminology, such as “believe,” “expect,” “anticipate,” “may,” “will,” “intend,” “estimate,” “continue,” or similar expressions or the negative of those terms or expressions. Such statements involve risks and uncertainties, which could cause actual results to vary materially from those expressed in or indicated by the forward-looking statements. We have based these forward-looking statements on our current expectations and projections about future events. However, actual results may differ materially from those currently anticipated depending on a variety of risk factors including, but not limited to, the impact of the COVID-19 pandemic, supply chain issues, global economic and geopolitical conditions, our ability to develop and market new or improved products, our ability to compete effectively, foreign currency exchange fluctuations, reductions in government funding or capital spending of our customers, international legal and regulatory risks, product quality and liability issues, our ability to integrate acquired companies, products or technologies into our company successfully, changes in the healthcare industry, natural disasters and other catastrophic events beyond our control, and other risks and uncertainties identified under “Part II, Item 1A, Risk Factors” of this Quarterly Report on Form 10-Q. We caution you not to place undue reliance on forward-looking statements, which reflect an analysis only and speak only as of the date hereof. We undertake no obligation to publicly update or revise any forward-looking statements, whether as a result of new information, future events, or otherwise, except as required by law.

PART I – FINANCIAL INFORMATION

[Item 1. Financial Statements](#)

BIO-RAD LABORATORIES, INC.
Condensed Consolidated Balance Sheets
(In thousands, except share data)

	June 30, 2023	December 31, 2022
ASSETS:	(Unaudited)	
Cash and cash equivalents	\$ 390,001	\$ 434,215
Short-term investments	1,332,685	1,356,457
Restricted investments	5,560	5,560
Accounts receivable, less allowance for credit losses of \$15,762 as of June 30, 2023 and \$15,029 as of December 31, 2022	491,575	494,645
Inventory	776,600	719,316
Prepaid expenses	122,641	124,179
Other current assets	19,804	23,604
Total current assets	3,138,866	3,157,976
Property, plant and equipment	1,575,075	1,508,020
Less: accumulated depreciation and amortization	(1,061,062)	(1,009,408)
Property, plant and equipment, net	514,013	498,612
Operating lease right-of-use assets	173,922	180,952
Goodwill, net	411,519	406,488
Purchased intangibles, net	328,710	332,147
Other investments	7,311,135	8,830,892
Other assets	100,064	94,599
Total assets	\$ 11,978,229	\$ 13,501,666

The accompanying notes are an integral part of these condensed consolidated financial statements.

BIO-RAD LABORATORIES, INC.
Condensed Consolidated Balance Sheets
(continued)
(In thousands, except share data)

	June 30, 2023	December 31, 2022
LIABILITIES AND STOCKHOLDERS' EQUITY:	(Unaudited)	
Accounts payable	\$ 149,535	\$ 135,041
Accrued payroll and employee benefits	154,704	194,790
Current maturities of long-term debt and notes payable	476	465
Income and other taxes payable	74,481	32,428
Current operating lease liabilities	36,543	36,336
Other current liabilities	166,243	169,648
Total current liabilities	581,982	568,708
Long-term debt, net of current maturities	1,198,384	1,197,716
Deferred income taxes	1,401,827	1,770,481
Operating lease liabilities	146,849	153,597
Other long-term liabilities	202,294	195,912
Total liabilities	3,531,336	3,886,414
Stockholders' equity:		
Class A common stock, shares issued 25,163,270 and 25,162,075 as of June 30, 2023 and December 31, 2022, respectively; shares outstanding 24,003,196 and 24,521,583 as of June 30, 2023 and December 31, 2022, respectively	2	2
Class B common stock, shares issued and outstanding, 5,072,933 as of June 30, 2023 and 5,074,130 as of December 31, 2022, respectively	1	1
Additional paid-in capital	473,872	447,454
Class A treasury stock at cost, 1,160,074 and 640,492 shares as of June 30, 2023 and December 31, 2022, respectively	(458,784)	(263,586)
Retained earnings	8,804,664	9,898,203
Accumulated other comprehensive income (loss)	(372,862)	(466,822)
Total stockholders' equity	8,446,893	9,615,252
Total liabilities and stockholders' equity	\$ 11,978,229	\$ 13,501,666

The accompanying notes are an integral part of these condensed consolidated financial statements.

BIO-RAD LABORATORIES, INC.
Condensed Consolidated Statements of Income (Loss)
(In thousands, except per share data)
(Unaudited)

	Three Months Ended June 30,		Six Months Ended June 30,	
	2023	2022	2023	2022
Net sales	\$ 681,110	\$ 691,099	\$ 1,357,954	\$ 1,391,161
Cost of goods sold	318,627	296,068	633,054	593,495
Gross profit	362,483	395,031	724,900	797,666
Selling, general and administrative expense	207,824	207,793	433,377	404,485
Research and development expense	65,042	64,346	139,993	123,881
Income from operations	89,617	122,892	151,530	269,300
Interest expense	12,343	10,720	24,680	14,768
Foreign currency exchange (gains) losses, net	(1,253)	897	(3,600)	(1,231)
Losses from change in fair market value of equity securities and loan receivable	1,595,442	1,338,190	1,612,967	5,883,307
Other income, net	(16,488)	(6,710)	(66,919)	(39,307)
Loss before income taxes	(1,500,427)	(1,220,205)	(1,415,598)	(5,588,237)
Benefit from income taxes	338,176	295,091	322,309	1,295,776
Net loss	<u>\$ (1,162,251)</u>	<u>\$ (925,114)</u>	<u>\$ (1,093,289)</u>	<u>\$ (4,292,461)</u>
Basic and diluted loss per share:				
Net loss per share	<u>\$ (39.59)</u>	<u>\$ (31.05)</u>	<u>\$ (37.09)</u>	<u>\$ (143.74)</u>
Weighted average common shares	<u>29,355</u>	<u>29,794</u>	<u>29,475</u>	<u>29,863</u>

The accompanying notes are an integral part of these condensed consolidated financial statements.

BIO-RAD LABORATORIES, INC.
Condensed Consolidated Statements of Comprehensive Income (Loss)
(In thousands)
(Unaudited)

	Three Months Ended		Six Months Ended	
	June 30,		June 30,	
	2023	2022	2023	2022
Net loss	\$ (1,162,251)	\$ (925,114)	\$ (1,093,289)	\$ (4,292,461)
Other comprehensive income (loss):				
Foreign currency translation adjustments, net of income taxes	36,605	(219,036)	91,823	(347,635)
Foreign other post-employment benefits adjustments, net of income taxes	237	198	271	523
Net unrealized holding gain (loss) on available-for-sale debt investments, net of income taxes	(1,352)	(6,692)	1,866	(10,721)
Other comprehensive income (loss), net of income taxes	35,490	(225,530)	93,960	(357,833)
Comprehensive loss	<u>\$ (1,126,761)</u>	<u>\$ (1,150,644)</u>	<u>\$ (999,329)</u>	<u>\$ (4,650,294)</u>

The accompanying notes are an integral part of these condensed consolidated financial statements.

BIO-RAD LABORATORIES, INC.
Condensed Consolidated Statements of Cash Flows
(In thousands, unaudited)

	Six Months Ended June 30,	
	2023	2022
Cash flows from operating activities:		
Cash received from customers	\$ 1,360,206	\$ 1,323,873
Cash paid to suppliers and employees	(1,173,285)	(1,193,916)
Interest paid, net	(23,535)	(440)
Income tax payments, net	(31,556)	(86,155)
Dividend proceeds and miscellaneous receipts, net	65,422	41,707
Proceeds from (payments for) forward foreign exchange contracts, net	(1,067)	18,694
Net cash provided by operating activities	196,185	103,763
Cash flows from investing activities:		
Payments for purchases of property, plant and equipment	(70,364)	(50,412)
Proceeds from dispositions of property, plant and equipment	39	108
Proceeds from divestiture of a division	—	1,360
Payments for purchases of marketable securities and investments	(341,522)	(1,478,432)
Proceeds from sales of marketable securities and investments	195,932	313,322
Proceeds from maturities of marketable securities and investments	173,426	153,432
Net cash used in investing activities	(42,489)	(1,060,622)
Cash flows from financing activities:		
Proceeds from issuance of Notes, net of debt financing costs	—	1,186,220
Payments on long-term borrowings	(231)	(254)
Proceeds from issuance of common stock and from reissuance of treasury stock under the employee stock purchase plan and upon exercise of stock options	9,521	8,444
Tax payments from net share settlement	(312)	(443)
Payments for purchases of treasury stock	(207,407)	(125,000)
Net cash provided by (used in) financing activities	(198,429)	1,068,967
Effect of foreign exchange rate changes on cash	670	13,666
Net increase (decrease) in cash, cash equivalents and restricted cash	(44,063)	125,774
Cash, cash equivalents and restricted cash at beginning of period	434,544	471,133
Cash, cash equivalents and restricted cash at end of period	\$ 390,481	\$ 596,907

The following table provides a reconciliation of cash, cash equivalents and restricted cash reported within the condensed consolidated balance sheets that agrees to the same amounts shown in the condensed consolidated statements of cash flows (in thousands):

	June 30, 2023	June 30, 2022
Cash and cash equivalents	\$ 390,001	\$ 596,584
Restricted cash included in Other current assets	82	13
Restricted cash included in Other assets	398	310
Total cash, cash equivalents and restricted cash shown in the condensed consolidated statements of cash flows	\$ 390,481	\$ 596,907

These restricted cash items are primarily related to performance guarantees and other restricted deposits.

The accompanying notes are an integral part of these condensed consolidated financial statements.

BIO-RAD LABORATORIES, INC.
Condensed Consolidated Statements of Changes in Stockholders' Equity
(In thousands)
(Unaudited)

	Common Stock	Additional Paid-in Capital	Treasury Stock	Retained Earnings	Accumulated Other Comprehensive Income (Loss)	Total Stockholders' Equity
Balance at December 31, 2022	\$ 3	\$ 447,454	\$ (263,586)	\$ 9,898,203	\$ (466,822)	\$ 9,615,252
Net income	—	—	—	68,962	—	68,962
Other comprehensive income, net of tax	—	—	—	—	58,470	58,470
Stock compensation expense	—	16,608	—	—	—	16,608
Issuance of treasury stock	—	(660)	5,290	(206)	—	4,424
Balance at March 31, 2023	\$ 3	\$ 463,402	\$ (258,296)	\$ 9,966,959	\$ (408,352)	\$ 9,763,716
Net loss	—	—	—	(1,162,251)	—	(1,162,251)
Other comprehensive income, net of tax	—	—	—	—	35,490	35,490
Stock compensation expense	—	12,559	—	—	—	12,559
Purchase of treasury stock	—	—	(207,407)	—	—	(207,407)
Issuance of treasury stock	—	(2,089)	6,919	(44)	—	4,786
Balance at June 30, 2023	\$ 3	\$ 473,872	\$ (458,784)	\$ 8,804,664	\$ (372,862)	\$ 8,446,893

	Common Stock	Additional Paid-in Capital	Treasury Stock	Retained Earnings	Accumulated Other Comprehensive Income (Loss)	Total Stockholders' Equity
Balance at December 31, 2021	\$ 3	\$ 441,733	\$ (106,290)	\$ 13,525,343	\$ (175,553)	\$ 13,685,236
Net loss	—	—	—	(3,367,347)	—	(3,367,347)
Other comprehensive loss, net of tax	—	—	—	—	(132,303)	(132,303)
Issuance of common stock	—	4,177	—	—	—	4,177
Stock compensation expense	—	13,521	—	—	—	13,521
Balance at March 31, 2022	\$ 3	\$ 459,431	\$ (106,290)	\$ 10,157,996	\$ (307,856)	\$ 10,203,284
Net loss	—	—	—	(925,114)	—	(925,114)
Other comprehensive loss, net of tax	—	—	—	—	(225,530)	(225,530)
Issuance of common stock	—	(443)	—	—	—	(443)
Stock compensation expense	—	13,571	—	—	—	13,571
Purchase of treasury stock	—	—	(125,000)	—	—	(125,000)
Issuance of treasury stock	—	(696)	4,950	13	—	4,267
Balance at June 30, 2022	\$ 3	\$ 471,863	\$ (226,340)	\$ 9,232,895	\$ (533,386)	\$ 8,945,035

The accompanying notes are an integral part of these condensed consolidated financial statements.

BIO-RAD LABORATORIES, INC

Notes to Condensed Consolidated Financial Statements (Unaudited)

1. BASIS OF PRESENTATION AND USE OF ESTIMATES

Basis of Presentation

In this report, “Bio-Rad,” “we,” “us,” “the Company” and “our” refer to Bio-Rad Laboratories, Inc. and its subsidiaries. The accompanying unaudited condensed consolidated financial statements of Bio-Rad have been prepared in accordance with accounting principles generally accepted in the United States of America (GAAP) and reflect all adjustments which are, in the opinion of management, necessary to fairly state the results of the interim periods presented. All such adjustments are of a normal recurring nature. Results for the interim period are not necessarily indicative of the results for the entire year. The condensed consolidated balance sheet at December 31, 2022 has been derived from the audited consolidated financial statements at that date but does not include all of the information and footnotes required by GAAP for complete financial statements. The condensed consolidated financial statements should be read in conjunction with the notes to the consolidated financial statements contained in our Annual Report on Form 10-K for the year ended December 31, 2022.

We evaluate subsequent events and the evidence they provide about conditions existing at the date of the balance sheet as well as conditions that arose after the balance sheet date but through the date the financial statements are issued. The effects of conditions that existed at the balance sheet date are recognized in the financial statements. Events and conditions arising after the balance sheet date but before the financial statements are issued are evaluated to determine if disclosure is required to keep the financial statements from being misleading. To the extent such events and conditions exist, disclosures are made regarding the nature of events and the estimated financial effects of those events and conditions.

Use of Estimates

The preparation of the condensed consolidated financial statements requires management to make estimates and assumptions that affect the reported amounts of assets and liabilities and the disclosure of contingencies at the date of the financial statements as well as the reported amounts of revenues and expenses during the reporting periods. Bio-Rad bases its estimates on historical experience and on various other market-specific and other relevant assumptions that are believed to be reasonable under the circumstances, the results of which form the basis for making judgments about the carrying values of assets and liabilities that are not readily apparent from other sources. Such estimates include, but are not limited to, revenue recognition, the valuation of inventory, the valuation of intangible assets, valuation of accounts receivable, estimation of warranty reserve, the recognition and measurement of current and deferred income tax assets and fair value measurement of the Loan receivable. Actual results could differ materially from those estimates.

Revenue Recognition

We recognize revenue from operations through the sale of products, services, license of intellectual property and rental of instruments. Revenue from contracts with customers is recognized upon transfer of control of promised products or services to customers in an amount that reflects the consideration we expect to receive in exchange for those products or services. Revenue is recognized net of any taxes collected from customers (sales tax, value added tax, etc.), which are subsequently remitted to government authorities.

We enter into contracts that can include various combinations of products and services, which are generally accounted for as distinct performance obligations. A product or service is considered distinct if it is separately identifiable from other deliverables in the arrangement and if a customer can benefit from such product or service on its own or with other resources that are readily available to the customer. The transaction consideration is allocated between separate performance obligations of an arrangement based on the standalone selling price for

each distinct product or service. The method used to determine the standalone selling prices for product and service revenues is based on the observable prices when the product or services have been sold separately.

We recognize revenue from product sales at the point in time when we have satisfied our performance obligation by transferring control of the product to the customer. We use judgment to evaluate whether and when control has transferred and consider the right to payment, legal title, physical possession, risks and rewards of ownership, and customer acceptance if it is not a formality, as indicators to determine the transfer of control to the customer. For products that include installation, the product and installation are separate performance obligations. The product revenue is recognized when control has transferred to the customer, generally upon delivery, and installation service revenue is recognized when the product installation is completed.

At the time revenue is recognized, a provision is recorded for estimated product returns as this right is considered variable consideration. Accordingly, when product revenues are recognized, the transaction price is reduced by the estimated amount of product returns.

Service revenues on extended warranty contracts are recognized ratably over the life of the service agreement as a stand-ready performance obligation.

We recognize revenues for a functional license of intellectual property at a point in time when the control of the license and technology transfers to the customer. For license agreements that include sales or usage-based royalty payments to us, we recognize revenue at the later of (i) when the related sale of the product occurs, or (ii) when the performance obligation to which some or all of the royalty has been allocated has been satisfied, or partially satisfied.

The primary purpose of our invoicing terms is to provide customers with simple and predictable methods of purchasing our products and services, not to either provide or receive financing to or from our customers. We record contract liabilities when cash payments are received or due in advance of our performance.

We do not disclose the value of unsatisfied performance obligations for contracts with an original expected length of one year or less. Our payment terms vary by the type and location of our customer, and the products and services offered. The term between invoicing and when payment is due is not significant.

Reagent Rental Agreements

Our reagent rental agreements provide our customers the ability to use an instrument and consumables (reagents) on a per test basis. These agreements may also include maintenance of the instruments placed at customer locations as well as initial training. We initially determine if a reagent rental arrangement contains a lease at contract commencement. Where we have determined that such an arrangement contains a lease, we then determine the lease classification as operating or sales-type lease. The lease term used in performing the lease classification test, includes the noncancellable period of the lease together with those periods covered by lease extension options if the customer is reasonably certain to exercise that option, the periods covered by lease termination options if the customer is reasonably certain to not exercise that option, and the periods covered by the option to extend (or to not terminate) the lease when exercise of such option is controlled by the Company. The assessment of the lease term for reagent rental agreements, including the impact from any associated contractual termination penalties, is subject to an estimation process. While most of our reagent rental arrangements contain either the option for a lessee to extend and/or cancel the agreement, the period in which the contract is enforceable is very short so the lease term has been limited to the noncancellable period. Generally, these arrangements do not contain an option for the lessee to purchase the underlying asset.

We concluded that the use of the instrument (referred to as “lease elements”) in our reagent rental agreements is not governed by the revenue recognition guidance of ASC 606 but instead is addressed by the lease guidance in ASC 842. Accordingly, we first allocate the transaction price between the lease elements and the non-lease elements based on relative standalone selling prices. The determination of the transaction price requires judgment and

consideration of any fixed/minimum payments as well as estimates of variable consideration. After we have allocated the transaction price to the lease and non-lease elements, the amount of variable payments allocated to such elements are recognized as income in accordance with ASC 842 or ASC 606, as applicable.

Maintenance services and reagents are allocated to the non-lease elements. Maintenance services are recognized ratably over the period whereas reagents revenue is recognized upon transfer of control when either (i) the consumables are delivered or (ii) the consumables are consumed by the customer.

Our reagent rental arrangements are predominantly comprised of variable lease payments that fluctuate depending on the volume of reagents purchased, as such arrangements generally do not contain any fixed or minimum lease payments. Our reagent rental arrangements are predominantly classified as operating leases and any sales-type leases have historically been immaterial, and we do not enter into direct finance leases.

Revenue attributed to the lease elements of our reagent rental arrangements represented approximately 3% of total revenue for both the three and six months ended June 30, 2023 and June 30, 2022. Such revenue forms part of the Net sales in our condensed consolidated statements of income (loss).

Contract costs:

As a practical expedient, we expense as incurred costs to obtain contracts as the amortization period would have been one year or less. These costs include our internal sales force and certain partner sales incentive programs and are recorded within Selling, general and administrative expense in our condensed consolidated statements of income (loss).

Disaggregation of Revenue:

The following table presents our revenues disaggregated by geographic region (in millions):

	Three Months Ended June 30,		Six Months Ended June 30,	
	2023	2022	2023	2022
United States	\$ 287.7	\$ 281.6	\$ 584.7	\$ 564.1
EMEA	211.2	217.3	416.0	436.2
APAC	143.0	152.7	278.8	313.5
Other (primarily Canada and Latin America)	39.2	39.5	78.5	77.4
Total net sales	<u>\$ 681.1</u>	<u>\$ 691.1</u>	<u>\$ 1,358.0</u>	<u>\$ 1,391.2</u>

The disaggregation of our revenue by geographic region is based primarily on the location of the use of the product or service, and by industry segment sources. The disaggregation of our revenues by industry segment sources are presented in our Segment Information footnote (see Note 11).

Deferred revenues primarily represent unrecognized fees billed or collected for extended service arrangements, including installation services. The deferred revenue balance at June 30, 2023 and December 31, 2022 was \$71.7 million and \$71.9 million, respectively. The short-term deferred revenue balance at June 30, 2023 and December 31, 2022 was \$53.7 million and \$52.2 million, respectively.

We warrant certain equipment against defects in design, materials and workmanship, generally for a period of one year. We estimate the cost of warranties at the time the related revenue is recognized based on historical experience, specific warranty terms and customer feedback. These costs are recorded within Cost of goods sold in our condensed consolidated statements of income (loss).

Warranty liabilities are included in Other current liabilities and Other long-term liabilities in the condensed consolidated balance sheets. Change in our warranty liability for the six months ended June 30, 2023 and 2022 were as follows (in millions):

	Six Months Ended June 30,	
	2023	2022
Balance at beginning of period	\$ 10.6	\$ 12.7
Provision for warranty	4.2	5.2
Actual warranty costs	(5.8)	(6.1)
Balance at end of period	<u>\$ 9.0</u>	<u>\$ 11.8</u>

Accounts Receivable and Allowance for Credit Losses

We record trade accounts receivable at the net invoice value and such receivables are non-interest bearing. We consider receivables past due based on the contractual payment terms. Amounts later determined and specifically identified to be uncollectible are charged or written off against the allowance for credit losses.

Any adjustments made to our historical loss experience reflect current differences in asset-specific risk characteristics, including, for example, accounts receivable by customer type (public or government entity versus private entity) and by geographic location of customer.

Changes in our allowance for credit losses were as follows (in millions):

	Six Months Ended June 30,	
	2023	2022
Balance at beginning of period	\$ 15.0	\$ 15.1
Provision for expected credit losses	1.1	0.4
Write-offs charged against the allowance	(0.4)	(1.4)
Recoveries collected	0.1	0.1
Balance at end of period	<u>\$ 15.8</u>	<u>\$ 14.2</u>

Recent Accounting Pronouncements Issued and to be Adopted

There are no new accounting pronouncements recently issued or newly effective that had, or are expected to have, a material impact on the Company's condensed consolidated financial statements.

2. FAIR VALUE MEASUREMENTS

We determine the fair value of an asset or liability based on the assumptions that market participants would use in pricing the asset or liability in an orderly transaction between market participants at the measurement date. The identification of market participant assumptions provides a basis for determining what inputs are to be used for pricing each asset or liability. A fair value hierarchy has been established which gives precedence to fair value measurements calculated using observable inputs over those using unobservable inputs. This hierarchy prioritizes the inputs into three broad levels as follows:

- Level 1: Quoted prices in active markets for identical instruments

- Level 2: Other significant observable inputs (including quoted prices in active markets for similar instruments)
- Level 3: Significant unobservable inputs (including assumptions in determining the fair value of certain investments)

Financial assets and liabilities carried at fair value and measured on a recurring basis as of June 30, 2023 are classified in the hierarchy as follows (in millions):

	Level 1	Level 2	Level 3	Total
Financial assets carried at fair value:				
Cash equivalents:				
Commercial paper	\$ —	\$ 10.9	\$ —	\$ 10.9
Time deposits	—	38.6	—	38.6
U.S. government sponsored agencies	—	26.0	—	26.0
Money market funds	45.0	—	—	45.0
Total cash equivalents (a)	45.0	75.5	—	120.5
Restricted investments (b)	7.0	—	—	7.0
Equity securities (c)	7,027.8	—	—	7,027.8
Loan under the fair value option (d)	—	—	304.9	304.9
Available-for-sale investments:				
Corporate debt securities	—	621.5	—	621.5
U.S. government sponsored agencies	—	282.1	—	282.1
Foreign government obligations	—	12.3	—	12.3
Municipal obligations	—	18.1	—	18.1
Asset-backed securities	—	335.6	—	335.6
Total available-for-sale investments (e)	—	1,269.6	—	1,269.6
Forward foreign exchange contracts (f)	—	2.7	—	2.7
Total financial assets carried at fair value	\$ 7,079.8	\$ 1,347.8	\$ 304.9	\$ 8,732.5
Financial liabilities carried at fair value:				
Forward foreign exchange contracts (g)	\$ —	\$ 0.9	\$ —	\$ 0.9
Contingent consideration (h)	—	—	36.0	36.0
Total financial liabilities carried at fair value	\$ —	\$ 0.9	\$ 36.0	\$ 36.9

Financial assets and liabilities carried at fair value and measured on a recurring basis as of December 31, 2022 are classified in the hierarchy as follows (in millions):

	Level 1	Level 2	Level 3	Total
Financial assets carried at fair value:				
Cash equivalents:				
Commercial paper	\$ —	\$ 21.1	\$ —	\$ 21.1
Time deposits	5.7	—	—	5.7
Asset-backed securities	—	1.4	—	1.4
U.S. government sponsored agencies	—	6.0	—	6.0
Money market funds	31.5	—	—	31.5
Total cash equivalents (a)	37.2	28.5	—	65.7
Restricted investments (b)	6.8	—	—	6.8
Equity securities (c)	8,530.4	—	—	8,530.4
Loan under the fair value option (d)	—	—	322.6	322.6
Available-for-sale investments:				
Corporate debt securities	—	699.3	—	699.3
U.S. government sponsored agencies	—	230.7	—	230.7
Foreign government obligations	—	13.5	—	13.5
Municipal obligations	—	23.1	—	23.1
Asset-backed securities	—	333.4	—	333.4
Total available-for-sale investments (e)	—	1,300.0	—	1,300.0
Forward foreign exchange contracts (f)	—	1.5	—	1.5
Total financial assets carried at fair value	\$ 8,574.4	\$ 1,330.0	\$ 322.6	\$ 10,227.0
Financial liabilities carried at fair value:				
Forward foreign exchange contracts (g)	\$ —	\$ 6.2	\$ —	\$ 6.2
Contingent consideration (h)	—	—	35.6	35.6
Total financial liabilities carried at fair value	\$ —	\$ 6.2	\$ 35.6	\$ 41.8

(a) Cash equivalents are included in Cash and cash equivalents in the condensed consolidated balance sheets.

(b) Restricted investments are included in the following accounts in the condensed consolidated balance sheets (in millions):

	June 30, 2023	December 31, 2022
Restricted investments	\$ 5.6	\$ 5.6
Other investments	1.4	1.2
Total	\$ 7.0	\$ 6.8

(c) Equity securities are included in the following accounts in the condensed consolidated balance sheets (in millions):

	June 30, 2023	December 31, 2022
Short-term investments	\$ 63.0	\$ 56.5
Other investments	6,964.8	8,473.9
Total	\$ 7,027.8	\$ 8,530.4

- (d) The Loan under the fair value option is included in Other investments in the condensed consolidated balance sheets.
- (e) Available-for-sale investments are included in Short-term investments in the condensed consolidated balance sheets.
- (f) Forward foreign exchange contracts in an asset position are included in Other current assets in the condensed consolidated balance sheets.
- (g) Forward foreign exchange contracts in a liability position are included in Other current liabilities in the condensed consolidated balance sheets.
- (h) Contingent considerations in a liability position are included in Other long-term liabilities in the condensed consolidated balance sheets. Changes in the fair value of contingent consideration are included in Research and development expense in our condensed consolidated statements of income (loss). No conditions triggering payment of the contingent consideration were met as of June 30, 2023.

Level 1 Fair Value Measurements

As of June 30, 2023, we own 12,987,900 ordinary voting shares and 9,588,908 preference shares of Sartorius AG (Sartorius), of Goettingen, Germany, a process technology supplier to the biotechnology, pharmaceutical, chemical and food and beverage industries. We own approximately 38% of the ordinary outstanding shares (excluding treasury shares) and 28% of the preference shares of Sartorius as of June 30, 2023. The Sartorius family trust (Sartorius family members are beneficiaries of the trust) holds a majority interest of the outstanding ordinary shares of Sartorius. We do not have the ability to exercise significant influence over the operating and financial policies of Sartorius primarily because we do not have any representative or designee on Sartorius' board of directors and have tried and failed to obtain access to operating or financial information necessary to apply the equity method of accounting.

The changes in fair market value of our investment in Sartorius for the three and six months ended June 30, 2023 were a loss of \$1,578.5 million and \$1,598.5 million respectively, which is recorded in our condensed consolidated statements of income (loss).

Level 2 Fair Value Measurements

To estimate the fair value of Level 2 debt securities as of June 30, 2023, our primary pricing provider uses Refinitiv as the primary pricing source. Our pricing process allows us to select a hierarchy of pricing sources for securities held. If Refinitiv does not price a Level 2 security that we hold, then the pricing provider will utilize our custodian supplied pricing as the secondary pricing source.

Available-for-sale investments consist of the following (in millions):

	June 30, 2023			
	Amortized Cost	Unrealized Gains	Unrealized Losses	Estimated Fair Value
Short-term investments:				
Corporate debt securities	\$ 630.1	\$ 0.4	\$ (9.0)	\$ 621.5
Municipal obligations	18.3	—	(0.2)	18.1
Asset-backed securities	341.2	—	(5.6)	335.6
U.S. government sponsored agencies	285.8	—	(3.7)	282.1
Foreign government obligations	12.5	—	(0.2)	12.3
	<u>\$ 1,287.9</u>	<u>\$ 0.4</u>	<u>\$ (18.7)</u>	<u>\$ 1,269.6</u>

The following is a summary of the amortized cost and estimated fair value of our debt securities at June 30, 2023 by contractual maturity date (in millions):

	Amortized Cost	Estimated Fair Value
Mature in less than one year	\$ 433.7	\$ 429.5
Mature in one to five years	701.6	690.9
Mature in more than five years	152.6	149.2
Total	<u>\$ 1,287.9</u>	<u>\$ 1,269.6</u>

Available-for-sale investments consist of the following (in millions):

	December 31, 2022			
	Amortized Cost	Unrealized Gains	Unrealized Losses	Estimated Fair Value
Short-term investments:				
Corporate debt securities	\$ 709.9	\$ 0.2	\$ (10.8)	\$ 699.3
Municipal obligations	23.4	—	(0.3)	23.1
Asset-backed securities	339.6	0.1	(6.3)	333.4
U.S. government sponsored agencies	233.9	—	(3.2)	230.7
Foreign government obligations	13.8	—	(0.3)	13.5
Total	<u>\$ 1,320.6</u>	<u>\$ 0.3</u>	<u>\$ (20.9)</u>	<u>\$ 1,300.0</u>

As of June 30, 2023, there were no significant continuous unrealized losses greater than 12 months.

Our evaluation of credit losses for available-for-sale investments included the extent to which the fair value is less than the amortized cost basis, adverse conditions specifically related to the debt security, an industry or geographic area, and any changes in the rating of a security by a rating agency. Credit loss impairments are limited to the amount that the fair value of an instrument is less than its amortized cost basis.

At June 30, 2023, we have concluded that all payments related to our available-for-sale investments are expected to be made in full and on time at par value. The diminution of value in the intervening period is due to market conditions such as illiquidity and interest rate movements and not due to significant, inherent credit concerns surrounding the issuer. As a result, we have no allowances for credit losses on our available-for-sale investments portfolio as of June 30, 2023.

Included in Other current assets are \$9.1 million and \$11.6 million of interest receivable as of June 30, 2023 and December 31, 2022, respectively, primarily associated with securities in our available-for-sale investments portfolio. The interest on these securities is typically payable semi-annually. Due to the short-term nature of our interest receivable asset, we have made an accounting policy election not to measure an allowance for credit losses for accrued interest receivable. We consider any uncollected interest receivable that is overdue greater than one year to be impaired for purposes of write-off. For the six months ended June 30, 2023, we have not written-off any uncollected interest receivable.

As part of distributing our products, we regularly enter into intercompany transactions. We enter into forward foreign exchange contracts to manage foreign exchange risk of future movements in foreign exchange rates that affect foreign currency denominated intercompany receivables and payables. We do not use derivative financial instruments for speculative or trading purposes. We do not seek hedge accounting treatment for these contracts. As a result, these contracts, generally with maturity dates of 90 days or less, are recorded at their fair value at each balance sheet date. The notional amounts provide one measure of foreign exchange exposures as of June 30, 2023

and do not represent the amount of Bio-Rad's exposure to loss. The estimated fair value of these contracts was derived using the spot rates and forward points from Refinitiv on the last business day of the quarter. The resulting gains or losses from foreign exchange contracts offset gains or losses from foreign currency remeasurement of the related receivables and payables, both of which are included in Foreign currency exchange (gains) losses, net in the condensed consolidated statements of income (loss).

The following is a summary of our forward foreign exchange contracts (in millions):

	June 30, 2023
Contracts maturing in July through September 2023 to sell foreign currency:	
Notional value	\$ 707.2
Unrealized gain	\$ 1.6
Contracts maturing in July through September 2023 to purchase foreign currency:	
Notional value	\$ 80.4
Unrealized gain	\$ 0.1

Level 3 Fair Value Investments

During the fourth quarter of 2021, we extended a collateralized loan to Sartorius-Herbst Beteiligungen II GmbH ("SHB"), a private limited company incorporated under the laws of Germany, with a principal amount of €400 million due on January 31, 2029, subject to certain events which could trigger payment prior to maturity (the "Loan"). SHB used the Loan proceeds to partially finance the acquisition of interests under the Sartorius family trust ("Trust") from a beneficiary of the Trust. The Loan is collateralized by the pledge of certain of the Trust interests, which upon termination of the Trust in mid-2028 represent the right to receive Sartorius ordinary shares. Interest on the loan is payable annually in arrears at 1.5% per annum, and the entire principal amount is due at maturity. In addition to contractual interest, we are entitled to certain value appreciation rights associated with the acquired Trust interests, which upon termination of the Trust represent the right to receive Sartorius ordinary shares, that is due upon repayment of the Loan. We elected the fair value option under ASC 825, Financial Instruments for accounting of the Loan to SHB to simplify the accounting. The fair value of the Loan and value appreciation right is estimated under the income approach using a discounted cash flow, and option pricing model, respectively, which results in a fair value measurement categorized in Level 3. The significant assumptions used to estimate fair value of the Loan include an estimate of the discount rate and cash flows of the Loan and the significant assumptions used to estimate the fair value of the value appreciation right include volatility, the risk-free interest rate, expected life (in years) and expected dividend. The inputs are subject to estimation uncertainty and actual amounts realized may materially differ. An increase in the expected volatility may result in a significantly higher fair value, whereas a decrease in expected life may result in a significantly lower fair value. All subsequent changes in fair value of the Loan and value appreciation right, including accrued interest are recognized in Losses from change in fair market value of equity securities and loan receivable in our condensed consolidated statements of income (loss). The overall change in fair market value reflected in Losses from change in fair market value of equity securities and loan receivable during the three months ended June 30, 2023 was a loss of \$21.8 million, which includes a \$2.4 million gain from change in fair market value of the Loan and a \$24.2 million loss from change in fair market value of the value appreciation right. The overall change in fair market value reflected in Losses from change in fair market value of equity securities and loan receivable during the six months ended June 30, 2023 was a loss of \$24.0 million, which includes a \$10.4 million gain from change in fair market value of the Loan and a \$34.4 million loss from change in fair market value of the value appreciation right. The decrease in the fair market value of the value appreciation right was due to a decline in the value of the Sartorius ordinary shares. As of June 30, 2023, the €400 million principal amount of the loan is still due on January 31, 2029.

The following table provides a reconciliation of the Level 3 Loan measured at estimated fair value (in millions):

December 31, 2022	\$	322.6
Net decrease in estimated fair market value of the loan included in		
Losses in fair market value of equity securities and loan receivable	\$	(24.0)
Foreign currency exchange gains (losses), net	\$	6.3
June 30, 2023	\$	304.9

3. GOODWILL AND OTHER PURCHASED INTANGIBLE ASSETS

Changes to goodwill by segment are as follows (in millions):

	Life Science	Clinical Diagnostics	Total
Balances as of December 31, 2022:			
Goodwill	\$ 333.3	\$ 408.4	\$ 741.7
Accumulated impairment losses	(41.8)	(293.4)	(335.2)
Goodwill, net	291.5	115.0	406.5
Acquisitions	—	0.4	0.4
Foreign currency adjustments	—	4.6	4.6
Period increase, net	—	5.0	5.0
Balances as of June 30, 2023:			
Goodwill	333.3	413.4	746.7
Accumulated impairment losses	(41.8)	(293.4)	(335.2)
Goodwill, net	\$ 291.5	\$ 120.0	\$ 411.5

Information regarding our identifiable purchased intangible assets with finite and indefinite lives is as follows (in millions):

June 30, 2023				
	Weighted- Average Remaining Amortization Period (years)	Purchase Price	Accumulated Amortization	Net Carrying Amount
Customer relationships/lists	5.1	\$ 106.6	\$ (94.5)	\$ 12.1
Know how	2.3	167.9	(157.8)	10.1
Developed product technology	12.5	212.9	(127.7)	85.2
Licenses	5.4	59.1	(40.4)	18.7
Tradenames	6.1	6.0	(4.5)	1.5
Covenants not to compete	2.8	6.4	(4.5)	1.9
Total finite-lived intangible assets		558.9	(429.4)	129.5
In-process research and development		199.2	—	199.2
Total purchased intangible assets		\$ 758.1	\$ (429.4)	\$ 328.7

	December 31, 2022			
	Weighted-Average Remaining Amortization Period (years)	Purchase Price	Accumulated Amortization	Net Carrying Amount
Customer relationships/lists	5.0	\$ 104.7	\$ (89.9)	\$ 14.8
Know how	2.8	166.2	(153.9)	12.3
Developed product technology	12.8	211.1	(121.6)	89.5
Licenses	5.8	59.0	(38.5)	20.5
Tradenames	6.6	6.1	(4.5)	1.6
Covenants not to compete	3.1	6.4	(4.0)	2.4
Total finite-lived intangible assets		553.5	(412.4)	141.1
In-process research and development		191.0	—	191.0
Total purchased intangible assets		\$ 744.5	\$ (412.4)	\$ 332.1

Amortization expense related to purchased intangible assets is as follows (in millions):

	Three Months Ended June 30,		Six Months Ended June 30,	
	2023	2022	2023	2022
Amortization expense	\$ 5.9	\$ 6.3	\$ 11.9	\$ 12.6

4. INVENTORY

Following are the components of Inventory at June 30, 2023 and December 31, 2022 (in millions):

	June 30, 2023	December 31, 2022
Inventory:		
Raw materials	\$ 240.1	\$ 228.8
Work in process	236.4	220.9
Finished goods	300.1	269.6
Total Inventory	\$ 776.6	\$ 719.3

5. SUPPLEMENTAL CASH FLOW INFORMATION

The reconciliation of net loss to net cash provided by operating activities is as follows (in millions):

	Six Months Ended	
	June 30, 2023	June 30, 2022
Net loss	\$ (1,093.3)	\$ (4,292.5)
Adjustments to reconcile net loss to net cash provided by operating activities:		
Depreciation and amortization	71.4	67.5
Reduction in the carrying amount of right-of-use assets	19.9	20.0
Share-based compensation	29.2	27.1
Losses from change in fair market value of equity securities and loan receivable	1,613.0	5,883.3
Gain on divestiture of a division	—	(1.4)
Payments for operating lease liabilities	(19.8)	(18.6)
(Increase) decrease in accounts receivable	5.2	(45.8)
Increase in inventories	(55.3)	(102.3)
(Increase) decrease in other current assets	16.5	(10.5)
Decrease in accounts payable and other current liabilities	(34.7)	(43.1)
Increase (decrease) in income taxes payable	31.5	(23.3)
Decrease in deferred income taxes	(391.6)	(1,361.1)
Increase in other long-term liabilities	6.3	1.5
Other	(2.1)	3.0
Net cash provided by operating activities	<u>\$ 196.2</u>	<u>\$ 103.8</u>
Non-cash investing activities:		
Purchased property, plant and equipment	<u>\$ 12.0</u>	<u>\$ 5.6</u>
Purchased marketable securities and investments	<u>\$ 1.2</u>	<u>\$ 3.5</u>
Sold marketable securities and investments	<u>\$ —</u>	<u>\$ 16.3</u>

6. LONG-TERM DEBT

The principal components of long-term debt are as follows (in millions):

	June 30, 2023	December 31, 2022
3.3%, Senior Notes due 2027	\$ 400.0	\$ 400.0
3.7%, Senior Notes due 2032	800.0	800.0
Less unamortized discounts and debt issuance costs	(11.5)	(12.4)
Long-term debt less unamortized discounts and debt issuance costs	1,188.5	1,187.6
Finance leases and other debt	10.4	10.6
Less current maturities	(0.5)	(0.5)
Long-term debt	<u>\$ 1,198.4</u>	<u>\$ 1,197.7</u>

7. ACCUMULATED OTHER COMPREHENSIVE INCOME (LOSS)

Accumulated other comprehensive income (loss) included in our condensed consolidated balance sheets consists of the following components (in millions):

	Foreign currency translation adjustments	Foreign other post- employment benefits adjustments	Net unrealized holding gains (losses) on available-for- sale investments	Total accumulated other comprehensive income (loss)
Balances as of January 1, 2023:	\$ (466.5)	\$ 10.0	\$ (10.3)	\$ (466.8)
Other comprehensive income (loss), before reclassifications	92.1	0.5	1.4	94.0
Amounts reclassified from Accumulated other comprehensive income (loss)	—	(0.2)	1.0	0.8
Income tax effects	(0.3)	—	(0.6)	(0.9)
Other comprehensive income (loss), net of income taxes	91.8	0.3	1.8	93.9
Balances as of June 30, 2023:	\$ (374.7)	\$ 10.3	\$ (8.5)	\$ (372.9)
	Foreign currency translation adjustments	Foreign other post- employment benefits adjustments	Net unrealized holding gains (losses) on available-for- sale investments	Total accumulated other comprehensive income (loss)
Balances as of January 1, 2022:	\$ (170.5)	\$ (10.9)	\$ 5.8	\$ (175.6)
Other comprehensive income (loss), before reclassifications	(348.2)	0.7	(14.4)	(361.9)
Amounts reclassified from Accumulated other comprehensive income (loss)	—	0.1	0.4	0.5
Income tax effects	0.6	(0.3)	3.3	3.6
Other comprehensive income (loss), net of income taxes	(347.6)	0.5	(10.7)	(357.8)
Balances as of June 30, 2022:	\$ (518.1)	\$ (10.4)	\$ (4.9)	\$ (533.4)

All amounts reclassified out of accumulated other comprehensive income (loss) were reclassified into other income, net in the condensed consolidated statements of income (loss). The reclassification adjustments are calculated using the specific identification method.

The impact to income (loss) before income taxes for amounts reclassified out of accumulated other comprehensive income (loss) into other income, net in the condensed consolidated statements of income (loss) were as follows (in millions):

	Three Months Ended June 30,		Six Months Ended June 30,	
	2023	2022	2023	2022
Components of comprehensive income (loss)				
Amortization of foreign other post-employment benefit items	\$ 0.3	\$ (0.1)	\$ 0.2	\$ (0.1)
Net holding gains (losses) on equity securities and available-for-sale investments	\$ (1.2)	\$ (0.4)	\$ (1)	\$ (0.4)

8. LOSS PER SHARE

Bio-Rad's issued and outstanding stock consists of Class A Common Stock (Class A) and Class B Common Stock (Class B). Each share of Class A and Class B common stock participates equally in the earnings and losses of Bio-Rad, and each share is identical to the next in all respects except as follows. Class A common stock has limited voting rights compared to Class B. Each share of Class A is entitled to one tenth of a vote on most matters, whereas each share of Class B is always entitled to one vote. Additionally, Class A stockholders are entitled to elect 25% of the directors, with Class B stockholders electing the remaining directors. Cash dividends may be paid on Class A shares without paying a cash dividend on Class B shares. In contrast, no cash dividend may be paid on Class B shares unless at least an equal cash dividend is paid on Class A shares. Class B shares are convertible at any time into Class A shares on a one-for-one basis at the option of the stockholder.

We compute net income (loss) per share of Class A Common Stock (Class A) and Class B Common Stock (Class B) using the two-class method required for participating securities. Our participating securities include Class A and Class B. Each share of Class A and Class B participates equally in earnings and losses, but may not participate equally in dividend distributions. No dividends were distributed or declared during any of the periods presented. Earnings (loss) is attributable equally to each share of Class A and Class B common stock and is determined based on the weighted average number of the respective class of common stock outstanding for the three and six months ended June 30, 2023 and 2022.

Accordingly, basic earnings (loss) per share is computed by dividing net income (loss) attributable to Bio-Rad by the weighted average number of common shares outstanding for that period. Diluted earnings per share takes into account the effect of dilutive instruments, such as stock options, restricted stock and performance stock, and uses the average share price for the period in determining the number of potential common shares that are to be added to the weighted average number of shares outstanding. Potential common shares are excluded from the diluted earnings (loss) per share calculation if the effect of including such securities would be anti-dilutive.

The weighted average number of common shares outstanding used to calculate basic and diluted earnings (loss) per share, and the anti-dilutive shares that are excluded from the diluted earnings (loss) per share calculation are as follows (in thousands):

	Three Months Ended June 30,		Six Months Ended June 30,	
	2023	2022	2023	2022
Basic weighted average shares outstanding	29,355	29,794	29,475	29,863
Effect of potentially dilutive stock options, restricted stock and performance stock awards	—	—	—	—
Diluted weighted average common shares outstanding	29,355	29,794	29,475	29,863
Anti-dilutive shares	234	541	237	541

9. OTHER INCOME, NET

Other income, net includes the following components (in millions):

	Three Months Ended June 30,		Six Months Ended June 30,	
	2023	2022	2023	2022
Interest and investment income	\$ (16.5)	\$ (5.5)	\$ (66.8)	\$ (37.7)
Net realized losses on investments	0.8	0.4	1.5	0.4
Gain on divestiture of a division	—	(1.4)	—	(1.4)
Other income	(0.8)	(0.2)	(1.6)	(0.6)
Other income, net	<u>\$ (16.5)</u>	<u>\$ (6.7)</u>	<u>\$ (66.9)</u>	<u>\$ (39.3)</u>

10. INCOME TAXES

Our effective income tax rate was 22.5% and 24.2% for the three months ended June 30, 2023 and 2022, respectively. Our effective income tax rate was 22.8% and 23.2% for the six months ended June 30, 2023 and 2022, respectively.

The realization of deferred tax assets are dependent upon the generation of sufficient taxable income of the appropriate character in future periods. We regularly assess our ability to realize our deferred tax assets and establish a valuation allowance if it is more likely than not that some portion, or all, of our deferred tax assets will not be realized. In assessing the realizability of our deferred tax assets, we weigh all available positive and negative evidence. Due to the weight of objectively verifiable negative evidence, we believe that it is more likely than not that certain of our federal, state and foreign deferred tax assets will not be realized as of June 30, 2023, and have maintained a valuation allowance on such deferred tax assets. The valuation allowance against our federal, state and foreign deferred tax assets increased by \$20.0 million for the period ended June 30, 2023 compared to the year ended December 31, 2022.

Our income tax returns are audited by U.S. federal, state and foreign tax authorities. We are currently under examination by many of these tax authorities. The tax years open to examination include the years 2012 and forward for the U.S. and certain foreign jurisdictions including France, Germany, India and Switzerland. There are differing interpretations of tax laws and regulations, and as a result, significant disputes may arise with these tax authorities involving issues of the timing and amount of deductions and allocations of income among various tax jurisdictions. We evaluate our exposures associated with our tax filing positions on a quarterly basis.

We record liabilities for unrecognized tax benefits related to uncertain tax positions. We do not believe any currently pending uncertain tax positions will have a material adverse effect on our condensed consolidated financial statements, although an adverse resolution of one or more of these uncertain tax positions in any period may have a material impact on the results of operations for that period.

Our gross unrecognized tax benefits were \$91.2 million and \$85.5 million as of June 30, 2023 and December 31, 2022, respectively. The increase in our gross unrecognized tax benefits is primarily attributable to an increase of uncertain tax accruals in various jurisdictions.

As of June 30, 2023, based on the expected outcome of certain examinations or as a result of the expiration of statutes of limitation for certain jurisdictions, we believe that within the next twelve months it is reasonably possible that our previously unrecognized tax benefits could decrease by up to \$17.7 million. Substantially all such amounts will impact our effective income tax rate if recognized.

11. SEGMENT INFORMATION

Information regarding operating profit (loss) for the three months ended June 30, 2023 and 2022 is as follows (in millions):

		Life Science	Clinical Diagnostics	Other Operations
Net sales	2023	\$ 300.2	\$ 380.1	\$ 0.8
	2022	\$ 322.4	\$ 367.8	\$ 0.9
Operating profit (loss)	2023	\$ 28.0	\$ 61.8	\$ (0.2)
	2022	\$ 56.6	\$ 66.8	\$ (0.5)

Information regarding operating profit (loss) for the six months ended June 30, 2023 and 2022 is as follows (in millions):

		Life Science	Clinical Diagnostics	Other Operations
Net sales	2023	\$ 623.8	\$ 732.2	\$ 2.0
	2022	\$ 669.5	\$ 719.5	\$ 2.2
Operating profit (loss)	2023	\$ 63.7	\$ 88.1	\$ (0.3)
	2022	\$ 146.2	\$ 123.9	\$ (0.8)

Segment results are presented in the same manner as we manage our business internally to make operating decisions and assess performance. Our chief operating decision maker ("CODM") views all operating expenses and corporate overhead as directly supporting the strategies of our segments, and these costs are fully allocated to our reportable segments.

The following reconciles total segment profit to consolidated loss before income taxes (in millions):

	Three Months Ended June 30,		Six Months Ended June 30,	
	2023	2022	2023	2022
Operating profit	\$ 89.6	\$ 122.9	\$ 151.5	\$ 269.3
Interest expense	(12.4)	(10.7)	(24.7)	(14.7)
Foreign currency exchange gains (losses), net	1.3	(0.9)	3.6	1.2
Change in fair market value of equity securities	(1,595.4)	(1,338.2)	(1,612.9)	(5,883.3)
Other income, net	16.5	6.7	66.9	39.3
Consolidated loss before income taxes	<u>\$ (1,500.4)</u>	<u>\$ (1,220.2)</u>	<u>\$ (1,415.6)</u>	<u>\$ (5,588.2)</u>

12. LEGAL PROCEEDINGS

We are a party to various claims, legal actions and complaints arising in the ordinary course of business. While we do not believe, at this time, that any ultimate liability resulting from any of these matters will have a material adverse effect on our results of operations, financial position or liquidity, we cannot give any assurance regarding the ultimate outcome of these matters and their resolution could be material to our operating results for any particular period, depending on the level of income for the period.

13. RESTRUCTURING COSTS

In February 2021, we announced a strategy-driven restructuring plan in furtherance of our ongoing program to improve operating performance. The restructuring plan primarily impacted our operations in EMEA and included the elimination of certain positions, the consolidation of certain functions, and the relocation of certain manufacturing operations from EMEA to APAC. The restructuring plan was implemented in phases and is substantially complete as of June 30, 2023. The timing of the remaining employee termination benefit payments is in accordance with statutory requirements. The adjustments to expense recorded were primarily due to changes in the estimates of employee termination benefits. From February 2021 to June 30, 2023, total expenses were \$69.7 million.

The following table summarizes the activity of our February 2021 plan restructuring reserves (in millions):

	Life Science	Clinical Diagnostics	Total
Balances as of December 31, 2022:	\$ 1.9	\$ 29.7	\$ 31.6
Adjustment to expense	—	1.1	1.1
Cash payments	(1.6)	(13.0)	(14.6)
Foreign currency adjustments	—	0.3	0.3
Balances as of June 30, 2023:	\$ 0.3	\$ 18.1	\$ 18.4

In February 2023, management approved a new restructuring plan to implement identified opportunities to further streamline and improve operating performance. The additional restructuring activities are being implemented in phases and are expected to be substantially complete by the end of 2023. From February 2023 to June 30, 2023, total expenses were \$14.8 million, representing estimated termination benefits to employees.

The following table summarizes the activity of our February 2023 plan restructuring reserves (in millions):

	Life Science	Clinical Diagnostics	Total
Balances as of December 31, 2022:	\$ —	\$ —	\$ —
Charged to expense - employee termination benefits	2.9	11.9	14.8
Cash payments	(1.1)	(2.0)	(3.1)
Foreign currency adjustments	0.1	0.3	0.4
Balances as of June 30, 2023:	\$ 1.9	\$ 10.2	\$ 12.1

In June 2023, management approved an additional restructuring plan to implement identified opportunities to further streamline and improve operating performance. The additional restructuring activities are expected to be substantially complete by the end of 2023.

The following table summarizes the activity of our June 2023 plan restructuring reserves (in millions):

	Life Science	Clinical Diagnostics	Total
Balances as of December 31, 2022:	\$ —	\$ —	\$ —
Charged to expense - employee termination benefits	4.1	4.3	8.4
Cash payments	(0.2)	—	(0.2)
Foreign currency adjustments	—	0.1	0.1
Balances as of June 30, 2023:	\$ 3.9	\$ 4.4	\$ 8.3

Combined, the liability of \$38.8 million as of June 30, 2023 consisted of \$38.3 million recorded in Accrued payroll and employee benefits and \$0.5 million recorded in Other long-term liabilities in the condensed consolidated balance sheets. The amounts reflected in Cost of goods sold, Selling, general and administrative expense and Research and development expense for the three months ended June 30, 2023 were \$3.4 million, \$6.2 million and \$1.1 million, respectively, in the condensed consolidated statements of income (loss). The amounts reflected in Cost of goods sold, Selling, general and administrative expense and Research and development expense for the six months ended June 30, 2023 were \$3.7 million, \$15.3 million and \$5.3 million, respectively, in the condensed consolidated statements of income (loss).

14. LEASES

We have operating leases and to a lesser extent finance leases, for buildings, vehicles and equipment. Our leases have remaining lease terms of 1 year to 16 years, which includes our determination to exercise renewal options.

We determine if an arrangement is a lease at inception. Operating leases are included in Operating lease right-of-use (“ROU”) assets, Current operating lease liabilities, and Operating lease liabilities in our condensed consolidated balance sheets. Finance leases are included in Property, plant and equipment, Current maturities of long-term debt, and Long-term debt, net of current maturities in our condensed consolidated balance sheets.

ROU assets represent our right to use an underlying asset for the lease term and lease liabilities represent our obligation to make lease payments arising from the lease. Operating lease ROU assets and liabilities are recognized at the commencement date based on the present value of lease payments over the lease term. As our leases do not provide an implicit rate, we use our incremental borrowing rate based on the information available at the commencement date in determining the present value of lease payments. Operating lease ROU assets also include any lease payments made and excludes lease incentives. Our lease terms may include options to extend or terminate the lease. For purposes of determining the lease term used in the measurement of operating lease ROU assets and operating lease liabilities, we include the noncancellable period of the lease together with those periods covered by the option to extend the lease if we are reasonably certain to exercise that option, the periods covered by an option to terminate the lease if we are reasonably certain not to exercise that option, and the periods covered by the option to extend (or to not terminate) the lease in which exercise of the option is controlled by the lessor. Lease expense is recognized on a straight-line basis over the lease term. Where we act as lessee, we elected not to separate lease and non-lease components.

The components of lease expense were as follows (in millions):

	Three Months Ended June 30,		Six Months Ended June 30,	
	2023	2022	2023	2022
Operating lease cost	\$ 15.7	\$ 14.7	\$ 31.5	\$ 29.0
Finance lease cost:				
Amortization of right-of-use assets	\$ 0.1	\$ 0.1	\$ 0.2	\$ 0.2
Interest on lease liabilities	0.2	0.2	0.4	0.4
Total finance lease cost	\$ 0.3	\$ 0.3	\$ 0.6	\$ 0.6

Operating lease cost includes original reduction in the carrying amount of ROU assets, the impact of remeasurements, modifications, impairments and abandonments.

Our short-term leases are expensed as incurred, reflecting leases with a lease term of one year or less, and are not significant for the three and six months ended June 30, 2023 and 2022. Operating lease variable cost is primarily comprised of reimbursed actual common area maintenance, property taxes and insurance, which are immaterial for the three and six months ended June 30, 2023 and 2022.

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

	Three Months Ended June 30,		Six Months Ended June 30,	
	2023	2022	2023	2022
Cash paid for amounts included in the measurement of lease liabilities:				
Operating cash flows from operating leases	\$ 9.8	\$ 9.1	\$ 19.8	\$ 18.6
Operating cash flows from finance leases	\$ 0.2	\$ 0.2	\$ 0.4	\$ 0.4
Financing cash flows from finance leases	\$ 0.1	\$ 0.1	\$ 0.2	\$ 0.2
Right-of-use assets obtained in exchange for new lease obligations:				
Operating leases	\$ 10.1	\$ 1.6	\$ 12.3	\$ 7.1

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

	June 30, 2023	December 31, 2022
<i>Operating Leases</i>		
Operating lease right-of-use assets	\$ 173.9	\$ 181.0
Current operating lease liabilities	\$ 36.5	\$ 36.3
Operating lease liabilities	146.8	153.6
Total operating lease liabilities	\$ 183.3	\$ 189.9

Finance leases are included in Property, plant and equipment, Current maturities of long-term debt, and Long-term debt and notes payable, net of current maturities (in millions):

	June 30, 2023	December 31, 2022
<i>Finance Leases</i>		
Property, plant and equipment, gross	\$ 11.9	\$ 11.9
Less: accumulated depreciation and amortization	(5.7)	(5.5)
Property, plant and equipment, net	\$ 6.2	\$ 6.4
Current maturities of long-term debt and notes payable	\$ 0.5	\$ 0.5
Long-term debt, net of current maturities	9.9	10.1
Total finance lease liabilities	\$ 10.4	\$ 10.6
	June 30, 2023	December 31, 2022
<i>Weighted Average Remaining Lease Term</i>		
Operating leases - in years	7	7
Finance leases - in years	14	15
<i>Weighted Average Discount Rate</i>		
Operating leases	3.2 %	3.0 %
Finance leases	6.4 %	6.3 %

Maturities of lease liabilities were as follows (in millions):

Year Ending December 31,	Operating Leases	Finance Leases
2023 (excluding the six months ended June 30, 2023)	\$ 21.0	\$ 0.6
2024	39.2	1.2
2025	35.8	1.1
2026	27.8	1.1
2027	21.9	1.1
Thereafter	60.4	11.9
Total lease payments	206.1	17.0
Less imputed interest	(22.8)	(6.6)
Total	\$ 183.3	\$ 10.4

The value of our operating lease portfolio is principally for facilities with longer durations than the lesser value vehicles, and other equipment with shorter terms and higher turn-over.

As of June 30, 2023, operating leases that have not commenced are not material.

15. SUBSEQUENT EVENTS

On July 20, 2023, the Company announced that the board of directors authorized a new share repurchase program (“New Share Repurchase Program”) granting the Company authority to repurchase, on a discretionary basis, up to \$500 million of the outstanding shares of the Company’s common stock. Repurchases may be made at management’s discretion from time to time on the open market or through privately negotiated transactions. The New Share Repurchase Program has no time limit and may be suspended for periods or discontinued at any time. Any shares acquired will be available for general corporate purposes, including supporting employee stock plans, funding acquisitions and minimizing dilution from stock issuances. The Company previously announced on June 5,

2023 that it had completed the repurchase of the aggregate of \$650 million of stock authorized under the prior share repurchase program approved by the Company's board of directors in November 2017, July 2020, and July 2022 ("Prior Share Repurchase Program".) The New Share Repurchase Program supersedes the Company's Prior Share Repurchase Program.

Item 2. Management's Discussion and Analysis of Financial Condition and Results of Operations

This discussion should be read in conjunction with the information contained in both our consolidated financial statements for the year ended December 31, 2022 and the condensed consolidated financial statements for the three and six months ended June 30, 2023.

Overview. We are a multinational manufacturer and worldwide distributor of our own life science research and clinical diagnostics products. Our business is organized into two reportable segments, Life Science and Clinical Diagnostics, with the mission to provide scientists with specialized tools needed for biological research and health care specialists with products needed for clinical diagnostics.

We sell more than 12,000 products and services to a diverse client base comprised of scientific research, healthcare, education and government customers worldwide. We do not disclose quantitative information about our different products and services as it is impractical to do so based primarily on the numerous products and services that we sell and the global markets that we serve.

We manufacture and supply our customers with a range of reagents, apparatus and equipment to separate complex chemical and biological materials and to identify, analyze and purify components. As our customers require standardization for their experiments and test results, much of our revenues are recurring in nature.

We are impacted by the support of many governments for both research and healthcare. The current global economic outlook is still uncertain as the need to control government social spending by many governments limits opportunities for growth. Approximately 43% of our year-to-date 2023 consolidated net sales are derived from the United States and approximately 57% are derived from international locations, with Europe being our largest international region. The international sales are largely denominated in local currencies such as the Euro, Swiss Franc, Japanese Yen, Chinese Yuan and British Sterling. As a result, our consolidated net sales expressed in dollars benefit when the U.S. dollar weakens and suffer when the dollar strengthens. When the U.S. dollar strengthens, we benefit from lower cost of sales from our own international manufacturing sites, and from lower international operating expenses. We regularly discuss our changes in revenue and expense categories in terms of both changing foreign exchange rates and in terms of a currency neutral basis, if notable, to explain the impact currency has on our results.

Results of Operations

The following table shows cost of goods sold, gross profit, components of operating expense, losses from change in fair market value of equity securities and loan receivable, and net loss as a percentage of net sales:

	Three Months Ended June 30,		Six Months Ended June 30,	
	2023	2022	2023	2022
Net sales	100.0 %	100.0 %	100.0 %	100.0 %
Cost of goods sold	46.8	42.8	46.6	42.7
Gross profit	53.2	57.2	53.4	57.3
Selling, general and administrative expense	30.5	30.1	31.9	29.1
Research and development expense	9.5	9.3	10.3	8.9
Losses from change in fair market value of equity securities and loan receivable	234.2	193.6	118.8	422.9
Net loss	(170.6)	(133.9)	(80.5)	(308.6)

Critical Accounting Policies and Estimates

An accounting policy is deemed to be critical if it requires an accounting estimate to be made based on assumptions about matters that are highly uncertain at the time the estimate is made, if different estimates reasonably could have been used, or if changes in the estimate that are reasonably likely to occur could materially impact the financial statements. Management believes that there have been no significant changes during the three and six months ended June 30, 2023 to the items that we disclosed as our critical accounting policies and estimates in Management's Discussion and Analysis of Financial Condition and Results of Operations in our Annual Report on Form 10-K for the fiscal year ended December 31, 2022.

There have been no substantial changes in our significant accounting policies during the three and six months ended June 30, 2023, compared with the significant accounting policies described in our Annual Report on Form 10-K for the year ended December 31, 2022.

Three Months Ended June 30, 2023 Compared to
Three Months Ended June 30, 2022

Results of Operations -- Sales, Margins and Expenses

Percentage sales growth in currency neutral amounts are calculated by translating prior period sales in each local currency using the current period monthly average foreign exchange rates for that currency and comparing that to current period sales.

Net sales (sales) for the second quarter of 2023 were \$681.1 million compared to \$691.1 million in the second quarter of 2022, a decrease of 1.4%. COVID-related sales were approximately \$0.4 million in the second quarter of 2023 compared to approximately \$33.2 million in the second quarter of 2022. Excluding the impact of foreign currency, second quarter 2023 sales decreased by approximately 0.3% compared to the same period in 2022. Currency neutral sales decreased in Asia Pacific and EMEA, partially offset by increased sales in the Americas. Excluding COVID-related sales, sales increased 4.6% on a currency neutral basis from the second quarter of 2022.

The Life Science segment sales for the second quarter of 2023 were \$300.2 million, a decrease of 6.9% compared to the same period last year. On a currency neutral basis, sales decreased 5.8% compared to the second quarter in 2022. Currency neutral sales decreased in both Asia Pacific and EMEA, partially offset by increased sales in the Americas. COVID-related sales were \$0.3 million in the second quarter of 2023 compared to approximately \$32.2 million in the second quarter of 2022. Excluding COVID-related sales, sales increased 4.5% on a currency neutral basis driven by increased sales of Droplet Digital PCR and qPCR products as well as \$6.0 million of revenue from a one-time licensing fee associated with a cross-license agreement, partially offset by lower process chromatography sales.

The Clinical Diagnostics segment sales for the second quarter of 2023 were \$380.1 million, an increase of 3.3% compared to the same period last year. On a currency neutral basis, sales increased 4.6% compared to the second quarter in 2022. Currency neutral sales increased primarily in the Asia Pacific region. COVID-related sales were \$0.1 million in the second quarter of 2023 compared to approximately \$1.0 million in the second quarter of 2022. Excluding COVID-related sales, sales increased 4.8% on a currency neutral basis. The currency neutral sales increase was primarily driven by an increased demand for our quality controls and diagnostic testing systems, primarily diabetes and blood typing.

Consolidated gross margins were 53.2% for the second quarter of 2023 compared to 57.2% for the second quarter of 2022. Gross margins for the Life Science segment and the Clinical Diagnostics segment for the second quarter of 2023 decreased by approximately 5.2 percentage points and 2.9 percentage points, respectively, from the same period last year. The decrease in gross margins was primarily driven by product mix, higher material and logistics cost, as well as inventory reserves.

Selling, general and administrative (SG&A) expenses were essentially flat at \$207.8 million or 30.5% and 30.1% of sales for the second quarter of 2023 and 2022, respectively. SG&A expenses in the second quarter of 2023 compared to the prior year period reflected increased restructuring costs, partially offset by lower employee-related expenses.

Research and development (R&D) expenses remained relatively consistent at \$65.0 million or 9.5% of sales and \$64.3 million or 9.3% of sales in the second quarter of 2023 and 2022, respectively. R&D expenses in the second quarter of 2023 compared to the prior year period reflected increased restructuring costs, investments to complete strategic projects, and a \$2.3 million one-time licensing fee associated with a cross-license agreement, partially offset by lower employee-related expenses.

Results of Operations – Non-operating

Interest expense for the second quarter of 2023 and 2022 was \$12.3 million and \$10.7 million, respectively, an increase of \$1.6 million compared to the prior year period. Interest expense results primarily from our \$1.2 billion Senior Notes.

Foreign currency exchange (gains) and losses consist primarily of foreign currency transaction gains and losses on intercompany net receivables and payables and the change in fair value of our forward foreign exchange contracts used to manage our foreign currency exchange risk.

Foreign currency exchange gains, net were \$1.3 million for the second quarter of 2023 compared to foreign currency exchange losses, net of \$0.9 million for the second quarter of 2022. Gains and losses are primarily due to the estimating process inherent in the timing of product shipments and intercompany debt payments, market volatility, and the change in the fair value of our foreign exchange contracts.

Losses from change in fair market value of equity securities and loan receivable was a loss of \$1.60 billion and \$1.34 billion for the second quarter of 2023 and 2022, respectively. The change in the fair market value primarily resulted from the recognition of holding losses of \$1.58 billion in the second quarter of 2023 compared to holding losses of \$1.28 billion in the second quarter of 2022 on our position in Sartorius AG, partially offset by lower losses from the change in fair value of our loan receivable amounting to \$18 million and higher holding gains in the second quarter of 2023 compared to losses in the second quarter of 2022 from other equity and debt investment securities amounting to \$18 million.

Other income, net for the second quarter of 2023 was \$16.5 million compared to \$6.7 million for the second quarter of 2022. The difference of income, net of \$9.8 million was primarily attributable to an increase in interest and investment income on our investments as a result of cash invested from the \$1.2 billion Senior Notes issued in March 2022.

Our effective income tax rate was 22.5% and 24.2% for the second quarter of 2023 and 2022, respectively. The effective tax rate reported in both periods was primarily affected by an unrealized loss in equity securities. The difference in the rate is primarily driven by geographical mix of earnings.

Six Months Ended June 30, 2023 Compared to Six Months Ended June 30, 2022

Results of Operations -- Sales, Margins and Expenses

Percentage sales growth in currency neutral amounts are calculated by translating prior period sales in each local currency using the current period monthly average foreign exchange rates for that currency and comparing that to current period sales.

Net sales (sales) for the first half of 2023 were \$1.36 billion compared to \$1.39 billion in the first half of 2022, a decrease of 2.4%. COVID-related sales were approximately \$3.1 million in the first half of 2023 compared to approximately \$78.5 million reported in the first half of 2022. On a currency neutral basis, the first half of 2023 sales decreased by approximately 0.3% compared to the same period in 2022. Currency neutral sales decreased in both APAC and EMEA, partially offset by increased sales in the Americas. Excluding COVID-related sales, sales increased 5.4% on a currency neutral basis from the first half of 2022.

The Life Science segment sales for the first half of 2023 were \$623.8 million, a decrease of 6.8% compared to the same period last year. On a currency neutral basis, sales decreased 4.7% compared to the first half of 2022. The currency neutral sales decrease was mainly in EMEA and Asia Pacific, while the Americas saw currency neutral sales growth. COVID-related sales were \$2.6 million in the first half of 2023 compared to approximately \$76.4 million in the first half of 2022. Excluding COVID-related sales, sales increased 7.1% on a currency neutral basis driven by increased sales of Droplet Digital PCR products, partially offset by lower process chromatography sales.

The Clinical Diagnostics segment sales for the first half of 2023 were \$732.2 million, an increase of 1.8% compared to the same period last year. On a currency neutral basis, sales increased 3.7% compared to the first half of 2022. COVID-related sales were \$0.5 million in the first half of 2023 compared to approximately \$2.1 million in the first half of 2022. Excluding COVID-related sales, sales increased 4.0% on a currency neutral basis. The currency neutral sales increase was primarily driven by growth in Diabetes, Blood Typing, and Quality Controls products, especially in Asia Pacific and EMEA, despite supply chain constraints having an impact on instrument placements.

Consolidated gross margins were 53.4% for the first half of 2023 compared to 57.3% for the first half of 2022. Gross margins for the Life Science segment and the Clinical Diagnostics segment for the first half of 2023 decreased by approximately 5.4 percentage points and 2.5 percentage points respectively from the same period last year. The decrease in gross margins was primarily driven by product mix as well as increased production and transportation costs.

Selling, general and administrative (SG&A) expenses increased to \$433.4 million or 31.9% of sales for the first half of 2023 compared to \$404.5 million or 29.1% of sales for the first half of 2022. The increase to SG&A expenses was primarily driven by restructuring costs as well as higher marketing and travel expenses.

Research and development (R&D) expenses increased to \$140.0 million or 10.3% of sales in the first half of 2023 compared to \$123.9 million or 8.9% of sales in the first half of 2022. R&D expenses increased in the first half of 2023 compared to the prior year period, primarily from restructuring costs, continued investment in research and product development products and higher employee-related expenses.

Results of Operations – Non-operating

Interest expense for the first half of 2023 and 2022 was \$24.7 million and \$14.8 million, respectively, an increase of \$9.9 million compared to the prior year period. The increase was primarily due to the sale in March 2022 of the \$1.2 billion Senior Notes.

Foreign currency exchange (gains) and losses consist primarily of foreign currency transaction gains and losses on intercompany net receivables and payables and the change in fair value of our forward foreign exchange contracts used to manage our foreign currency exchange risk.

Foreign currency exchange gains, net were \$3.6 million and \$1.2 million for the first half of 2023 and 2022. Gains and losses are primarily due to the estimating process inherent in the timing of product shipments and intercompany debt payments, market volatility, and the change in the fair value of our foreign exchange contracts.

Losses from change in fair market value of equity securities and loan receivable was \$1.61 billion and \$5.88 billion for the first half of 2023 and 2022, respectively. The change in the fair market value primarily resulted from the recognition of lower holding losses of \$1.60 billion in the first half of 2023 compared to holding losses of \$5.73 billion in the first half of 2022 on our position in Sartorius AG. In addition, lower losses from the change in fair value of our loan receivable of \$24.0 million in first half of 2023 compared to holding losses of \$129.6 million in the first half of 2022 contributed to the change.

Other income, net for the first half of 2023 was \$66.9 million compared to \$39.3 million for the first half of 2022. The difference of income of \$27.6 million was primarily due to an increase in our interest and investment income primarily attributable to an increase in our investments as a result of cash invested from the \$1.2 billion Senior Notes issued in March 2022 and a \$3 million increase in the Sartorius AG dividends declared in 2023 compared to 2022.

Our effective income tax rate was 22.8% and 23.2% for the first half of 2023 and 2022, respectively. The effective tax rate reported in the first half of both 2023 and 2022 was primarily affected by an unrealized loss in equity securities. The difference in the rate is primarily driven by geographical mix of earnings.

Liquidity and Capital Resources

Bio-Rad operates and conducts business globally, primarily through subsidiary companies established in the markets in which we trade. Goods are manufactured in a small number of locations, and are then shipped to local distribution facilities around the world. Our product mix is diversified, and certain products compete largely on product efficacy, while others compete on price. Gross margins are generally sufficient to exceed normal operating costs, and funding for research and development of new products, as well as routine outflows for capital expenditures, interest and taxes. In addition to the annual positive cash flow from operating activities, additional liquidity is readily available via the sale of short-term investments and access to our \$200.0 million unsecured

revolving credit facility (Credit Agreement, as amended) that we entered into in April 2019, and to a lesser extent international lines of credit.

Borrowings under the Credit Agreement, as amended, are available on a revolving basis and can be used to make permitted acquisitions, for working capital and for other general corporate purposes. We had no outstanding borrowings under the 2019 Credit Agreement, as amended, as of June 30, 2023, however, \$0.2 million was utilized for domestic standby letters of credit that reduced our borrowing availability. As of June 30, 2023, our short-term investments include the net cash proceeds from the sale of Senior Notes of \$1.186 billion. Interest is payable semiannually in arrears on May 15 and September 15 of each year. Management believes that this availability, together with cash flow from operations, will be adequate to meet our current objectives for operations, research and development, capital additions for manufacturing and distribution, plant and equipment, information technology systems and acquisitions of reasonable proportion to our existing total available capital.

At June 30, 2023, we had available \$1.73 billion in cash, cash equivalents and short-term investments, of which approximately 10% was held in our foreign subsidiaries. The amount of funds held in the United States can fluctuate due to the timing of receipts and payments in the ordinary course of business and due to other reasons, such as acquisitions and borrowings. As part of our ongoing liquidity assessments, we regularly monitor the mix of domestic and foreign cash flows (both inflows and outflows).

It is generally our intention to repatriate certain foreign earnings to the extent that such repatriations are not restricted by local laws or accounting rules, and there are no substantial incremental costs.

Cash Flows from Operations

Net cash provided by operations was \$196.2 million compared to cash provided by operations of \$103.8 million for the six months ended June 30, 2023 and 2022, respectively. The increase in operating cash flows was primarily due to lower income tax paid, higher cash received from customers, lower cash paid to suppliers and to employees and higher dividends, partially offset by higher interest paid and payments from foreign exchange contracts.

Cash Flows from Investing Activities

Net cash used in investing activities was \$42.5 million and \$1,060.6 million for the six months ended June 30, 2023 and 2022, respectively. The decrease in investing activities was primarily due to the timing of our purchase, maturities and sale of marketable securities and investments as a result of the cash proceeds from the sale of Senior Notes issued in March 2022.

Cash Flows from Financing Activities

Net cash used in financing activities was \$198.4 million compared to cash provided by financing activities of \$1,069.0 million for the six months ended June 30, 2023, and 2022, respectively. This decrease in financing activities was primarily attributable to the sale in March 2022 of the Senior Notes which yielded net cash proceeds of \$1,186.2 million and higher payments for purchases of treasury stock.

Treasury Shares

During the second quarter of 2023, 17,428 shares of Class A treasury stock with an aggregate total cost of \$6.9 million were reissued to fulfill grants to employees under our restricted stock program and our Employee Stock Purchase Program. Upon reissuing the Class A treasury stock, a loss of \$44 thousand was incurred as they were reissued at a lower price than their average cost, which reduced Retained earnings, while \$2.1 million reduced Additional paid-in-capital.

During the second quarter of 2023, we repurchased 549,863 shares of Class A common stock for \$207.4 million under our Share Repurchase Program. We designated these repurchased shares as treasury stock. As of June 30,

2023, the Company has repurchased a total of \$650.0 million under the Share Repurchase Program, which completes the current level of authorized purchases under the Share Repurchase Program.

In July 2023, the board of directors authorized a new share repurchase program granting the Company authority to repurchase, on a discretionary basis, up to \$500 million of the outstanding shares of the Company's common stock.

During the second quarter of 2022, 11,609 shares of Class A treasury stock with an aggregate total cost of \$4.95 million were reissued to fulfill grants to employees under our restricted stock program and our Employee Stock Purchase Program. Upon reissuing the Class A treasury stock, a loss of \$13 thousand was incurred as they were reissued at a lower price than their average cost, which reduced Retained earnings, while \$0.7 million reduced Additional paid-in-capital.

During the second quarter of 2022, we repurchased 255,284 shares of Class A common stock for \$125.0 million under our Share Repurchase Program. We designated these repurchased shares as treasury stock. As of June 30, 2022, \$98.1 million remained available for repurchases under the Share Repurchase Program. In July 2022, the Board of Directors authorized increasing the amount available under the Share Repurchase Program to allow the Company to repurchase up to an additional \$200.0 million of stock.

Recent Accounting Pronouncements Adopted

See Note 1 to the condensed consolidated financial statements for recent accounting pronouncements adopted.

Item 3. Quantitative and Qualitative Disclosures about Market Risk

During the six months ended June 30, 2023, there have been no material changes from the disclosures about market risk provided in our Annual Report on Form 10-K for the year ended December 31, 2022.

Item 4. Controls and Procedures

Disclosure Controls and Procedures

We maintain "disclosure controls and procedures," as such term is defined in Rules 13a-15(e) and 15d-15(e) under the Securities Exchange Act of 1934, as amended ("Exchange Act"), that are designed to ensure that information required to be disclosed by us in reports that we file or submit under the Exchange Act is recorded, processed, summarized, and reported within the time periods specified in Securities and Exchange Commission rules and forms, and that such information is accumulated and communicated to our management, including our Chief Executive Officer ("CEO") and Chief Financial Officer ("CFO"), as appropriate, to allow for timely decisions regarding required disclosure. In designing and evaluating our disclosure controls and procedures, management recognized that disclosure controls and procedures, no matter how well conceived and operated, can provide only reasonable, not absolute, assurance that the objectives of the disclosure controls and procedures are met. Additionally, in designing disclosure controls and procedures, our management necessarily was required to apply its judgment in evaluating the cost-benefit relationship of possible disclosure controls and procedures. The design of any disclosure controls and procedures also is based in part upon certain assumptions about the likelihood of future events, and there can be no assurance that any design will succeed in achieving its stated goals under all potential future conditions.

Subject to the limitations noted above, our management, with the participation of our CEO and CFO, has evaluated the effectiveness of the design and operation of our disclosure controls and procedures as of the period covered by this Quarterly Report on Form 10-Q. Based on that evaluation, the CEO and CFO have concluded that, as of such date, our disclosure controls and procedures were effective to meet the objective for which they were designed and operate at the reasonable assurance level.

Changes to Internal Control Over Financial Reporting

We identified no changes in internal control over financial reporting that occurred during our quarter ended June 30, 2023 that have materially affected, or that are reasonably likely to materially affect, our internal control over financial reporting.

PART II – OTHER INFORMATION

Item 1. Legal Proceedings

See Note 12, “Legal Proceedings” in the Notes to the condensed consolidated financial statements of Part I, Item 1 of this Quarterly Report on Form 10-Q.

Item 1A. Risk Factors

In evaluating our business and whether to invest in any of our securities, you should carefully read the following risk factors in addition to the other information contained in this report. We believe that any of the following risks could have a material effect on our business, results of operations or financial condition, our industry or the trading price of our common stock. We operate in a continually changing business environment, and new risks and uncertainties emerge from time to time. We cannot predict these new risks and uncertainties, nor can we assess the extent to which any such new risks and uncertainties or the extent to which the risks and uncertainties set forth below may adversely affect our business, results of operations, financial condition, our industry, the value of our equity holdings, or the trading price of our common stock. Please carefully consider the following discussion of significant factors, events and uncertainties that make an investment in our securities risky and provide important information for the understanding of the “forward-looking” statements discussed this report. In addition to the effects of the COVID-19 pandemic and resulting global disruptions on our business and operations discussed in this report, additional or unforeseen effects from the COVID-19 pandemic and the global economic climate may give rise to or amplify many of these risks discussed below.

Business, Economic, Legal and Industry Risks

Pandemics or disease outbreaks, such as the COVID-19 pandemic, have affected and could materially adversely affect our business, operations, financial condition and results of operations.

The COVID-19 pandemic has had, and if conditions deteriorate again could again have, an adverse effect on the United States and global economies, as well as on aspects of our business, operations and financial condition and those of third parties on whom we rely.

During the height of the COVID-19 pandemic, we experienced increased demand for certain of our products used in fighting the COVID-19 pandemic and some decreases in product demand in certain of our other businesses. If conditions related to the pandemic were to deteriorate, we expect that parts of our business could again suffer negative impacts from the pandemic.

On the supply side, we are experiencing continued but moderating challenges with the supply of raw materials and components used in the production of our products. Challenges in ramping up new production facilities are contributing to a backlog of sales orders, some of which we consider to be significant, and some delays in certain new product development activities. Some of the backlog of sales orders has continued into 2023. We have experienced raw material cost increases as a result of the COVID-19 pandemic, which will likely continue. In addition, while logistics capacity constraints are improving, we continue to experience freight surcharges and expect these to continue at least for the near term. Some countries continue to impose measures that may restrict the movement of our goods.

Although the severity of the COVID-19 pandemic has been waning, it is difficult to predict the full extent of potential impacts the pandemic could have in the future on our business, operations and financial results, or on our customers, suppliers, logistics providers, or on the global economy.

A reduction or interruption in the supply of components and raw materials has adversely affected and could continue to adversely affect our manufacturing operations and related product sales.

The manufacture of our products requires the timely delivery of sufficient amounts of quality components and materials. We manufacture our products in numerous manufacturing facilities around the world. We acquire our components and materials from many suppliers in various countries. We work closely with our suppliers to ensure the continuity of supply, but we cannot guarantee these efforts will always be successful. Further, while we seek to diversify our sources of components and materials, in certain instances we acquire components and materials from a sole supplier. The COVID-19 pandemic created delays and shortages in the supply of components and raw materials. These shortages, along with challenges in ramping up new production facilities, have caused a backlog of sales orders, some of which we consider to be significant, and some delays in certain new product development activities. Some of the backlog of sales orders has continued into 2023. We have experienced raw material cost increases as a result of the COVID-19 pandemic, which will likely continue. In addition, due to the regulatory environment in which we operate, we may need to cease use of certain essential components and materials and be unable to quickly establish acceptable replacement sources for such components or materials. When our supply is reduced or interrupted or of poor quality, and we are unable to develop alternative sources for such supply, our ability to manufacture our products in a timely or cost-effective manner is adversely affected, which adversely affects our ability to sell our products. See also our risk factor regarding the COVID-19 pandemic above.

Our international operations expose us to additional costs and legal and regulatory risks, which could have a material adverse effect on our business, results of operations and financial condition.

We have significant international operations. We have direct distribution channels in over 35 countries outside the United States, and during the six months ended June 30, 2023 our foreign entities generated 57% of our net sales. Compliance with complex foreign and U.S. laws and regulations that apply to our international operations increases our cost of doing business. These numerous and sometimes conflicting laws and regulations include, among others, data privacy requirements, labor relations laws, tax laws, anti-competition regulations, import and trade restrictions, tariffs, duties, quotas and other trade barriers, export requirements, U.S. laws such as the Foreign Corrupt Practices Act ("FCPA") and other U.S. federal laws and regulations established by the office of Foreign Asset Control, foreign laws such as the UK Bribery Act 2010 or other foreign laws which prohibit corrupt payments to governmental officials or certain payments or remunerations to customers. In addition, changes in laws or regulations potentially could be disruptive to our operations and business relationships in the affected regions.

Given the high level of complexity of the foreign and U.S. laws and regulations that apply to our international operations, there is a risk that we may inadvertently breach some provisions, for example, through fraudulent or negligent behavior of individual employees, our failure to comply with certain formal documentation requirements, or otherwise. In addition, we operate in some countries in which the business environment is subject to a higher risk of corruption. Our success depends, in part, on our ability to anticipate these risks and manage these challenges through policies, procedures and internal controls. However, we have a dispersed international sales organization, and we use distributors and agents in many of our international operations. This structure makes it more difficult for us to ensure that our international selling operations comply with laws and regulations, and our global policies and procedures.

Violations of these laws and regulations could result in fines, criminal sanctions against us, our officers or our employees, requirements to obtain export licenses, cessation of business activities in sanctioned countries, implementation of compliance programs, and prohibitions on the conduct of our business. Violations of laws and regulations also could result in prohibitions on our ability to offer our products in one or more countries and could materially damage our reputation, our brand, our international expansion efforts, our ability to attract and retain employees, or our business, results of operations and financial condition. See also our risk factors regarding the COVID-19 pandemic above and regarding government regulations and global economic conditions below.

The industries and market segments in which we operate are highly competitive, and we may not be able to compete effectively.

The life science and clinical diagnostics markets are each highly competitive. Some of our competitors have greater financial resources than we do, making them better equipped to license technologies and intellectual property from third parties or to fund research and development, manufacturing and marketing efforts, or to source high-demand

materials and components. Moreover, competitive and regulatory conditions in many markets in which we operate restrict our ability to fully recover, through price increases, higher costs of acquired goods and services resulting from inflation and other drivers of cost increases. Many public tenders have become more competitive due to governments lengthening the commitments of their public tenders to multiple years, which reduce the number of tenders in which we can participate annually. Because the value of these multiple-year tenders is so high, our competitors have been more aggressive with their pricing. Our failure to compete effectively and/or pricing pressures resulting from competition could adversely affect our business, results of operations and financial condition.

We may not be able to grow our business because of our failure to develop new or improved products.

Our future growth depends in part on our ability to continue to improve our product offerings and develop and introduce new product lines and extensions that integrate technological advances. If we are unable to integrate technological advances into our product offerings or to design, develop, manufacture and market new product lines and extensions successfully and in a timely manner, our business, results of operations and financial condition will be adversely affected. The COVID-19 pandemic and supply chain disruptions have caused some delays to our ability to develop and introduce new products. We have experienced product launch delays in the past and may do so in the future. We cannot assure you that our product and process development efforts will be successful or that new products we introduce will achieve market acceptance. Failure to launch successful new products or improvements to existing products may cause our products to become obsolete, which could harm our business, results of operations and financial condition.

Breaches of our information systems could have a material adverse effect on our business and results of operations.

We have experienced and expect to continue to experience attempts by computer programmers and hackers to attack and penetrate our layered security controls, like the December 2019 Cyberattack that was previously discussed in Item 7 of our Annual Report for the period ended December 31, 2019. Through our sales and eCommerce channels, we collect and store confidential information that customers provide to, among other things, purchase products or services, enroll in promotional programs and register on our web site. We also acquire and retain information about suppliers and employees in the normal course of business. Such information on our systems includes personally identifiable information and, in limited instances, protected health information. We also create and maintain proprietary information that is critical to our business, such as our product designs and manufacturing processes. Despite recent initiatives to improve our technology systems, such as our enterprise resource planning implementation and the centralization of our global information technology organization, we could experience a significant data security breach. The Company is also subject to phishing and other fraud schemes including fraudulent vendor communications with requests for payments and fraudulent attempts to redirect payments to improper bank accounts, some of which have been successful. While the Company has adopted training and process changes to limit the success of such fraudulent activity, the Company will be unable to stop all such fraudulent activity which may lead to unrecoverable payments to criminal accounts. Increased use of remote work arrangements in response to the COVID-19 pandemic exposes us to additional risk of cyberattack and disruption. Because the techniques used to obtain unauthorized access, disable or degrade service, or sabotage systems change frequently and often are not recognized until launched against a target, we may not be able to anticipate all of these techniques or to implement adequate preventive measures. Computer hackers have attempted to penetrate and will likely continue to attempt to penetrate our and our vendors' information systems and, if successful, could misappropriate confidential customer, supplier, employee or other business information, such as our intellectual property. Third parties could also gain control of our systems and use them for criminal purposes while appearing to be us. As a result, we could lose existing customers, have difficulty attracting new customers, be exposed to claims from customers and suppliers, financial institutions, payment card associations, employees and other persons, have regulatory sanctions or penalties imposed, incur additional expenses or lose revenues as a result of a data privacy breach, or suffer other adverse consequences. Our operations and ability to process sales orders, particularly through our eCommerce channels, could also be disrupted, as they were in the December 2019 Cyberattack. Any significant breakdown, intrusion, interruption, corruption, or destruction of our systems, as well as any data breaches, could have a material adverse effect on our business and results of operations. See also our risk factors regarding our information technology systems and our enterprise resource planning system (ERP) implementation below.

If our information technology systems are disrupted, or if we fail to successfully implement, manage and integrate our information technology and reporting systems, our business, results of operations and financial condition could be harmed.

Our information technology (IT) systems are an integral part of our business, and a serious disruption of our IT systems (which increasingly include cloud-based systems provided by third party vendors) could have a material adverse effect on our business, results of operations and financial condition. We depend on our IT systems to process orders, manage inventory and collect accounts receivable. Our IT systems also allow us to efficiently purchase products from our suppliers and ship products to our customers on a timely basis, maintain cost-effective operations and provide customer service. We may experience disruption of our IT systems due to redundancy issues with our network servers. We cannot assure you that our contingency plans will allow us to operate at our current level of efficiency.

Our ability to implement our business plan in a rapidly evolving market requires effective planning, reporting and analytical processes. We expect that we will need to continue to improve and further integrate our IT systems, reporting systems and operating procedures by training and educating our employees with respect to these improvements and integrations on an ongoing basis in order to effectively run our business. We may suffer interruptions in service, loss of data or reduced functionality when we upgrade or change systems or migrate to cloud-based systems. If we fail to successfully manage and integrate our IT systems, reporting systems and operating procedures, it could adversely affect our business, results of operations and financial condition. See also our risk factors regarding our data security above and ERP implementation and events beyond our control below.

We are subject to foreign currency exchange fluctuations, which could have a material adverse effect on our results of operations and financial condition.

As stated above, a significant portion of our operations and sales are outside of the United States. When we make purchases and sales in currencies other than the U.S. dollars, we are exposed to fluctuations in foreign currencies relative to the U.S. dollar that may adversely affect our results of operations and financial condition. Our international sales are largely denominated in local currencies. As a result, the strengthening of the U.S. dollar negatively impacts our consolidated net sales expressed in U.S. dollars. Conversely, when the U.S. dollar weakens, our expenses at our international sites increase. In addition, the volatility of other currencies may negatively impact our operations outside of the United States and increase our costs to hedge against currency fluctuations. In addition, we hold investments and a loan receivable that are subject to foreign exchange fluctuations. We cannot assure you that future shifts in currency exchange rates will not have a material adverse effect on our results of operations and financial condition.

Changes in the market value of our position in Sartorius AG materially impact our financial results.

Changes in the market value of our position in Sartorius AG will continue to materially impact our consolidated statements of income and other financial statements. A decline in the market value of our position in Sartorius AG will result in losses due to write-downs in the value of the equity securities. An increase in the market value of our position in Sartorius AG will result in a favorable impact to net income independent of the actual operating performance of our business. Depending on the extent of the decline or of the increase in the market value of our position in Sartorius AG, these negative or positive impacts on us could be significant and material.

Our share price may change significantly based upon changes in the market value of our position in Sartorius AG, and such change is independent of the actual performance of our business. Additionally, non-operating income for a period may be significantly impacted by any distribution of dividends by Sartorius AG, particularly when the dividends amount varies in comparison to prior year periods.

The value of our position in Sartorius AG might cause us to be deemed an investment company under the Investment Company Act of 1940.

As a result of the market value of our position in Sartorius AG, we might be deemed to be an “investment company” under Section 3(a)(1)(C) of the Investment Company Act of 1940, as amended (the “Investment Company Act”) The Company does not believe it is an investment company primarily in reliance on Section 3(b)(1) of the

Investment Company Act because we are “primarily engaged” in a business other than that of investing, reinvesting, owning, holding or trading in securities. Rather, we are primarily engaged in the development, manufacturing and marketing of products for the life science research and clinical diagnostic markets, and we believe that our historical development, our public representations of policy, the activity of our officers and directors, the nature of our present assets, the sources of our present income, and the public perception of the nature of our business all support the conclusion that we are an operating company and not an investment company. Although we have discussed this issue with the staff of the SEC and we are comfortable with our position, if it is determined later that the Company may not rely on Section 3(b)(1) or any other exemption under the Investment Company Act and the Company were deemed to be an unregistered investment company, such determination would have a material adverse effect on our business as we would need to register as an investment company and be subject to the regulations of the Investment Company Act which are designed to restrict and regulate mutual funds rather than operating companies. It could also call into question the validity of all contracts to which the Company is a party. If it appeared likely that we would be deemed to be an investment company, we may modify our position in Sartorius AG in order to avoid such determination.

We may incur losses in future periods due to write-downs in the value of financial instruments.

We have positions in a variety of financial instruments including asset backed securities and other similar instruments. Financial markets are volatile and the markets for these securities can be illiquid. The value of these securities will continue to be impacted by external market factors including default rates, changes in the value of the underlying property, such as residential or commercial real estate, rating agency actions, the prices at which observable market transactions occur and the financial strength of various entities, such as financial guarantors who provide insurance for the securities. Should we need to convert these positions to cash, we may not be able to sell these instruments without significant losses due to current debtor financial conditions, low trading volume of the securities, or other market considerations.

As discussed further in the Notes to Condensed Consolidated Financial Statements, in Note 2. Fair Value Measurements, under the heading “Level 3 Fair Value Investments”, we made a loan of 400 million Euros to Sartorius-Herbst Beteiligungen II GmbH in November 2021 that is secured by the pledge of certain trust interests which upon termination of the trust represent the right to receive Sartorius ordinary shares (the “Loan”). Prior to a termination of the trust, the trust interests, which are provided as collateral for the Loan, are not tradable on the capital markets and may, in case of an enforcement, have to be sold with a significant discount to the value of the underlying shares.

We also have positions in equity securities, including our position in Sartorius AG. Financial markets are volatile and the markets for these equity securities can be illiquid as well. A decline in the market value of our investments in equity securities could result in significant losses due to write-downs in the value of the equity securities. Also, if we need to convert these positions to cash, we may not be able to sell these equity securities without significant losses. In addition, a significant decline in the value of the Sartorius ordinary shares would reduce the value of the collateral for the Loan discussed in the previous paragraph, and in such circumstances the value of the collateral may be insufficient to cover the repayment of the Loan, and Sartorius-Herbst Beteiligungen II GmbH will likely have no other assets from which to repay the Loan. Furthermore, the change in the market value of Sartorius ordinary shares will have an impact on the value appreciation rights acquired in connection with the Loan discussed in the previous paragraph.

We may experience difficulties implementing our new global enterprise resource planning system.

We are engaged in a multi-year implementation of a new global enterprise resource planning system (ERP). The ERP is designed to efficiently maintain our books and records and provide information important to the operation of our business to our management team. The ERP will continue to require significant investment of human and financial resources. In implementing the ERP, we may experience significant delays, increased costs and other difficulties, as we already have with some of our earlier deployments. Any significant disruption or deficiency in the design and implementation of the ERP could adversely affect our ability to process orders, ship product, send invoices and track payments, fulfill contractual obligations or otherwise operate our business. We expect to implement the remaining smaller phases of the ERP platform over the next few years. In addition, our efforts to centralize various business processes and functions within our organization in connection with our ERP implementation may continue to disrupt our operations and negatively impact our business, results of operations and financial condition.

Recent and planned changes to our organizational structure could negatively impact our business.

We made significant changes to our organizational structure over the past few years, including the reorganization of aspects of our European operations that was announced in February 2021. These changes may have unintended consequences, such as distraction of our management and employees, labor unrest, business disruption, disruption of supply, attrition of our workforce, inability to attract or retain key employees, and reduced employee morale or productivity.

Risks relating to intellectual property rights may negatively impact our business.

We rely on a combination of copyright, trade secret, patent and trademark laws and third-party nondisclosure agreements to protect our intellectual property rights and products. However, we cannot assure you that our intellectual property rights will not be challenged, invalidated, circumvented or rendered unenforceable, or that meaningful protection or adequate remedies will be available to us. For instance, unauthorized third parties have attempted to copy our intellectual property, reverse engineer or obtain and use information that we regard as proprietary, or have developed equivalent technologies independently, and may do so in the future. Additionally, third parties have asserted patent, copyright and other intellectual property rights to technologies that are important to us and may do so in the future. If we are unable to license or otherwise access protected technology used in our products, or if we lose our rights under any existing licenses, we could be prohibited from manufacturing and marketing such products. From time to time, we also must enforce our patents or other intellectual property rights or defend ourselves against claimed infringement of the rights of others through litigation. As a result, we could incur substantial costs, be forced to redesign our products, or be required to pay damages or royalties to an infringed party. Any of the foregoing matters could adversely impact our business, results of operations and financial condition.

Global economic and geopolitical conditions could adversely affect our operations.

In recent years, we have been faced with very challenging global economic conditions. The COVID-19 pandemic, as discussed above, has caused disruptions to global economic conditions. Russia's invasion of Ukraine and sanctions against Russia also are causing disruptions to global economic conditions and are negatively impacting our business in Russia. It is unknown how long such disruptions will continue and whether such disruptions will become more severe. In addition, the bank failures in March 2023 and the resulting volatility in the banking sector could cause disruptions to global economic conditions and may impact access to cash and other financial resources by our customers and suppliers. A deterioration in the global economic environment may result in a decrease in demand for our products, increased competition, downward pressure on the prices for our products and longer sales cycles. A weakening of macroeconomic conditions is also adversely affecting our suppliers, which could continue to result in interruptions in the supply of the components and raw materials necessary for our products and raw material cost increases. Additionally, the United States and other countries, such as China and India, recently have imposed tariffs on certain goods. While tariffs imposed by other countries on U.S. goods have not yet had a significant impact on our business, further escalation of tariffs or other trade barriers could adversely impact our profitability and/or our competitiveness. See also our risk factors regarding the COVID-19 pandemic and our international operations above and regarding government regulations below.

Reductions in government funding and the capital spending programs of our customers could have a material adverse effect on our business, results of operations or financial condition.

Our customers include universities, clinical diagnostics laboratories, government agencies, hospitals and pharmaceutical, biotechnology and chemical companies. The capital spending programs of these institutions and companies have a significant effect on the demand for our products. Such programs are based on a wide variety of factors, including the resources available to make such purchases, the availability of funding from grants by governments or government agencies, the spending priorities for various types of equipment and the policies regarding capital expenditures during industry downturns or recessionary periods. If funding to our customers were to decrease, or if our customers were to decrease or reallocate their budgets in a manner adverse to us, our business, results of operations or financial condition could be materially and adversely affected.

Changes in the healthcare industry could have an adverse effect on our business, results of operations and financial condition.

There have been, and will continue to be, significant changes in the healthcare industry in an effort to reduce costs. These changes include:

- The trend towards managed care, together with healthcare reform of the delivery system in the United States and efforts to reform in Europe, has resulted in increased pressure on healthcare providers and other participants in the healthcare industry to reduce selling prices. Consolidation among healthcare providers and consolidation among other participants in the healthcare industry has resulted in fewer, more powerful groups, whose purchasing power gives them cost containment leverage. In particular, there has been a consolidation of laboratories and a consolidation of blood transfusion centers. These industry trends and competitive forces place constraints on the levels of overall pricing and thus could have a material adverse effect on our gross margins for products we sell in clinical diagnostic markets.
- Third party payors, such as Medicare and Medicaid in the United States, have reduced their reimbursements for certain medical products and services. Our Clinical Diagnostics business is impacted by the level of reimbursement available for clinical tests from third party payors. In the United States payment for many diagnostic tests furnished to Medicare fee-for-service beneficiaries is made based on the Medicare Clinical Laboratory Fee Schedule (CLFS), a fee schedule established and adjusted from time to time by the Centers for Medicare and Medicaid Services (CMS). Some commercial payors are guided by the CLFS in establishing their reimbursement rates. Laboratories and clinicians may decide not to order or perform certain clinical diagnostic tests if third party payments are inadequate, and we cannot predict whether third party payors will offer adequate reimbursement for tests utilizing our products to make them commercially attractive. Legislation, such as the Patient Protection and Affordable Care Act, as amended by the Health Care and Education Reconciliation Act (PPACA) and the Middle Class Tax Relief and Job Creation Act of 2012, has reduced the payments for clinical laboratory services paid under the CLFS. In addition, the Protecting Access to Medicare Act of 2014 (PAMA) has made significant changes to the way Medicare will pay for clinical laboratory services, which has further reduced reimbursement rates.

To the extent that the healthcare industry seeks to address the need to contain costs stemming from reform measures such as those contained in the PPACA and the PAMA, or in future legislation, by limiting the number of clinical tests being performed or the amount of reimbursement available for such tests, our business, results of operations and financial condition could be adversely affected. If these changes in the healthcare markets in the United States and Europe continue, we could be forced to alter our approach in selling, marketing, distributing and servicing our products.

We are subject to substantial government regulation, and any changes in regulation or violations of regulations by us could adversely affect our business, prospects, results of operations or financial condition.

Some of our products (primarily our Clinical Diagnostic products), production processes and marketing are subject to U.S. federal, state and local, and foreign regulation, including by the FDA in the United States and its foreign counterparts. The FDA regulates our Clinical Diagnostic products as medical devices, and we are subject to significant regulatory clearances or approvals to market our Clinical Diagnostic products and other requirements including, for example, recordkeeping and reporting requirements, such as the FDA's medical device reporting regulations and reporting of corrections and removals. The FDA has broad regulatory and enforcement powers. If the FDA determines that we have failed to comply with applicable regulatory requirements, it can impose a variety of enforcement actions ranging from public warning letters, fines, injunctions, consent decrees and civil penalties to suspension or delayed issuance of approvals, seizure or recall of our products, total or partial shutdown of production, withdrawal of approvals or clearances already granted, and criminal prosecution.

The FDA can also require us to repair, replace or refund the cost of devices that we manufactured or distributed. In addition, the FDA may change its clearance and approval policies, adopt additional regulations or revise existing regulations, or take other actions, which may prevent or delay approval or clearance of our products or impact our ability to modify our currently approved or cleared products on a timely basis. Any delay in, or failure to receive or

maintain, clearance or approval for our products or changes in regulation could prevent us from generating revenue from these products and adversely affect our business operations and financial results. Additionally, the FDA and other regulatory authorities have broad enforcement powers. Regulatory enforcement or inquiries, or other increased scrutiny on us, could affect the perceived safety and efficacy of our products and dissuade our customers from using our products.

Many foreign governments have similar rules and regulations regarding the importation, registration, labeling, sale and use of our products. Such agencies may also impose new requirements that may require us to modify or re-register products already on the market or otherwise impact our ability to market our products in those countries. For example, the EU in-vitro Diagnostics Regulation (the “EU IVDR”) includes broad changes regarding in vitro diagnostic devices and medical devices. The implementation date for the EU IVDR was May 2022, though the EU Council and Parliament signed an amendment that delays certain previously mandated deadlines to allow more time for Notified Body to manage the entire portfolio of IVD products on the European market. The EU IVDR requires us to modify or re-register some products and will result in additional costs. Failure to meet these requirements could adversely impact our business in the EU and other regions that tie their product registrations to the EU requirements. In addition, Russia has enacted more stringent medical product registration and labeling regulations, China has enacted stricter labeling requirements, and we expect other countries, such as Brazil and India, to impose more regulations that impact our product registrations. The United Kingdom's withdrawal from the European Union is resulting in additional regulatory requirements associated with goods manufactured and sold in the United Kingdom and additional complexities and delays with respect to goods, raw materials and personnel moving between the United Kingdom and the European Union. In addition, new government administrations may interpret existing regulations or practices differently. Due to these evolving and diverse requirements, we face uncertain product approval timelines, additional time and effort to comply, as well as the potential for reduced sales and/or fines for noncompliance. Increasing protectionism in such countries also impedes our ability to compete with local companies. For example, we may not be able to participate in certain public tenders in Russia because of increasing measures to restrict access to such tenders for companies without local manufacturing capabilities. Certain tenders in China and India also are including local manufacturing preferences or requirements. Such regulations could adversely affect our business, results of operations and financial condition. See also our risk factors regarding our international operations and regarding global economic and geopolitical conditions above.

We are also subject to government regulation of the use and handling of a number of materials and controlled substances. The U.S. Drug Enforcement Administration establishes registration, security, recordkeeping, reporting, storage, distribution and other requirements for controlled substances pursuant to the Controlled Substances Act of 1970. Failure to comply with present or future laws and regulations could result in substantial liability to us, suspension or cessation of our operations, restrictions on our ability to expand at our present locations or require us to make significant capital expenditures or incur other significant expenses.

We cannot assure you that we will be able to integrate acquired companies, products or technologies into our company successfully, or we may not be able to realize the anticipated benefits from the acquisitions.

As part of our overall business strategy, we pursue acquisitions of and investments in complementary companies, products and technologies. The benefits of any acquisition or investment may prove to be less than anticipated and may not outweigh the costs reported in our financial statements. Completing any potential future acquisitions could cause significant diversion of our management’s time and resources. If we acquire or invest in new companies, products or technologies, we may be required to assume contingent liabilities or record impairment charges for goodwill and other intangible assets over time. Goodwill and non-amortizable intangible assets are subject to impairment testing, and potential periodic goodwill impairment charges, amortization expenses related to certain intangible assets, and other write-offs could harm our operating results. Impairment tests are highly sensitive to changes in assumptions and minor changes to assumptions could result in impairment losses. If the results forecast in our impairment tests are not achieved, or business trends vary from the assumptions used in forecasts, or external factors change detrimentally, future impairment losses may occur, as they have occurred in the past. Increased antitrust enforcement and greater government scrutiny of mergers in the healthcare sector may impact our ability to consummate acquisitions. We cannot assure you that we will successfully overcome these risks or any other problems we encounter in connection with any acquisitions or investments, and any such acquisitions or investments could adversely affect our business, results of operations and financial condition.

Product quality and liability issues could harm our reputation and negatively impact our business, results of operations and financial condition.

We must adequately address quality issues associated with our products, including defects in our engineering, design and manufacturing processes, as well as defects in third-party components included in our products. Our instruments, reagents and consumables are complex, and identifying the root cause of quality issues, especially those affecting reagents or third-party components, is difficult. We may incur significant costs and expend substantial time in researching and remediating such issues. Quality issues could also delay our launching or manufacturing of new products. In addition, quality issues, unapproved uses of our products, or inadequate disclosure of risks related to our products, could result in product recalls or product liability or other claims being brought against us. In responding to shortages, we may source components from alternative suppliers and distributors. Quality issues associated with components from these alternative sources may lead to product failures and associated costs notwithstanding our efforts to detect and remediate such quality issues. These issues could harm our reputation, impair our relationship with existing customers and harm our ability to attract new customers, which could negatively impact our business, results of operations and financial condition.

Lack of key personnel could hurt our business.

Our products are very technical in nature, and we operate in a complex and competitive business environment. In general, only highly qualified and well-trained scientists have the necessary skills to develop, market and sell our products, and many of our manufacturing positions require very specialized knowledge and skills. In addition, the global nature of our business also requires that we have sophisticated and experienced staff to comply with increasingly complex international laws and regulations. We face intense competition for these professionals from our competitors, customers, marketing partners and other companies throughout our industry. In particular, the job market in Northern California, where many of our employees are located, is very competitive. If we do not offer competitive compensation and benefits, we may fail to retain or attract a sufficient number of qualified personnel, which could impair our ability to properly run our business.

We may have higher than anticipated tax liabilities.

We are subject to income taxes in the United States and many foreign jurisdictions. We report our results of operations based on our determination of the amount of taxes owed in various tax jurisdictions in which we operate. The determination of our worldwide provision for income taxes and other tax liabilities requires estimation, judgment and calculations where the ultimate tax determination may not be certain. Our determination of our tax liabilities is subject to review or examination by tax authorities in various tax jurisdictions. Tax authorities have disagreed with our judgment in the past and may disagree with positions we take in the future resulting in assessments of additional taxes. Any adverse outcome of such review or examination could have a negative impact on our operating results and financial condition.

Economic and political pressures to increase tax revenues in various jurisdictions may make resolving tax disputes more difficult. For example, in recent years, the tax authorities in Europe have disagreed with our tax positions related to hybrid debt, research and development credits, transfer pricing and indirect taxes, among others. We regularly assess the likelihood of the outcome resulting from these examinations to determine the adequacy of our provision for income taxes. Although we believe our tax estimates are reasonable, the final determination of tax audits and any related litigation could be materially different from our historical income tax provisions and accruals.

Changes in tax laws or rates, changes in the interpretation of tax laws or changes in the jurisdictional mix of our earnings could adversely affect our financial position and results of operations.

On December 22, 2017, the U.S. enacted comprehensive tax legislation commonly referred to as the Tax Cuts and Jobs Act (the “Tax Act”) which made a number of substantial changes to how the United States imposes income tax on multinational corporations. The U.S. Treasury, Internal Revenue Service and other standard setting bodies continue to issue guidance and interpretation relating to the Tax Act. As future guidance is issued, we may make adjustments to amounts previously reported that could materially impact our financial statements.

On August 16, 2022, President Biden signed into law the Inflation Reduction Act of 2022, which includes an Alternative Minimum Tax based on the Adjusted Financial Statement Income of Applicable Corporations. Based on our initial evaluation, we do not believe the Inflation Reduction Act will have a material impact on our income tax provision and cash taxes. However, future U.S. Department of the Treasury guidance and regulations could result in changes in this initial conclusion.

The Biden Administration released its 2024 budget recommendations to Congress on March 9, 2023. The administration's budget includes significant corporate tax increases over a 10-year period. If enacted, the provision could have a significant impact on Bio-Rad's income tax provision. We will continue to monitor the proposed legislation and report the impact if the legislation is enacted.

The tax effect of our position in Sartorius AG and the jurisdictional mix of our earnings could continue to materially affect our financial results and cash flow. In addition, the adoption of some or all of the recommendations set forth in the Organization for Economic Co-operation and Development's project on "Base Erosion and Profit Shifting" (BEPS) by tax authorities in the countries in which we operate, could negatively impact our effective tax rate. These recommendations focus on payments from affiliates in high tax jurisdictions to affiliates in lower tax jurisdictions and the activities that give rise to a taxable presence in a particular country.

Environmental, health and safety regulations and enforcement proceedings may negatively impact our business, results of operations and financial condition.

Our operations are subject to federal, state, local and foreign environmental laws and regulations that govern such activities as transportation of goods, materials that we use in our products, emissions to air and discharges to water, as well as handling and disposal practices for solid, hazardous and medical wastes. In addition to environmental laws that regulate our operations, we are also subject to environmental laws and regulations that create liability and clean-up responsibility for spills, disposals or other releases of hazardous substances into the environment as a result of our operations or otherwise impacting real property that we own or operate. The environmental laws and regulations also subject us to claims by third parties for damages resulting from any spills, disposals or releases resulting from our operations or at any of our properties. We must also comply with various health and safety regulations in the United States and abroad in connection with our operations.

We may in the future incur capital and operating costs to comply with currently existing laws and regulations, and possible new statutory enactments, and these expenditures may be significant. We have incurred, and may in the future incur, fines related to environmental matters and/or liability for costs or damages related to spills or other releases of hazardous substances into the environment at sites where we have operated, or at off-site locations where we have sent hazardous substances for disposal. We cannot assure you, however, that such matters or any future obligations to comply with environmental or health and safety laws and regulations will not adversely affect our business, results of operations or financial condition.

Our current and future debt and related covenants may restrict our future operations.

We have substantial debt and have the ability to incur additional debt. As of June 30, 2023, we had approximately \$1,198.4 million of outstanding long-term indebtedness, primarily consisting of the 3.300% Senior Notes due in March 2027 and the 3.700% Senior Notes due in March 2032 as further discussed in Note 6 of the condensed consolidated financial statements. In addition, we have a revolving credit facility that provides for up to \$200.0 million in borrowing capacity, \$0.2 million of which has been utilized for domestic standby letters of credit. Our incurrence of substantial amounts of debt may have important consequences. For instance, it could:

- make it more difficult for us to satisfy our financial obligations, including those relating to our outstanding debt;
- require us to dedicate a substantial portion of our cash flow from operations to the payment of interest and principal due under our debt, which will reduce funds available for other business purposes;
- increase our vulnerability to general adverse economic and industry conditions;
- limit our flexibility in planning for, or reacting to, changes in our business and the industries in which we operate;
- place us at a competitive disadvantage compared with some of our competitors that have less debt; and

- limit our ability to obtain additional financing required to fund working capital and capital expenditures and for other general corporate purposes.

Our existing credit facility, our Senior Notes and agreements we may enter in the future, contain or may contain covenants imposing restrictions on our business. These restrictions may affect our ability to operate our business and may limit our ability to take advantage of potential business opportunities as they arise. Existing covenants place restrictions on our ability to, among other things: incur additional debt; acquire other businesses or assets through merger or purchase; create liens; make investments; enter into transactions with affiliates; sell assets; in the case of some of our subsidiaries, guarantee debt; and declare or pay dividends, redeem stock or make other distributions to stockholders. Our existing credit facility also requires that we comply with certain financial ratios, including a maximum consolidated leverage ratio test and a minimum consolidated interest coverage ratio test. Our ability to comply with these covenants may be affected by events beyond our control, including prevailing economic, financial and industry conditions. The breach of any of these restrictions could result in a default. An event of default under our debt agreements would permit some of our lenders to declare all amounts borrowed from them to be due and payable, together with accrued and unpaid interest. In addition, acceleration of our other indebtedness may cause us to be unable to make interest payments on our outstanding notes and repay the principal amount of our outstanding notes.

We are subject to healthcare laws and regulations and could face substantial penalties if we are unable to fully comply with such laws.

We are subject to healthcare regulation and enforcement by both the U.S. federal government and the U.S. states and foreign governments in which we conduct our business. These healthcare laws and regulations include, for example:

- the U.S. federal Anti-Kickback Statute, which prohibits, among other things, persons or entities from soliciting, receiving, offering or providing remuneration, directly or indirectly, in return for or to induce either the referral of an individual for, or the purchase order or recommendation of, any item or services for which payment may be made under a federal healthcare program such as the Medicare and Medicaid programs;
- U.S. federal false claims laws, which prohibit, among other things, individuals or entities from knowingly presenting, or causing to be presented, claims for payment from Medicare, Medicaid, or other third-party payors that are false or fraudulent. In addition, the U.S. federal government may assert that a claim including items or services resulting from a violation of the federal Anti-Kickback Statute constitutes a false or fraudulent claim for purposes of the false claims statutes;
- the U.S. Physician Payment Sunshine Act, which requires certain manufacturers of drugs, biologics, devices and medical supplies to record any transfers of value to U.S. physicians and U.S. teaching hospitals;
- the Health Insurance Portability and Accountability Act ("HIPAA"), as amended by the Health Information Technology for Economic and Clinical Health Act, which governs the conduct of certain electronic healthcare transactions and protects the security and privacy of protected health information; and
- state or foreign law equivalents of each of the U.S. federal laws above, such as anti-kickback and false claims laws, which may apply to items or services reimbursed by any third-party payor, including commercial insurers.

These laws will continue to impose administrative, cost and compliance burdens on us. The shifting compliance environment and the need to build and maintain robust systems to comply with multiple jurisdictions with different compliance and/or reporting requirements increases the possibility that a healthcare company may violate one or more of these requirements. In addition, any action against us for violation of these laws, even if we successfully defend against it, could cause us to incur significant legal expenses and divert our management's attention from the operation of our business. If our operations are found to be in violation of any of the laws described above or any other governmental regulations that apply to us, we may be subject to penalties, including civil and criminal

penalties, damages, fines, exclusion from the Medicare and Medicaid programs, and the curtailment or restructuring of our operations, any of which could adversely affect our ability to operate our business, results of operations and financial condition.

Risks Related to Being a Public Company

Our failure to establish and maintain effective internal control over financial reporting could result in material misstatements in our financial statements, our failure to meet our reporting obligations and cause investors to lose confidence in our reported financial information, which in turn could cause the trading price of our common stock to decline.

Maintaining effective disclosure controls and procedures and internal controls over financial reporting are necessary for us to produce reliable financial statements. Material weaknesses in our internal control over financial reporting have adversely affected us in the past and could affect us in the future and the results of our periodic management evaluations and annual auditor attestation reports regarding the effectiveness of our internal control over financial reporting required by Section 404 of the Sarbanes-Oxley Act of 2002. Any failure to maintain or implement new or improved internal controls, or any difficulties that we may encounter in their maintenance or implementation, could result in additional material weaknesses, result in material misstatements in our consolidated financial statements and cause us to fail to meet our reporting obligations. This could cause us to lose public confidence and could cause the trading price of our common stock to decline.

General Business Risks

Natural disasters, climate related events, terrorist attacks, acts of war or other events beyond our control may cause damage or disruption to us and our employees, facilities, information systems, security systems, vendors and customers, which could significantly impact our business, results of operations and financial condition.

We have significant manufacturing and distribution facilities, including in the western United States, France, Switzerland, Germany and Singapore. In particular, the western United States has experienced a number of earthquakes, wildfires, floods, landslides and other natural disasters in recent years, some of which may be associated with climate change. These occurrences could damage or destroy our facilities which may result in interruptions to our business and losses that exceed our insurance coverage. In addition, lack of fuel resources due to geo-political instability (such as Russia's reduction in energy resources supplied to Western Europe), electricity outages, the inability to operate our production and distribution facilities due to power grid failures or lack of fuel, and strikes or other labor unrest at any of our sites or surrounding areas could cause disruption to our business. Acts of terrorism, bioterrorism, violence or war (such as Russia's invasion of Ukraine), weather-related events, or public health issues such as the outbreak of a contagious disease like COVID-19 could also affect the markets in which we operate, our business operations and strategic plans. Political unrest may affect our sales in certain regions, such as in Southeast Asia, the Middle East and Eastern Europe. Any of these events could adversely affect our business, results of operations and financial condition.

Risks Related to Our Common Stock

A significant majority of our voting stock is held by the Schwartz family, which could lead to conflicts of interest.

We have two classes of voting stock: Class A Common Stock and Class B Common Stock. With a few exceptions, holders of Class A and Class B Common Stock vote as a single class. When voting as a single class, each share of Class A Common Stock is entitled to one-tenth of a vote, while each share of Class B Common Stock has one vote. In the election or removal of directors, the classes vote separately and the holders of Class A Common Stock are entitled to elect 25% of the Board of Directors, with holders of Class B Common Stock electing the remaining directors. As a result of the Schwartz family's ownership of our Class A and Class B Common Stock, they are able to elect a majority of our directors, effect fundamental changes in our direction and control matters affecting us, including the determination of business opportunities that may be suitable for our company. The Schwartz family may exercise its control over us according to interests that are different from other investors' or debtors' interests. In particular, this concentration of ownership and voting power may have the effect of delaying or preventing a change in control of our company.

The forum selection provision in our bylaws could increase costs to bring a claim, discourage claims or limit the ability of the Company's stockholders to bring a claim in a judicial forum viewed by the stockholders as more favorable for disputes with the Company or the Company's directors, officers or other employees.

Our bylaws provide that unless we consent in writing to the selection of an alternative forum, the Court of Chancery of the State of Delaware (or, if the Court of Chancery does not have jurisdiction, another state court located within the State of Delaware or, if no state court located within the State of Delaware has jurisdiction, the federal district court for the District of Delaware) shall be the sole and exclusive forum for (i) any derivative action or proceeding brought on behalf of the Company, (ii) any action asserting a claim of breach of a fiduciary duty owed by any director, officer or other employee of the Company to the Company or the Company's stockholders, (iii) any action arising pursuant to any provision of the General Corporation Law of the State of Delaware, the Certificate of Incorporation or the Bylaws (in each case, as may be amended from time to time) or (iv) any action asserting a claim against the Company or any of its directors, officers or other employees governed by the internal affairs doctrine of the State of Delaware. This choice of forum provision may increase costs to bring a claim, discourage claims or limit a stockholder's ability to bring a claim in a judicial forum that it finds favorable for disputes with the Company or the Company's directors, officers or other employees, which may discourage such lawsuits against the Company or the Company's directors, officers and other employees. Alternatively, if a court were to find the choice of forum provision contained in the Company's bylaws to be inapplicable or unenforceable in an action, the Company may incur additional costs associated with resolving such action in other jurisdictions.

Application of the choice of forum provision may be limited in some instances by applicable law. Section 27 of the Exchange Act creates exclusive federal jurisdiction over all suits brought to enforce any duty or liability created by the Exchange Act or the rules and regulations thereunder. As a result, the choice of forum provision will not apply to actions arising under the Exchange Act or the rules and regulations thereunder. Section 22 of the Securities Act creates concurrent jurisdiction for federal and state courts over suits brought to enforce any duty or liability created by the Securities Act or the rules and regulations thereunder, subject to a limited exception for certain "covered class actions." There is uncertainty, particularly in light of current litigation, as to whether a court would enforce the choice of forum provision with respect to claims under the Securities Act. Our stockholders will not be deemed, by operation of the Company's choice of forum provision, to have waived claims arising under the federal securities laws and the rules and regulations thereunder.

Item 2. Unregistered Sales of Equity Securities and Use of Proceeds

As of June 30, 2023, no stock remained available for repurchases under the Company's current Share Repurchase Program, which was authorized by the Board of Directors in July 2022, July 2020 and in November 2017. Repurchases under the Share Repurchase Program were made at management's discretion from time to time on the open market or through privately negotiated transactions.

The following table contains information on the shares of our common stock that we purchased or otherwise acquired during the three months ended June 30, 2023.

Period	Total Number of Shares Purchased	Average Price Paid per Share	Total Number of Shares Purchased as Part of Publicly Announced Plans or Programs	Maximum Number (or Approximate Dollar Value) of Shares that May yet be Purchased Under the Plans or Programs (in millions)
April 1 to April 30, 2023	—	\$ —	—	\$ 207.4
May 1 to May 31, 2023	549,863	\$ 377.20	549,863	\$ —
June 1 to June 30, 2023	—	\$ —	—	\$ —

In July 2023, the board of directors authorized a new share repurchase program granting the Company authority to repurchase, on a discretionary basis, up to \$500 million of the outstanding shares of the Company’s common stock.

Item 3. Defaults Upon Senior Securities

None.

Item 4. Mine Safety Disclosures

Not applicable.

Item 5. Other Information

During the three months ended June 30, 2023, no director or officer of the Company adopted or terminated a “Rule 10b5-1 trading arrangement” or “non-Rule 10b5-1 trading arrangement,” as each term is defined in Item 408(a) of Regulation S-K.

Item 6. Exhibits

(a) Exhibits

The following documents are filed as part of this report:

Exhibit No.	
10.1	<u>Amendment No. 4 dated as of May 12, 2023 to Credit Agreement dated as of April 15, 2019, by and among Bio-Rad Laboratories, Inc., the lenders referred to therein, and JPMorgan Chase Bank, N.A., as a lender and as administrative agent</u>
31.1	<u>Chief Executive Officer Section 302 Certification</u>
31.2	<u>Chief Financial Officer Section 302 Certification</u>
32.1	<u>Chief Executive Officer Certification 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>Chief Financial Officer Certification pursuant to 18 U.S.C Section 1350, as adopted pursuant to Section 906 of the Sarbanes-Oxley Act of 2002</u>
101.INS	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 Labels Linkbase Document
101.PRE	Inline XBRL Taxonomy Extension Presentation Linkbase Document
104.1	The cover page Interactive Data File is formatted in Inline XBRL and is contained in Exhibits 101

SIGNATURES

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

BIO-RAD LABORATORIES, INC.
(Registrant)

Date: August 4, 2023

/s/ Norman Schwartz

Norman Schwartz, Chairman of the Board,
President and Chief Executive Officer

Date: August 4, 2023

/s/ Ilan Daskal

Ilan Daskal, Executive Vice President,
Chief Financial Officer

4861-4600-4830v.4

AMENDMENT NO. 4

Dated as of May 12, 2023

to

CREDIT AGREEMENT

Dated as of April 15, 2019

THIS AMENDMENT NO. 4 (this "Amendment") is made as of May 12, 2023 by JPMorgan Chase Bank, N.A., as Administrative Agent (the "Administrative Agent"), under that certain Credit Agreement, dated as of April 15, 2019, by and among Bio-Rad Laboratories, Inc. (the "Borrower"), the Lenders and the Administrative Agent (as in effect immediately prior to giving effect to this Amendment, the "Existing Credit Agreement", and as amended, restated, supplemented or otherwise modified from time to time, the "Credit Agreement"). Capitalized terms used herein and not otherwise defined herein shall have the respective meanings given to them in the Credit Agreement.

WHEREAS, based on the regulator announcements described in Section 1.3 of the Existing Credit Agreement, the Benchmark Replacement Date for the LIBOR-based benchmark for Dollars is anticipated to occur immediately after June 30, 2023;

WHEREAS, pursuant to Section 3.3(b)(x) of the Existing Credit Agreement, if a Benchmark Transition Event and its related Benchmark Replacement Date have occurred prior to the Reference Time in respect of any setting of the then-current Benchmark, then if a Benchmark Replacement is determined in accordance with clause (1) of the definition of "Benchmark Replacement" for such Benchmark Replacement Date, such Benchmark Replacement will replace such Benchmark for all purposes under the Credit Agreement and under any Loan Document in respect of such Benchmark setting and subsequent Benchmark settings without any amendment to, or further action or consent of any other party to, the Credit Agreement or any other Loan Document;

WHEREAS, pursuant to clause (1) of the definition of "Benchmark Replacement" in the Existing Credit Agreement, the Benchmark Replacement for Loans denominated in Dollars shall be the sum of (a) Term SOFR and (b) the related Benchmark Replacement Adjustment;

WHEREAS, in connection with the implementation of a Benchmark Replacement, the Administrative Agent has the right to make Benchmark Replacement Conforming Changes from time to time and, notwithstanding anything to the contrary in the Credit Agreement or in any other Loan Document, any amendments implementing such Benchmark Replacement Conforming Changes will become effective without any further action or consent of any other party to the Credit Agreement or any other Loan Document;

WHEREAS, this Amendment constitutes Benchmark Replacement Conforming Changes with respect to the replacement of the LIBO Rate denominated in Dollars with Term SOFR;

NOW, THEREFORE, in consideration of the premises set forth above, the terms and conditions contained herein, and other good and valuable consideration, the receipt and sufficiency of which are hereby acknowledged, the Administrative Agent hereby agrees as follows:

1. Amendments to the Credit Agreement. Effective as of the date set forth in Section 2 hereof, and subject to the satisfaction or waiver of the conditions precedent set forth in Section 2 below, the Existing Credit Agreement (including the Pricing Schedule, but excluding all other Exhibits and Schedules which shall remain in the form most recently delivered) is hereby amended to delete the stricken text (indicated in the same manner as the following example: ~~stricken text~~) and to add the double-underlined text (indicated in the same manner as the following example: double-underlined text) as set

forth on Exhibit A hereto (the Existing Credit Agreement as so modified and amended, collectively, the “Amended Credit Agreement”).

2. Conditions of Effectiveness. Subject to the Administrative Agent’s execution and delivery of a counterpart hereto on the date hereof, this Amendment shall become effective on July 1, 2023 (unless, contrary to expectations, the Benchmark Replacement Date for LIBOR-based Dollars does not occur on such date).

3. Reference to and Effect on the Credit Agreement.

(a) Upon the effectiveness hereof, each reference to the Credit Agreement in the Credit Agreement or any other Loan Document shall mean and be a reference to the Credit Agreement as amended hereby.

(b) This Amendment and the transactions contemplated hereby shall not limit or diminish the obligations of the Borrower arising under or pursuant to the Credit Agreement and the other Loan Documents. Except as specifically modified above, the Credit Agreement and all other documents, instruments and agreements executed and/or delivered in connection therewith shall remain in full force and effect and are hereby ratified and confirmed.

(c) The execution, delivery and effectiveness of this Amendment shall not operate as a waiver of any right, power or remedy of the Administrative Agent or the Lenders, nor constitute a waiver of any provision of the Credit Agreement or any other documents, instruments and agreements executed and/or delivered in connection therewith.

(d) Without in any way limiting the foregoing, this Amendment is not intended to and shall not constitute a novation of the Loan Documents or any obligations arising thereunder or in connection therewith.

(e) This Amendment is a Loan Document.

4. Governing Law. This Amendment shall be construed in accordance with and governed by the law of the State of New York.

5. Headings. Section headings in this Amendment are included herein for convenience of reference only and shall not constitute a part of this Amendment for any other purpose.

6. Counterparts. This Amendment may be executed by one or more of the parties hereto on any number of separate counterparts, and all of said counterparts taken together shall be deemed to constitute one and the same instrument. Signatures delivered by facsimile or PDF shall have the same force and effect as manual signatures delivered in person. Delivery of an executed counterpart of a signature page of this Amendment by fax, emailed pdf. or any other electronic means that reproduces an image of an actual executed signature page shall be effective as delivery of a manually executed counterpart of this Amendment. For the avoidance of doubt, the provisions of Article XIV of the Credit Agreement apply to this Amendment.

7. Notice Under Section 3.3(e). Delivery of a copy of this Amendment to the Company and the Lenders (including pursuant to an Electronic Systems or other electronic transmission) shall constitute notice to any such Person under Section 3.3(e) of the Credit Agreement of the implementation of the Benchmark Replacements and the effectiveness of the Benchmark Replacement Conforming Changes, in each case, referenced herein.

[Signature Pages Follow]

IN WITNESS WHEREOF, this Amendment has been duly executed as of the day and year first above written.

JPMORGAN CHASE BANK, N.A., as Administrative Agent

By: /s/ Charles W. Shaw

Name: Charles W. Shaw

Title: Vice President

Signature Page to Amendment No. 4 to
Credit Agreement dated as of April 15, 2019
Bio-Rad Laboratories, Inc.

EXHIBIT A

Amended Credit Agreement

[Attached]

4881-3318-1278v.35

CREDIT AGREEMENT

dated as of April 15, 2019,
as amended by that certain Amendment No. 1, dated as of November 15, 2021,
as amended by that certain Amendment No. 2, dated as of April 15, 2022,
~~and~~ as amended by that certain Amendment No. 3, dated as of February 1, 2023,
and as amended by that certain Amendment No. 4, dated as of May 12, 2023

among

BIO-RAD LABORATORIES, INC.,

THE LENDERS,

JPMORGAN CHASE BANK, N.A.,
as Administrative Agent,

BANK OF AMERICA, N.A.,
HSBC BANK USA, NATIONAL ASSOCIATION, and
MUFG UNION BANK, N.A.,

as Co-Syndication Agents,

and

CITIBANK, N.A. and
WELLS FARGO BANK, NATIONAL ASSOCIATION,

as Co-Documentation Agents,

JPMORGAN CHASE BANK, N.A.,
as Sole Lead Arranger and Sole Book Runner

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CREDIT AGREEMENT

This Agreement, dated as of April 15, 2019, is among Bio-Rad Laboratories, Inc., the Lenders, JPMorgan Chase Bank, N.A., as Administrative Agent, Bank of America, N.A., HSBC Bank USA, National Association, and MUFG Union Bank, N.A., as Co-Syndication Agents, and Citibank, N.A., and Wells Fargo Bank, National Association, as Co-Documentation Agents.

The parties hereto agree as follows:

ARTICLE 1 DEFINITIONS

1.a. Defined Terms. As used in this Agreement, the following terms have the following meanings specified below:

“Accepting Lender” is defined in Section 2.24(A) hereof.

“Acquired Indebtedness” means Indebtedness of any Person existing at the time such Person becomes a Subsidiary or is merged or consolidated into the Borrower or one of its Subsidiaries.

“Acquisition” means any transaction, or any series of related transactions, consummated on or after the date of this Agreement, by which the Borrower or any of its Subsidiaries (i) acquires any going business or all or substantially all of the assets of any firm, corporation or limited liability company, or division thereof, whether through purchase of assets, merger or otherwise or (ii) directly or indirectly acquires (in one transaction or as the most recent transaction in a series of transactions) at least a majority (in number of votes) of the securities of a corporation which have ordinary voting power for the election of directors (other than securities having such power only by reason of the happening of a contingency) or a majority (by percentage or voting power) of the outstanding ownership interests of a partnership or limited liability company.

“Adjusted EURIBOR Rate” means, with respect to any Term Benchmark Advance denominated in Euros for any Interest Period, an interest rate per annum equal to (a) the EURIBOR Rate for such Interest Period multiplied by (b) the Statutory Reserve Rate.

“Adjusted ~~LIBO~~Term SOFR Rate” means, with respect to any Term Benchmark Advance denominated in Dollars for any Interest Period, an interest rate per annum ~~(rounded upwards, if necessary, to the next 1/16 of 1%)~~ equal to (a) the ~~LIBO~~Term SOFR Rate for such Interest Period ~~multiplied by (b) the Statutory Reserve Rate, plus (b) (x) 0.11448% for an Interest Period of one (1) month, (y) 0.26161% for an Interest Period of three (3) months, and (z) 0.42826% for an Interest Period of six (6) months; provided that if the Adjusted Term SOFR Rate as so determined would be less than the Floor, such rate shall be deemed to be equal to the Floor for the purposes of this Agreement.~~

“Administrative Questionnaire” means an Administrative Questionnaire in a form supplied by the Agent.

“Advance” means a borrowing hereunder, (i) made by some or all of the Lenders on the same Borrowing Date, or (ii) converted or continued by the Lenders on the same date of conversion or continuation, consisting, in either case, of the aggregate amount of the several Loans of the same Type and, in the case of Term Benchmark Loans, in the same Agreed Currency and for the same Interest Period.

“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. Any member of the Schwartz Group shall be deemed to be an Affiliate of the Borrower.

“Agent” means JPMorgan (including its branches and affiliates) in its capacity as contractual representative of the Lenders pursuant to Article X, and not in its individual capacity as a Lender, and any successor Agent appointed pursuant to Article X.

“Agent Parties” has the meaning assigned to such term in Section 13.1.4.

“Aggregate Commitment” means the aggregate of the Commitments of all the Lenders, as may be adjusted from time to time pursuant to the terms hereof. The initial Aggregate Commitment is Two Hundred Million Dollars (\$200,000,000).

“Aggregate Outstanding Credit Exposure” means, at any time, the aggregate of the Outstanding Credit Exposure of all Lenders.

“Agreed Currencies” means (i) Dollars and (ii) so long as such currency remains an Eligible Currency, the Euro.

“Agreement” means this credit agreement, as it may be amended, restated or modified and in effect from time to time.

“Agreement Accounting Principles” means generally accepted accounting principles in the United States of America as in effect from time to time.

“Alternate Base Rate” means, for any day, a rate per annum equal to the greatest of (a) the Prime Rate in effect on such day, (b) the NYFRB Rate in effect on such day plus ½ of 1% and (c) the Adjusted ~~LIBO~~Term SOFR Rate for a one month Interest Period ~~in Dollars on as published two U.S. Government Securities Business Days prior to~~ such day (or if such day is not a U.S. Government Securities Business Day, the immediately preceding U.S. Government Securities Business Day) plus 1%; provided that for the purpose of this definition, the Adjusted ~~LIBO~~Term SOFR Rate for any day shall be based on the ~~LIBO Screen Rate (or if the LIBO Screen Rate is not available for such one month Interest Period, the LIBO Interpolated Rate)~~Term SOFR Reference Rate at approximately ~~11:00 a.m. London~~5:00 a.m. Chicago time on such day ~~(or any amended publication time for the Term SOFR Reference Rate, as specified by the CME Term SOFR Administrator in the Term SOFR Reference Rate methodology).~~ Any change in the Alternate Base Rate due to a change in the Prime Rate, the NYFRB Rate or the Adjusted ~~LIBO~~Term SOFR Rate shall be effective from and including the effective date of such change in the Prime Rate, the NYFRB Rate or the Adjusted ~~LIBO~~Term SOFR Rate, respectively. If the Alternate Base Rate is being used as an alternate rate of interest pursuant to Section 3.3 (for the avoidance of doubt, only until the Benchmark Replacement has been determined pursuant to Section 3.3(b)), then the Alternate Base Rate shall be the greater of clauses (a) and (b) above and shall be determined without reference to clause (c) above. For the avoidance of doubt, if the Alternate Base Rate ~~as determined pursuant to the foregoing would~~shall be less than ~~1.00%~~zero, such rate shall be deemed to be ~~1.00%~~zero for purposes of this Agreement.

“Amendment No. 4 Effective Date” means July 1, 2023.

“Anti-Corruption Laws” means all laws, rules, and regulations of any jurisdiction applicable to the Borrower or its Subsidiaries from time to time concerning or relating to bribery or corruption.

“Applicable Fee Rate” means, at any time, the percentage rate per annum at which commitment fees or letter of credit fees are accruing on the unused portion of the Aggregate Commitment or on the

amount available for drawing under outstanding Letters of Credit, respectively, at such time as set forth in the Pricing Schedule.

“Applicable Margin” means, with respect to Advances of any Type at any time, the percentage rate per annum which is applicable at such time with respect to Advances of such Type as set forth in the Pricing Schedule.

“Arranger” means JPMorgan.

“Article” means an article of this Agreement unless another document is specifically referenced.

“Assignment and Assumption” means an assignment and assumption agreement entered into by a Lender and an assignee (with the consent of any party whose consent is required by Section 12.3.1), and accepted by the Agent, in the form of Exhibit B or any other form approved by the Agent.

“Authorized Officer” means any of the Chairman, President, any Vice President, Chief Financial Officer or Treasurer of the Borrower, acting singly, *provided* that the Agent shall have received an incumbency certificate identifying such officer by name and title and bearing such officer’s signature.

“Available Aggregate Commitment” means, at any time, the Aggregate Commitment then in effect minus the Aggregate Outstanding Credit Exposure at such time.

“Available Tenor” means, as of any date of determination and with respect to the then-current Benchmark for any Agreed Currency, as applicable, any tenor for such Benchmark (or component thereof) or payment period for interest calculated with reference to such Benchmark (or component thereof), as applicable, that is or may be used for determining the length of an Interest Period for any term rate or otherwise, for determining any frequency of making payments of interest calculated pursuant to this Agreement as of such date and not including, for the avoidance of doubt, any tenor for such Benchmark that is then-removed from the definition of “Interest Period” pursuant to clause (f) of Section 3.3.

“Average Life” means, as of any date, with respect to any indebtedness or redeemable equity security, the quotient obtained by dividing (i) the sum of the products of (x) the number of years from such date to the date of each scheduled principal or redemption payment (including any sinking fund or mandatory redemption payment requirements) of such indebtedness or equity security multiplied in each case by (y) the amount of such principal or redemption payments by (ii) the sum of all such principal or redemption payments.

“Bail-In Action” 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 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).

“Banking Services” means each and any of the following bank services provided to the Borrower or any Subsidiary by any Lender or any of its Affiliates: (a) credit cards for commercial customers (including, without limitation, commercial credit cards and purchasing cards), (b) stored value cards and

(c) treasury management services (including, without limitation, controlled disbursement, automated clearinghouse transactions, return items, overdrafts and interstate depository network services).

“Banking Services Agreement” means any agreement entered into by the Borrower or any Subsidiary in connection with Banking Services.

“Banking Services Obligations” means any and all obligations of the Borrower or any Subsidiary, whether absolute or contingent and howsoever and whensoever created, arising, evidenced or acquired (including all renewals, extensions and modifications thereof and substitutions therefor) in connection with Banking Services.

“Bankruptcy Event” means, with respect to any Person, such Person becomes the subject of a bankruptcy or insolvency proceeding, or has had a receiver, conservator, trustee, administrator, custodian, assignee for the benefit of creditors or similar Person charged with the reorganization or liquidation of its business appointed for it, or, in the good faith determination of the Agent, has taken any action in furtherance of, or indicating its consent to, approval of, or acquiescence in, any such proceeding or appointment, provided that a Bankruptcy Event shall not result solely by virtue of any ownership interest, or the acquisition of any ownership interest, in such Person by a Governmental Authority or instrumentality thereof, provided, further, that such ownership interest does not result in or provide such Person 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 Person (or such Governmental Authority or instrumentality) to reject, repudiate, disavow or disaffirm any contracts or agreements made by such Person.

“Benchmark” means, initially, with respect to any Term Benchmark Loan denominated in any Agreed Currency, the Relevant Rate for such Agreed Currency; provided that if a Benchmark Transition Event, ~~a Term SOFR Transition Event, an Early Opt-in Election~~ or an Other Benchmark Rate Election, as applicable, and its related Benchmark Replacement Date have occurred with respect to the applicable Relevant Rate or the then-current Benchmark for such Agreed Currency, then “Benchmark” means the applicable Benchmark Replacement to the extent that such Benchmark Replacement has replaced such prior benchmark rate pursuant to clause (b) ~~or clause (c)~~ of Section 3.3.

“Benchmark Replacement” means, for any Available Tenor, the first alternative set forth in the order below that can be determined by the Agent for the applicable Benchmark Replacement Date; provided that, in the case of any Loan denominated in a Foreign Currency or in the case of an Other Benchmark Rate Election, “Benchmark Replacement” shall mean the alternative set forth in (3) below:

- (1) ~~in the case of any Loan denominated in Dollars, the sum of: (a) Term SOFR and (b) the related Benchmark Replacement Adjustment~~[reserved];
- (2) in the case of any Loan denominated in Dollars, the sum of: (a) Daily Simple SOFR and (b) the related Benchmark Replacement Adjustment;
- (3) the sum of: (a) the alternate benchmark rate that has been selected by the Agent and the Borrower as the replacement for the then-current Benchmark for the applicable Corresponding Tenor giving due consideration to (i) any selection or recommendation of a replacement benchmark rate or the mechanism for determining such a rate by the Relevant Governmental Body or (ii) any evolving or then-prevailing market convention for determining a benchmark rate as a replacement for the then-current Benchmark for syndicated credit facilities denominated in the applicable Agreed Currency at such time in the United States and (b) the related Benchmark Replacement Adjustment;

~~provided that, in the case of clause (1), such Unadjusted Benchmark Replacement is displayed on a screen or other information service that publishes such rate from time to time as selected by the Agent in its~~

~~reasonable discretion; provided further~~ that, in the case of clause (3), when such clause is used to determine the Benchmark Replacement in connection with the occurrence of an Other Benchmark Rate Election, the alternate benchmark rate selected by the Agent and the Borrower shall be the term benchmark rate that is used in lieu of a ~~LIBOR-based~~ SOFR-based rate in the relevant other Dollar-denominated syndicated credit facilities; ~~provided further that, notwithstanding anything to the contrary in this Agreement or in any other Loan Document, upon the occurrence of a Term SOFR Transition Event, and the delivery of a Term SOFR Notice, on the applicable Benchmark Replacement Date the "Benchmark Replacement" shall revert to and shall be deemed to be the sum of (a) Term SOFR and (b) the related Benchmark Replacement Adjustment, as set forth in clause (1) of this definition (subject to the first proviso above).~~ If the Benchmark Replacement as determined pursuant to clause ~~(1)~~, ~~(2)~~ or (3) above would be less than the Floor, the Benchmark Replacement will be deemed to be the Floor for the purposes of this Agreement and the other Loan Documents.

"Benchmark Replacement Adjustment" means, with respect to any replacement of the then-current Benchmark with an Unadjusted Benchmark Replacement for any applicable Interest Period and Available Tenor for any setting of such Unadjusted Benchmark Replacement:

(1) for purposes of ~~clauses (1) and~~ clause (2) of the definition of "Benchmark Replacement," the first alternative set forth in the order below that can be determined by the Agent:

(a) the spread adjustment, or method for calculating or determining such spread adjustment, (which may be a positive or negative value or zero) as of the Reference Time such Benchmark Replacement is first set for such Interest Period that has been selected or recommended by the Relevant Governmental Body for the replacement of such Benchmark with the applicable Unadjusted Benchmark Replacement for the applicable Corresponding Tenor;

(b) the spread adjustment (which may be a positive or negative value or zero) as of the Reference Time such Benchmark Replacement is first set for such Interest Period that would apply to the fallback rate for a derivative transaction referencing the ISDA Definitions to be effective upon an index cessation event with respect to such Benchmark for the applicable Corresponding Tenor; and

(2) for purposes of clause (3) of the definition of "Benchmark Replacement," the spread adjustment, or method for calculating or determining such spread adjustment, (which may be a positive or negative value or zero) that has been selected by the Agent and the Borrower for the applicable Corresponding Tenor giving due consideration to (i) any selection or recommendation of a spread adjustment, or method for calculating or determining such spread adjustment, for the replacement of such Benchmark with the applicable Unadjusted Benchmark Replacement by the Relevant Governmental Body on the applicable Benchmark Replacement Date and/or (ii) any evolving or then-prevailing market convention for determining a spread adjustment, or method for calculating or determining such spread adjustment, for the replacement of such Benchmark with the applicable Unadjusted Benchmark Replacement for syndicated credit facilities denominated in the applicable Agreed Currency at such time;

provided that, in the case of clause (1) above, such adjustment is displayed on a screen or other information service that publishes such Benchmark Replacement Adjustment from time to time as selected by the Agent in its reasonable discretion.

"Benchmark Replacement Conforming Changes" means, with respect to any Benchmark Replacement and/or any Term Benchmark Loan denominated in Dollars, any technical, administrative or operational changes (including changes to the definition of "Alternate Base Rate," the definition of "Business Day," the definition of "U.S. Government Securities Business Day," the definition of "Interest Period," timing and frequency of determining rates and making payments of interest, timing of borrowing

requests or prepayment, conversion or continuation notices, length of lookback periods, the applicability of breakage provisions, and other technical, administrative or operational matters) that the Agent decides may be appropriate to reflect the adoption and implementation of such Benchmark or Benchmark Replacement and to permit the administration thereof by the Agent in a manner substantially consistent with market practice (or, if the Agent decides that adoption of any portion of such market practice is not administratively feasible or if the Agent determines that no market practice for the administration of such Benchmark Replacement exists, in such other manner of administration as the Agent decides is reasonably necessary in connection with the administration of this Agreement and the other Loan Documents).

“Benchmark Replacement Date” means, with respect to any Benchmark, the earliest to occur of the following events with respect to such then-current Benchmark:

(1) in the case of clause (1) or (2) of the definition of “Benchmark Transition Event,” the later of (a) the date of the public statement or publication of information referenced therein and (b) the date on which the administrator of such Benchmark (or the published component used in the calculation thereof) permanently or indefinitely ceases to provide all Available Tenors of such Benchmark (or such component thereof);

(2) in the case of clause (3) of the definition of “Benchmark Transition Event,” (x) with respect to any Loans denominated in Agreed Currencies other than Dollars, the date of the public statement or publication of information referenced therein and (y) with respect to Loans denominated in Dollars, the first date on which such Benchmark (or the published component used in the calculation thereof) has been determined and announced by the regulatory supervisor for the administrator of such Benchmark (or such component thereof) to be no longer representative; provided, that such non-representativeness will be determined by reference to the most recent statement or publication referenced in such clause (e3) and even if any Available Tenor of such Benchmark for Dollar-denominated Loans (or such component thereof) continues to be provided on such date;

~~(3) in the case of a Term SOFR Transition Event, the date that is thirty (30) days after the date a Term SOFR Notice is provided to the Lenders and the Borrower pursuant to Section 3.3(e)~~[reserved]; or

(4) in the case of an ~~Early Opt-in Election or an~~ Other Benchmark Rate Election, the sixth (6th) Business Day after the date notice of such ~~Early Opt-in Election or~~ Other Benchmark Rate Election, as applicable, is provided to the Lenders, so long as the Agent has not received, by 5:00 p.m. (New York City time) on the fifth (5th) Business Day after the date notice of such ~~Early Opt-in Election or~~ Other Benchmark Rate Election, as applicable, is provided to the Lenders, written notice of objection to such ~~Early Opt-in Election or~~ Other Benchmark Rate Election, as applicable, from Lenders comprising the Required Lenders.

For the avoidance of doubt, (i) if the event giving rise to the Benchmark Replacement Date occurs on the same day as, but earlier than, the Reference Time in respect of any determination, the Benchmark Replacement Date will be deemed to have occurred prior to the Reference Time for such determination and (ii) the “Benchmark Replacement Date” will be deemed to have occurred in the case of clause (1) or (2) with respect to any Benchmark upon the occurrence of the applicable event or events set forth therein with respect to all then-current Available Tenors of such Benchmark (or the published component used in the calculation thereof).

“Benchmark Transition Event” means, with respect to any Benchmark, the occurrence of one or more of the following events with respect to such then-current Benchmark:

(1) a public statement or publication of information by or on behalf of the administrator of such Benchmark (or the published component used in the calculation thereof) announcing that

such administrator has ceased or will cease to provide all Available Tenors of such Benchmark (or such component thereof), permanently or indefinitely, provided that, at the time of such statement or publication, there is no successor administrator that will continue to provide any Available Tenor of such Benchmark (or such component thereof);

(2) a public statement or publication of information by the regulatory supervisor for the administrator of such Benchmark (or the published component used in the calculation thereof), the Federal Reserve Board, the NYFRB, the CME Term SOFR Administrator, the central bank for the Agreed Currency applicable to such Benchmark, an insolvency official with jurisdiction over the administrator for such Benchmark (or such component), in each case, a resolution authority with jurisdiction over the administrator for such Benchmark (or such component) or a court or an entity with similar insolvency or resolution authority over the administrator for such Benchmark (or such component), in each case, which states that the administrator of such Benchmark (or such component) has ceased or will cease to provide all Available Tenors of such Benchmark (or such component thereof) permanently or indefinitely; provided that, at the time of such statement or publication, there is no successor administrator that will continue to provide any Available Tenor of such Benchmark (or such component thereof); or

(3) a public statement or publication of information by the regulatory supervisor for the administrator of such Benchmark (or the published component used in the calculation thereof) announcing that all Available Tenors of such Benchmark (or such component thereof) are no longer, or as of a specified future date will no longer be, representative.

For the avoidance of doubt, a “Benchmark Transition Event” will be deemed to have occurred with respect to any Benchmark if a public statement or publication of information set forth above has occurred with respect to each then-current Available Tenor of such Benchmark (or the published component used in the calculation thereof).

“Benchmark Unavailability Period” means, with respect to any Benchmark, the period (if any) (x) beginning at the time that a Benchmark Replacement Date pursuant to clauses (1) or (2) of that definition has occurred if, at such time, no Benchmark Replacement has replaced such then-current Benchmark for all purposes hereunder and under any Loan Document in accordance with Section 3.3 and (y) ending at the time that a Benchmark Replacement has replaced such then-current Benchmark for all purposes hereunder and under any Loan Document in accordance with Section 3.3.

“Beneficial Ownership Certification” means a certification regarding beneficial ownership or control as required by the Beneficial Ownership Regulation.

“Beneficial Ownership Regulation” means 31 C.F.R. § 1010.230.

“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.

“Borrower” means Bio-Rad Laboratories, Inc., a Delaware corporation, and its successors and assigns.

“Borrowing Date” means a date on which an Advance is made hereunder.

“Borrowing Notice” is defined in Section 2.9.

“Business Day” means any day that is not a Saturday, Sunday or other day on which commercial banks in New York City are authorized or required by law to remain closed; provided that, ~~(i) when used in connection with a Term Benchmark Advance, the term “Business Day” shall also exclude any day on which banks are not open for dealings in the relevant Agreed Currency in the principal financial center of~~

~~such Agreed Currency and (ii) when used in connection with a Term Benchmark Advance~~ in addition to the foregoing, a Business Day shall be (a) in relation to Loans denominated in Euros and in relation to the calculation or computation of EURIBOR, ~~the term “Business Day” shall also exclude any day that~~ which is not a TARGET Day; and (b) in relation to Loans referencing the Adjusted Term SOFR Rate and any interest rate settings, fundings, disbursements, settlements or payments of any such Loans referencing the Adjusted Term SOFR Rate or any other dealings of such Loans referencing the Adjusted Term SOFR Rate, any such day that is a U.S. Government Securities Business Day.

“Buying Lender” is defined in Section 2.6(B)(ii) hereof.

“Capitalized Lease” of a Person means, subject to Section 9.8, any lease of Property by such Person as lessee which would be capitalized on a balance sheet of such Person prepared in accordance with Agreement Accounting Principles.

“Capitalized Lease Obligations” of a Person means, subject to Section 9.8, the amount of the obligations of such Person under Capitalized Leases which would be shown as a liability on a balance sheet of such Person prepared in accordance with Agreement Accounting Principles.

“Cash Equivalent Investments” means (i) direct obligations maturing within thirteen months from the date of the acquisition thereof issued or fully guaranteed by the United States of America or any agency thereof and backed by the full faith and credit of the United States (ii) direct obligations maturing within thirteen months from the date of the acquisition thereof and issued or fully guaranteed by any state or territory of the United States of America which maintains a short term credit quality rating of at least SP-1 or a long term rating of at least AA- by Standard and Poor’s (or the equivalent rating by a nationally recognized statistical rating organization), (iii) obligations of any municipal governmental body or special assessment district within the U.S. with a short term credit quality rating of at least SP-1 or long term credit quality rating of at least AA- by Standard and Poor’s (or the equivalent rating by a nationally recognized statistical rating organization) maturing within thirteen months from the date of acquisition thereof, (iv) obligations of any corporation who maintains a short term credit quality rating of at least A-1 or a senior long term credit quality rating of at least AA- by Standard & Poor’s (or the equivalent rating by a nationally recognized statistical rating organization) (corporate securities may include commercial paper, corporate notes, medium term notes, deposit notes and floating rate notes) maturing (or currently being called and thus subject to redemption) within thirteen months from the date of acquisition thereof, (v) obligations or investments issued or guaranteed by a financial institution who maintains a short term credit quality rating of at least A-1 or a senior long term credit quality rating of at least single-A by Standard & Poor’s (or the equivalent rating by a nationally recognized statistical rating organization) (including bankers acceptances and certificates of deposit) maturing (or currently being called and thus subject to redemption) within thirteen months from the date of acquisition thereof, (vi) senior classes of pass-through securities and mortgage-backed certificates registered under the Securities Exchange Act of 1933, with a long term credit quality rating of at least AA- by Standard & Poor’s (or the equivalent rating by a nationally recognized statistical rating organization) maturing within thirteen months from the date of acquisition thereof, (vii) Public Securities Association (PSA) repurchase agreements, master notes or deposits with financial institutions that maintain a short term credit quality rating of at least A-1 or a senior long term credit quality rating of at least AA- by Standard & Poor’s (or the equivalent rating by a nationally recognized statistical rating organization) maturing within thirteen months from the date of acquisition thereof, (viii) shares in open-ended money market mutual funds, the underlying securities of which have a weighted average maturity that is less than thirteen months, whose assets maintain an average credit quality rating of at least single-A by Standard & Poor’s (or the equivalent rating by a nationally recognized statistical rating organization), (ix) auction rate securities with a long term credit quality rating of AAA by Standard & Poor’s (or the equivalent rating by a nationally recognized statistical rating organization) or with a long term credit quality rating of at least AA and Aa2 by Standard & Poor’s and Moody’s respectively (or the equivalent rating by two nationally recognized statistical rating organizations) whose scheduled auction resets are within thirteen months from the date of acquisition thereof, (x) demand deposit accounts maintained in the ordinary course of business, (xi) securities issued or fully guaranteed by any foreign government, the securities of which government are rated at least A by

Standard & Poor's (or the equivalent rating by a nationally recognized statistical rating organization) maturing within thirteen months from the date of acquisition thereof and (xii) managed funds whose assets have a weighted average maturity that is less than thirteen months and whose assets maintain an average credit quality rating of at least single-A by Standard & Poor's (or the equivalent rating by a nationally recognized statistical rating organization).

“CBR Loan” means a Loan that bears interest at a rate determined by reference to the Central Bank Rate.

“Central Bank Rate” means, at any time, a rate per annum equal to the sum of: (A) the greater of (i) for any Loan denominated in (a) Euro, one of the following three rates as may be selected by the Agent in its reasonable discretion: (1) the fixed rate for the main refinancing operations of the European Central Bank (or any successor thereto), or, if that rate is not published, the minimum bid rate for the main refinancing operations of the European Central Bank (or any successor thereto), each as published by the European Central Bank (or any successor thereto) from time to time; (2) the rate for the marginal lending facility of the European Central Bank (or any successor thereto), as published by the European Central Bank (or any successor thereto) from time to time; or (3) the rate for the deposit facility of the central banking system of the Participating Member States, as published by the European Central Bank (or any successor thereto) from time to time, and (b) any other Foreign Currency determined after the Closing Date, a central bank rate as determined by the Agent in its reasonable discretion and (ii) 0%; *plus* (B) the applicable Central Bank Rate Adjustment.

“Central Bank Rate Adjustment” means, for any day, for any Loan denominated in (a) Euro, a rate per annum equal to the difference (which may be a positive or negative value or zero) of (i) the average of the EURIBOR Rate for the five most recent Business Days preceding such day for which the EURIBOR Screen Rate was available (excluding, from such averaging, the highest and the lowest EURIBOR Rate applicable during such period of five Business Days) *minus* (ii) the Central Bank Rate in respect of Euro in effect on the last Business Day in such period, and (b) any other Foreign Currency determined after the Closing Date, a Central Bank Rate Adjustment as determined by the Agent in its reasonable discretion. For purposes of this definition, (x) the term Central Bank Rate shall be determined disregarding clause (B) of the definition of such term and (y) each of the EURIBOR Rate on any day shall be based on the EURIBOR Screen Rate on such day at approximately the time referred to in the definition of such term for deposits in Euro for a maturity of one month; provided that if such rate shall be less than 0.00%, such rate shall be deemed to be 0.00%.

“Change in Control” means:

(i) any merger or consolidation of the Borrower with or into any Person or any sale, transfer or other conveyance, whether direct or indirect, of all or substantially all of the Borrower's assets, on a consolidated basis, in one transaction or a series of related transactions, if, immediately after giving effect to such transaction(s), either (x) any “person” or “group” (other than a member of the Schwartz Group) is or becomes the “beneficial owner,” directly or indirectly, of more than 40% of the Voting Equity Interests of the transferee(s) or surviving entity or entities, and the Schwartz Group shall cease to own beneficially at least a greater percentage of the Voting Equity Interests of the transferee(s) or surviving entity or entities than such other “person” or “group” or (y) the Schwartz Group shall cease to own beneficially a greater percentage of the Voting Equity Interests of such transferee(s) or surviving entity or entities than any other person or group;

(ii) any “person” or “group” (other than a member of the Schwartz Group) is or becomes the “beneficial owner,” directly or indirectly, of more than 40% of the Borrower's Voting Equity Interests, and the Schwartz Group shall cease to own beneficially at least a greater percentage of the Borrower's Voting Equity Interests than such other “person” or “group”;

(iii) occupation of a majority of the seats (other than vacant seats) on the board of directors of the Borrower by Persons who were not (a) directors of the Borrower on the date of this Agreement or (b) nominated or appointed by the board of directors of the Borrower;

(iv) the Borrower adopts a plan of liquidation or dissolution; or

(v) any “Change in Control” or “Change of Control” as defined in any agreement governing Permitted Notes occurs and as a result thereof the Borrower is required to prepay or repurchase, or make an offer to prepay or repurchase, such Permitted Notes.

“Change in Law” means the occurrence, after the date of this Agreement (or with respect to any Lender, if later, the date on which such Lender becomes a Lender), of any of the following: (a) the adoption or taking effect of any law, rule, regulation or treaty, (b) any change in any law, rule, regulation or treaty or in the administration, interpretation, implementation or application thereof by any Governmental Authority, or (c) the making or issuance of any request, rules, guideline, requirement or directive (whether or not having the force of law) by any Governmental Authority; *provided however*, that notwithstanding anything herein to the contrary, (i) the Dodd-Frank Wall Street Reform and Consumer Protection Act and all requests, rules, guidelines, requirements and directives thereunder, issued in connection therewith or in implementation thereof, and (ii) all requests, rules, guidelines, requirements and 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, issued or implemented.

“Closing Date” means the date on which each of the conditions precedent to the initial Advance set forth in Section 4.1 are satisfied.

“CME Term SOFR Administrator” means CME Group Benchmark Administration Limited as administrator of the forward-looking term Secured Overnight Financing Rate (SOFR) (or a successor administrator).

“Code” means the Internal Revenue Code of 1986, as amended, reformed or otherwise modified from time to time.

“Commitment” means, for each Lender, the obligation of such Lender pursuant to Section 2.1 to make Revolving Loans and pursuant to Section 2.4.2 to purchase participations in Letters of Credit not exceeding the amount set forth opposite its name on the Commitment Schedule or as set forth in any Assignment and Assumption relating to any assignment that has become effective pursuant to Section 12.3.2, as such amount may be modified from time to time pursuant to the terms hereof.

“Commitment and Acceptance” is defined in Section 2.6(B)(i) hereof.

“Commitment Increase Notice” is defined in Section 2.6(B)(i) hereof.

“Commitment Schedule” means the Schedule attached hereto identified as such.

“Commodity Exchange Act” means the Commodity Exchange Act (7 U.S.C. § 1 et seq.), as amended from time to time, and any successor statute.

“Communications” has the meaning assigned to such term in Section 13.1.4.

“Computation Date” means: (a) with respect to any Loan denominated in any Foreign Currency, each of the following: (i) the date of the Advance of such Loan; and (ii) with respect to any Term Benchmark Loan, each date of a conversion into or continuation of such Loan pursuant to the terms of

this Agreement; (b) with respect to any Letter of Credit denominated in a Foreign Currency, each of the following: (i) the date on which such Letter of Credit is issued; (ii) the first Business Day of each calendar month; and (iii) the date of any amendment of such Letter of Credit that has the effect of increasing the face amount thereof; and (c) any additional date as the Agent may determine at any time when an Event of Default exists.

“Consideration” means with respect to any Permitted Acquisition, the aggregate amount of consideration consisting of (A) cash payments, (B) Indebtedness issued or assumed in connection with such Acquisition, (C) the reasonable projected amount (discounted to present value of any non-contingent future payments and (D) stock issued by the Borrower and its Subsidiaries.

“Consolidated EBITDA” means, with reference to any period, Consolidated Net Income for such period *plus*, to the extent deducted from revenues in determining Consolidated Net Income (without duplication), (i) Consolidated Interest Expense and all non-cash interest expense, (ii) expense for income taxes paid or accrued, (iii) depreciation, (iv) amortization, (v) extraordinary, unusual or non-recurring losses, (vi) any non-cash expenses or non-cash charges or losses, including, without limitation, non-realized investment losses and (vii) non-recurring cash expenses related to transaction costs, milestone payments and restructuring charges and minus, to the extent included in Consolidated Net Income, (1) extraordinary gains and gains from discontinued operations, all net of tax and to the extent realized, (2) any cash payments made during such period in respect of items described in clause (vi) above subsequent to the fiscal quarter in which the relevant non-cash expenses or non-cash charges or losses were incurred, all calculated for the Borrower and its Subsidiaries on a consolidated basis for such period, and (3) non-realized investment gains; *provided* that the items to be added to and subtracted from Consolidated Net Income with respect to any Subsidiary shall be added or subtracted only to the extent and in the same proportions that (a) the net income of such Subsidiary was included in the calculation of Consolidated Net Income, if such Subsidiary is not a Wholly-Owned Subsidiary and (b) the Consolidated EBITDA of such Subsidiary (calculated as if such Subsidiary were the “Borrower”) is permitted to be paid or distributed as a dividend, advance, loan or other distribution to the Borrower; *provided further* that with regard to the net income of any entity in which the Borrower or a Subsidiary owns an Equity Interest but such Equity Interest is insufficient to cause such entity to be deemed a “Subsidiary” hereunder, the net income of such entity shall not be included in the calculation of Consolidated Net Income except to the extent that such net income was paid or distributed to the Borrower or the Subsidiary, as applicable, as a dividend or other distribution on such entity’s Equity Interest.

“Consolidated Funded Indebtedness” means at any time, without duplication, the aggregate dollar amount of (i) Indebtedness (other than Rate Management Obligations and similar obligations under other Financial Contracts) of the Borrower and its Subsidiaries which has actually been funded and is outstanding at such time, whether or not such amount is due and payable at such time, *plus* (ii) undrawn amounts available under issued standby letters of credit, all calculated on a consolidated basis as of such time, *minus* (iii) any amount of Indebtedness with respect to which the Borrower has exercised its right to elect to apply, and has so applied, legal defeasance and discharge, all in accordance with the terms of the indenture or other agreement governing such Indebtedness, as applicable.

“Consolidated Interest Expense” means, with reference to any period, the cash interest expense of the Borrower and its Subsidiaries calculated on a consolidated basis for such period.

“Consolidated Net Income” means, with reference to any period, the net income (or loss) of the Borrower and its Subsidiaries calculated on a consolidated basis for such period, *provided*, that Consolidated Net Income shall exclude the net income, if positive, of any of the Borrower’s consolidated Subsidiaries to the extent that the declaration or payment of dividends of similar distributions is not at the time permitted by operation of the terms of its charter or by-laws or any other agreement, instrument, judgment, decree, order, statute, rule or governmental regulation applicable to such Subsidiary.

“Consolidated Tangible Net Worth” means, at any time, the consolidated stockholders’ equity of the Borrower and its Subsidiaries calculated on a consolidated basis in accordance with Agreement Accounting Principles minus any Intangible Assets.

“Contingent Obligation” of a Person means any agreement, undertaking or arrangement by which such Person assumes, guarantees, endorses, contingently agrees to purchase or provide funds for the payment of, or otherwise becomes or is contingently liable upon, the Indebtedness of any other Person, or agrees to maintain the net worth or working capital or other financial condition of any other Person, or otherwise assures any creditor of such other Person against loss, including, without limitation, any comfort letter or material take-or-pay contract.

“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. The terms “Controlling” and “Controlled” have meanings correlative thereto.

“Controlled Group” means all members of a controlled group of corporations or other business entities and all trades or businesses (whether or not incorporated) under common control which, together with the Borrower or any of its Subsidiaries, are treated as a single employer under Section 414 of the Code.

“Conversion/Continuation Notice” is defined in Section 2.10.

“Corresponding Tenor” with respect to any Available Tenor means, as applicable, either a tenor (including overnight) or an interest payment period having approximately the same length (disregarding business day adjustment) as such Available Tenor.

“Covered Entity” means any of the following:

- (i) a “covered entity” as that term is defined in, and interpreted in accordance with, 12 C.F.R. § 252.82(b);
- (ii) a “covered bank” as that term is defined in, and interpreted in accordance with, 12 C.F.R. § 47.3(b); or
- (iii) a “covered FSI” as that term is defined in, and interpreted in accordance with, 12 C.F.R. § 382.2(b).

“Credit Party” means the Agent, the Issuing Lender, or any other Lender.

“Daily Simple SOFR” means, for any day, ~~(a “SOFR, with the conventions for this rate (which may include a lookback) being established by the Agent in accordance with the conventions for this rate selected or recommended by the Relevant Governmental Body for determining “Daily Simple SOFR” for business loans; provided, that if the Agent decides that any such convention is not administratively feasible for the Agent, then the Agent may establish another convention in its reasonable discretion. Rate Day”); a rate per annum equal to SOFR for the day that is five (5) U.S. Government Securities Business Days prior to (i) if such SOFR Rate Day is a U.S. Government Securities Business Day, such SOFR Rate Day or (ii) if such SOFR Rate Day is not a U.S. Government Securities Business Day, the U.S. Government Securities Business Day immediately preceding such SOFR Rate Day, in each case, as such SOFR is published by the SOFR Administrator on the SOFR Administrator’s Website. Any change in Daily Simple SOFR due to a change in SOFR shall be effective from and including the effective date of such change in SOFR without notice to the Borrower.~~

“Default” means an event described in Article VII.

“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 any Lender that (a) has failed, within two (2) Business Days of the date required to be funded or paid, to (i) fund any portion of its Loans, (ii) fund any portion of its participations in Letters of Credit or (iii) pay over to any Credit Party any other amount required to be paid by it hereunder, unless, in the case of clause (i) above, such Lender notifies the Agent in writing that such failure is the result of such Lender’s good faith determination that a condition precedent to funding (specifically identified and including the particular default, if any) has not been satisfied, (b) has notified the Borrower or any Credit Party in writing, or has made a public statement to the effect, that it does not intend or expect to comply with any of its funding obligations under this Agreement (unless such writing or public statement indicates that such position is based on such Lender’s good faith determination that a condition precedent (specifically identified and including the particular default, if any) to funding a loan under this Agreement cannot be satisfied) or generally under other agreements in which it commits to extend credit, (c) has failed, within three (3) Business Days after request by a Credit Party, acting in good faith, to provide a certification in writing from an authorized officer of such Lender that it will comply with its obligations (and is financially able to meet such obligations) to fund prospective Loans and participations in then outstanding Letters of Credit under this Agreement; provided that such Lender shall cease to be a Defaulting Lender pursuant to this clause (c) upon such Credit Party’s receipt of such certification in form and substance satisfactory to it and the Agent, or (d) has become the subject of (A) a Bankruptcy Event or (B) a Bail-In Action.

“Dividing Person” has the meaning assigned to it in the definition of “Division”.

“Division” means the division of the assets, liabilities and/or obligations of a Person (the “Dividing Person”) among two or more Persons (whether pursuant to a “plan of division” or similar arrangement), which may or may not include the Dividing Person and pursuant to which the Dividing Person may or may not survive.

“Division Successor” means any Person that, upon the consummation of a Division of a Dividing Person, holds all or any portion of the assets, liabilities and/or obligations previously held by such Dividing Person immediately prior to the consummation of such Division. A Dividing Person which retains any of its assets, liabilities and/or obligations after a Division shall be deemed a Division Successor upon the occurrence of such Division.

“Dollar Amount” means, for any amount, at the time of determination thereof, (a) if such amount is expressed in Dollars, such amount, (b) if such amount is expressed in a Foreign Currency, the equivalent of such amount in Dollars determined by using the rate of exchange for the purchase of Dollars with such Foreign Currency last provided (either by publication or otherwise provided to the Agent) by Reuters on the Business Day (New York City time) immediately preceding the date of determination or if such service ceases to be available or ceases to provide a rate of exchange for the purchase of Dollars with such Foreign Currency, as provided by such other publicly available information service which provides that rate of exchange at such time in place of Reuters chosen by the Agent in its sole discretion (or if such service ceases to be available or ceases to provide such rate of exchange, the equivalent of such amount in dollars as determined by the Agent using any method of determination it deems appropriate in its sole discretion) and (c) if such amount is denominated in any other currency, the equivalent of such amount in Dollars as determined by the Agent using any method of determination it deems appropriate in its sole discretion.

“Dollars” and “\$” shall mean the lawful currency of the United States of America.

“Domestic Subsidiary” means a Subsidiary organized under the laws of the United States of America, any State thereof or the District of Columbia other than a Subsidiary which is directly or indirectly owned by a Foreign Subsidiary.

~~“Early Opt-in Election” means, if the then current Benchmark with respect to Dollars is LIBO Rate, the occurrence of:~~

~~(1) a notification by the Agent to (or the request by the Borrower to the Agent to notify) each of the other parties hereto that at least five currently outstanding Dollar-denominated syndicated credit facilities at such time contain (as a result of amendment or as originally executed) a SOFR-based rate (including SOFR, a term SOFR or any other rate based upon SOFR) as a benchmark rate (and such syndicated credit facilities are identified in such notice and are publicly available for review), and~~

~~(2) the joint election by the Agent and the Borrower to trigger a fallback from LIBO Rate and the provision, as applicable, by the Agent of written notice of such election to the Borrower and the Lenders.~~

“ECP” means an “eligible contract participant” as defined in Section 1(a)(18) of the Commodity Exchange Act or any regulations promulgated thereunder and the applicable rules issued by the Commodity Futures Trading Commission and/or the SEC.

“EEA Financial Institution” means (a) any institution 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 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 delegee) having responsibility for the resolution of any EEA Financial Institution.

“Effective Commitment Amount” is defined in Section 2.6(B)(i) hereof.

“Electronic Signature” means an electronic sound, symbol, or process attached to, or associated with, a contract or other record and adopted by a Person with the intent to sign, authenticate or accept such contract or record.

“Electronic System” means any electronic system, including e-mail, e-fax, Intralinks®, ClearPar® and any other Internet or extranet-based site, whether such electronic system is owned, operated or hosted by the Agent or the Issuing Lender or any of its respective Related Parties or any other Person, providing for access to data protected by passcodes or other security system.

“Eligible Currency” means any currency other than Dollars (i) that is readily available and not restricted, (ii) that is freely traded, (iii) which is convertible into Dollars in the international interbank market and (iv) as to which a Dollar Amount may be readily calculated.

“Environmental Laws” means any and all federal, state, local and foreign statutes, laws, judicial decisions, regulations, ordinances, rules, judgments, orders, decrees, plans, injunctions, permits, concessions, grants, franchises, licenses, agreements and other governmental restrictions relating to (i) the protection of the environment, (ii) the effect of the environment on human health, (iii) emissions, discharges or releases of pollutants, contaminants, hazardous substances or wastes into surface water, ground water or land, or (iv) the manufacture, processing, distribution, use, treatment, storage, disposal, transport or handling of pollutants, contaminants, hazardous substances or hazardous wastes or the clean-up or other remediation thereof.

“Equity Interests” means (i) in the case of a corporation, corporate stock, (ii) in the case of a limited liability company, association or business entity, any and all shares, interests, participations, ownership or voting rights or other equivalents (however designated) of corporate stock, (iii) in the case of a partnership, partnership interests (whether general or limited) and (iv) any other interest or participation that confers on a Person the right to receive a share of the profits and losses of, or distributions of assets of, the issuing Person, in each case regardless of class or designation, and all warrants, options, purchase rights, conversion or exchange rights, voting rights, calls or claims of any character with respect thereto.

“ERISA” means the Employee Retirement Income Security Act of 1974, as amended from time to time, and any rule or regulation issued thereunder.

“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.

“EURIBOR Rate” means, with respect to any Term Benchmark Advance denominated in Euros and for any Interest Period, the EURIBOR Screen Rate published at approximately 11:00 a.m., Brussels time, two TARGET Days prior to the commencement of such Interest Period.

“EURIBOR Screen Rate” means, for any day and time, with respect to any Term Benchmark Advance denominated in Euros and for any Interest Period, the euro interbank offered rate administered by the European Money Markets Institute (or any other Person which takes over the administration of that rate) for euros for the relevant Interest Period displayed (before any correction, recalculation or republication by the administrator) on such day and time on page EURIBOR01 of the Reuters screen (or any replacement Reuters page which displays that rate or on the appropriate page of such other information service which publishes that rate from time to time in place of Reuters as selected by the Agent in its reasonable discretion). If such page or service ceases to be available, the Agent may specify another page or service displaying the relevant rate after consultation with the Borrower. If the EURIBOR Screen Rate shall be less than 0.00%, the EURIBOR Screen Rate shall be deemed to be 0.00% for purposes of this Agreement.

“Euro” and/or “EUR” means the single currency of the participating member states of the European Union.

“Excluded Swap Obligation” means, with respect to any Loan Party, any Specified Swap Obligation if, and to the extent that, all or a portion of the Guarantee of such Loan Party of, or the grant by such Loan Party of a security interest to secure, such Specified Swap Obligation (or any Guarantee thereof) is or becomes illegal under the Commodity Exchange Act or any rule, regulation or order of the Commodity Futures Trading Commission (or the application or official interpretation of any thereof) by virtue of such Loan Party’s failure for any reason to constitute an ECP at the time the Guarantee of such Loan Party or the grant of such security interest becomes effective with respect to such Specified Swap Obligation. If a Specified Swap Obligation arises under a master agreement governing more than one swap, such exclusion shall apply only to the portion of such Specified Swap Obligation that is attributable to swaps for which such Guarantee or security interest is or becomes illegal.

“Excluded Taxes” means, in the case of each Lender or applicable Lending Installation and the Agent, (i) taxes imposed on or measured by its net income or profits (however denominated), branch profits (or similar) taxes and franchise taxes imposed on it, (a) by the jurisdiction under the laws of which such Lender or the Agent is incorporated or organized or any political subdivision thereof, (b) by the jurisdiction in which the Agent’s or such Lender’s principal executive office or such Lender’s applicable Lending Installation is located or any political subdivision thereof or (c) as a result of a present or former connection between such Lender or applicable Lending Installation or Agent and the jurisdiction imposing such tax (other than connection arising from such Lender, Lending Installation or Agent having executed, delivered, become a party to, performed its obligations under, received any payments under, or

engaged in any other transaction pursuant to any Loan Document) and (ii) any United States federal withholding taxes imposed under FATCA.

“Exhibit” refers to an exhibit to this Agreement, unless another document is specifically referenced.

“Existing Credit Agreement” means that certain Credit Agreement dated as of June 20, 2014 by and among the Borrower, the lenders party thereto and JPMorgan Chase Bank, N.A., as administrative agent, as amended, restated, supplemented or otherwise modified prior to the Closing Date.

“Existing Letters of Credit” is defined in Section 2.4.7.

“Facility Termination Date” means April 15, 2024 or any earlier date on which the Aggregate Commitment is reduced to zero or otherwise terminated pursuant to the terms hereof.

“FATCA” means Sections 1471 through 1474 of the Code, as of the date of this Agreement (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, any agreements entered into pursuant to Section 1471(b)(1) of the Code and any intergovernmental agreement to implement such Sections of the Code entered into between any relevant authorities on behalf of the United States and such jurisdiction.

“Federal Funds Effective Rate” means, for any day, the rate calculated by the NYFRB based on such day’s federal funds transactions by depository institutions, as determined in such manner as set forth on the NYFRB’s Website from time to time, and published on the next succeeding Business Day by the NYFRB as the effective federal funds rate; provided that if the Federal Funds Effective Rate as so determined would be less than zero, such rate shall be deemed to zero for the purposes of this Agreement.

“Federal Reserve Board” means the Board of Governors of the Federal Reserve System of the United States of America.

“Financial Contract” of a Person means (i) any exchange-traded or over-the-counter futures, forward, swap or option contract or other financial instrument with similar characteristics or (ii) any Rate Management Transaction.

“Floating Rate” means, for any day, a rate per annum equal to (i) the Alternate Base Rate for such day plus (ii) the Applicable Margin, in each case changing when and as the Alternate Base Rate or Applicable Margin, as applicable, changes.

“Floating Rate Advance” means an Advance which, except as otherwise provided in Section 2.10, bears interest at the Floating Rate.

“Floating Rate Loan” means a Loan which, except as otherwise provided in Section 2.10, bears interest at the Floating Rate.

“Floor” means the benchmark rate floor, if any, provided in this Agreement initially (as of the execution of this Agreement, the modification, amendment or renewal of this Agreement or otherwise) with respect to the ~~LIBOR~~ Adjusted Term SOFR Rate or EURIBOR Rate, as applicable. For the avoidance of doubt the initial Floor for the Adjusted Term SOFR Rate as of the Amendment No. 4 Effective Date shall be 1.00%.

“Foreign Currency” means Agreed Currencies other than Dollars.

“Foreign Subsidiary” means any Subsidiary that is not a Domestic Subsidiary.

“Governmental Authority” means any nation or government, any federal, state, local or other political subdivision thereof and any entity exercising executive, legislative, judicial, regulatory or administrative functions of or pertaining to government.

“Guaranteed Obligations” means, collectively, (i) the Obligations, (ii) all Rate Management Obligations owing to any Lender or any Affiliate of any Lender and (iii) all Banking Services Obligations owing to any Lender or any Affiliate of any Lender; *provided* that the definition of “Guaranteed Obligations” shall not create or include any guarantee by any Loan Party of any Excluded Swap Obligations of such Loan Party for purposes of determining any obligations of any Loan Party.

“Guarantor” means each Subsidiary that executes a Guaranty pursuant to the terms of Section 6.28, and its successors and assigns.

“Guaranty” means an unconditional guaranty of payment of the Guaranteed Obligations, in form and substance satisfactory to the Agent, executed by any Subsidiary pursuant to the terms of Section 6.28, in each case as the same may from time to time be amended, modified, supplemented and/or restated (including to add new Guarantors).

“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.

“Holders of Guaranteed Obligations” shall mean the holders of the Guaranteed Obligations from time to time and shall include their respective successors, transferees and assigns.

~~“Impacted LIBO Rate Interest Period” has the meaning assigned to such term in the definition of “LIBO Rate.”~~

“Ineligible Institution” means (i) a natural person, (ii) a Defaulting Lender, (iii) the Borrower, any of its Subsidiaries or any of its Affiliates, or (d) a company, investment vehicle or trust for, or owned and operated for the primary benefit of, a natural person or relative(s) thereof.

“Indebtedness” of a Person means, without duplication, such Person’s (i) obligations for borrowed money, (ii) obligations representing the deferred purchase price of Property or services (other than accounts payable arising in the ordinary course of such Person’s business payable on terms customary in the trade), (iii) obligations which are evidenced by notes, acceptances, or other instruments, (iv) obligations of such Person to purchase securities or other Property arising out of or in connection with the sale of the same or substantially similar securities or Property, (v) Capitalized Lease Obligations, (vi) reimbursement obligations with respect to standby letters of credit, whether drawn or undrawn, (vii) Rate Management Obligations, (viii) Off-Balance Sheet Liabilities, (ix) all liabilities and obligations of the type described in the preceding clauses (i) through (viii) of any other Person that such Person has assumed or guaranteed or that are secured by a Lien on any Property of such Person (*provided*, that if any such liability or obligation of such other Person is not the legal liability of such Person, the amount thereof shall be deemed to be the lesser of (1) the actual amount of such liability or obligation and (2) the book value of such Person’s Property securing such liability or obligation), and (x) any other obligation for borrowed money or other financial accommodation which in accordance with Agreement Accounting Principles would be shown as a liability on the consolidated balance sheet of such Person.

“Intangible Assets” means the aggregate amount, for the Borrower and its Subsidiaries on a consolidated basis, of all assets classified as intangible assets under Agreement Accounting Principles.

“Intercompany Indebtedness” means any Indebtedness owed by the Borrower or any Subsidiary to the Borrower or any Subsidiary.

“Interest Period” means, with respect to a Term Benchmark Advance, a period of one, three or six months commencing on a Business Day selected by the Borrower pursuant to this Agreement (in each case, subject to the availability for the Benchmark applicable to the relevant Loan or Advance for any Agreed Currency); *provided* that no tenor that has been removed from this definition pursuant to Section 3.3(f) shall be available for specification in such Borrowing Notice or Conversion/Continuation Notice. Such Interest Period shall end on the day which corresponds numerically to such date the applicable number of months thereafter, *provided, however*, that if there is no such numerically corresponding day in such next, third or sixth succeeding month, as applicable, such Interest Period shall end on the last Business Day of such next, third or sixth succeeding month, as applicable. If an Interest Period would otherwise end on a day which is not a Business Day, such Interest Period shall end on the next succeeding Business Day, *provided, however*, that if said next succeeding Business Day falls in a new calendar month, such Interest Period shall end on the immediately preceding Business Day, *provided further*, in no event shall any Interest period extend beyond the Facility Termination Date.

“Investment” of a Person means any loan, advance (other than commission, travel and similar advances to officers and employees made in the ordinary course of business), extension of credit (other than accounts or notes receivable arising in the ordinary course of business on terms customary in the trade) or contribution of capital by such Person; stocks, bonds, mutual funds, partnership interests, notes, debentures or other securities (other than treasury stock) owned by such Person; any deposit accounts and certificate of deposit owned by such Person; and structured notes, derivative financial instruments and other similar instruments or contracts owned by such Person. Payment by a Person under a guaranty by such Person of Indebtedness of another Person shall be deemed to be an Investment by such Person in such other Person in the amount of such payment.

“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.

“Issuing Lender” means (i) JPMorgan in its separate capacity as an issuer of Letters of Credit pursuant to Section 2.4.1 hereunder with respect to each Letter of Credit issued or deemed issued by JPMorgan upon the Borrower’s request (the “Principal Issuing Lender”) and (ii) any Lender (other than JPMorgan), in such Lender’s separate capacity as an issuer of Letters of Credit pursuant to Section 2.4.1 hereunder with respect to any and all Letters of Credit issued by such Lender in its sole discretion upon the Borrower’s request. All references contained in this Agreement and the other Loan Documents to the “Issuing Lender” (but not the “Principal Issuing Lender”) shall be deemed to apply equally to each of the institutions referred to in clauses (i) and (ii) of this definition in their respective capacities as issuers of any and all Letters of Credit issued by each such institution.

“JPMorgan” means JPMorgan Chase Bank, N.A., in its individual capacity and its successors.

“L/C Draft” means a draft drawn on the Issuing Lender pursuant to a Letter of Credit.

“L/C Exposure” means, at any time, the aggregate principal amount of all L/C Obligations at such time. The L/C Exposure of any Lender at any time shall be its Pro Rata Share of the total L/C Exposure at such time.

“L/C Interest” shall have the meaning ascribed to such term in Section 2.4.2.

“L/C Obligations” means, without duplication, an amount equal to the sum of (i) the aggregate of the amount then available for drawing under each of the Letters of Credit, (ii) the face amount of all outstanding L/C Drafts corresponding to the Letters of Credit, which L/C Drafts have been accepted by the Issuing Lender, (iii) the aggregate outstanding amount of all Reimbursement Obligations at such time and (iv) the aggregate face amount of all Letters of Credit requested by the Borrower but not yet issued

(unless the request for an unissued Letter of Credit has been denied). The LC Obligations of any Lender at any time shall be its Pro Rata Share of the total LC Obligations at such time.

“Lenders” means the lending institutions listed on the Commitment Schedule and any other Person that shall have become a Lender hereunder pursuant to Section 2.6(B) or pursuant to an Assignment and Assumption and their respective successors and assigns, other than any such Person that ceases to be a party hereto pursuant to an Assignment and Assumption. Unless otherwise specified, the term “Lenders” includes the Issuing Lenders.

“Lender Increase Notice” is defined in Section 2.6(B)(i) hereof.

“Lending Installation” means, with respect to a Lender or the Agent, the office, branch, subsidiary or affiliate of such Lender or the Agent listed on the Administrative Questionnaire provided to the Agent by such Lender in connection herewith or otherwise selected by such Lender or the Agent pursuant to Section 2.18.

“Letter of Credit” means any letter of credit issued or to be issued by the Issuing Lender pursuant to Section 2.4.1 and any Existing Letter of Credit.

“Leverage Ratio” means, as of any date of calculation, the ratio of (i) the sum of (a) Consolidated Funded Indebtedness outstanding on such date, minus (b) the aggregate amount of all unencumbered cash and Cash Equivalent Investments of the Borrower held on deposit that, in the aggregate, exceeds \$200,000,000, to (ii) Consolidated EBITDA for the Borrower’s then most-recently ended four fiscal quarters.

~~“LIBO Interpolated Rate” means, at any time, with respect to any Term Benchmark Advance denominated in Dollars and for any Interest Period, the rate per annum (rounded to the same number of decimal places as the LIBO Screen Rate) determined by the Agent (which determination shall be conclusive and binding absent manifest error) to be equal to the rate that results from interpolating on a linear basis between: (a) the LIBO Screen Rate for the longest period (for which the LIBO Screen Rate is available) that is shorter than the Impacted LIBO Rate Interest Period; and (b) the LIBO Screen Rate for the shortest period (for which the LIBO Screen Rate is available) that exceeds the Impacted LIBO Rate Interest Period, in each case, at such time; provided that if any LIBO Interpolated Rate shall be less than 0.00%, such rate shall be deemed to be 0.00% for the purposes of this Agreement.~~

~~“LIBO Rate” means, with respect to any Term Benchmark Advance denominated in Dollars and for any Interest Period or for any Floating Rate Advance, the LIBO Screen Rate at approximately 11:00 a.m., London time, two Business Days prior to the commencement of such Interest Period; provided that, if the LIBO Screen Rate shall not be available at such time for such Interest Period (an “Impacted LIBO Rate Interest Period”) with respect to Dollars then the LIBO Rate shall be the LIBO Interpolated Rate.~~

~~“LIBO Screen Rate” means, for any day and time, with respect to any Term Benchmark Advance denominated in Dollars and for any Interest Period or for any Floating Rate Advance, the London interbank offered rate as administered by ICE Benchmark Administration (or any other Person that takes over the administration of such rate) for Dollars for a period equal in length to such Interest Period as displayed on such day and time on pages LIBOR01 or LIBOR02 of the Reuters screen that displays such rate (or, in the event such rate does not appear on a Reuters page or screen, on any successor or substitute page on such screen that displays such rate, or on the appropriate page of such other information service that publishes such rate from time to time as selected by the Agent in its reasonable discretion); provided that if the LIBO Screen Rate as so determined would be less than 0.00%, such rate shall be deemed to be 0.00% for the purposes of this Agreement.~~

“Lien” means any lien (statutory or other), mortgage, pledge, hypothecation, assignment, security deposit, encumbrance or preference, priority or other security agreement or preferential arrangement of

any kind or nature whatsoever (including, without limitation, the interest of a vendor or lessor under any conditional sale, Capitalized Lease or other title retention agreement).

“LLC” means any Person that is a limited liability company under the laws of its jurisdiction of formation.

“Loan” means a Revolving Loan.

“Loan Documents” means this Agreement, any Notes issued pursuant to Section 2.14, any Guaranty and the other documents and agreements contemplated hereby and executed by the Borrower in favor of the Agent or any Lender.

“Loan Modification Agreement” is defined in Section 2.24(B) hereof.

“Loan Modification Offer” is defined in Section 2.24(A) hereof.

“Loan Parties” means the Borrower and each Guarantor.

“Margin Stock” shall have the meaning assigned thereto in Regulation U.

“Material Adverse Effect” means a material adverse effect on (i) the business, Property, financial condition or results of operations of the Borrower and its Subsidiaries taken as a whole, (ii) the ability of the Borrower and the Guarantors (if any) collectively to perform their obligations under the Loan Documents, or (iii) the validity or enforceability of any of the Loan Documents or the rights or remedies of the Agent or the Lenders thereunder.

“Material Domestic Subsidiary” means (i) any Domestic Subsidiary (other than a Guarantor) having assets (other than good will, non-U.S. domiciled assets and Equity Interests in Foreign Subsidiaries) with a book value of \$100,000,000 or more, (ii) any group of Domestic Subsidiaries (other than Guarantors) on a combined basis having such assets with a book value of \$125,000,000 or more or (iii) any Domestic Subsidiary that constitutes a Substantial Portion of the Property of the Borrower and its Subsidiaries.

“Material Indebtedness” is defined in Section 7.5.

“Material Subsidiary” means any Subsidiary, or group of Subsidiaries on a combined basis, that constitutes a Substantial Portion of the Property of the Borrower and its Subsidiaries.

“Modified Commitments” is defined in Section 2.24(A) hereof.

“Modified Facility Termination Date” is defined in Section 2.24(A) hereof.

“Modified Revolving Loans” is defined in Section 2.24(A) hereof.

“Moody’s” mean Moody’s Investors Service, Inc.

“Multiemployer Plan” means a Plan which is a multiemployer plan as defined in Section 4001(a)(3) of ERISA and to which the Borrower, any of its Subsidiaries or any member of the Controlled Group makes contributions, is obligated to make contributions, or could reasonably be expected to incur any liability.

“Non-U.S. Lender” is defined in Section 3.5(iv).

“Note” means any promissory note issued at the request of a Lender pursuant to Section 2.14 in the form of Exhibit C.

“NYFRB” means the Federal Reserve Bank of New York.

“NYFRB Rate” means, for any day, the greater of (a) the Federal Funds Effective Rate in effect on such day and (b) the Overnight Bank Funding Rate in effect on such day (or for any day that is not a Business Day, for the immediately preceding Business Day); provided that if none of such rates are published for any day that is a Business Day, the term “NYFRB Rate” means the rate for a federal funds transaction quoted at 11:00 a.m. on such day received by the Agent from a federal funds broker of recognized standing selected by it; provided, further, that if any of the aforesaid rates as so determined be less than zero, such rate shall be deemed to be zero for purposes of this Agreement.

“NYFRB’s Website” means the website of the NYFRB at <http://www.newyorkfed.org>, or any successor source.

“Obligations” means all unpaid principal of and accrued and unpaid interest on the Loans, all unpaid Reimbursement Obligations, all accrued and unpaid fees and all expenses, reimbursements, indemnities and other obligations of the Borrower to the Lenders or to any Lender, the Issuing Lender, the Agent or any indemnified party arising under the Loan Documents.

“OFAC” means the Office of Foreign Assets Control of the U.S. Department of the Treasury.

“Off-Balance Sheet Liability” of a Person means (i) any repurchase obligation or recourse liability of such Person with respect to the collectability of accounts or notes receivable sold by such Person, (ii) any liability under any Sale and Leaseback Transaction which is not a Capitalized Lease, (iii) any liability under any so-called “synthetic lease” transaction entered into by such Person, or (iv) any obligation arising with respect to any other transaction which is the functional equivalent of borrowing but which does not constitute a liability on the balance sheet of such Person, but excluding from this clause (iv) any lease of Property (other than a Capitalized Lease) by such Person as lessee which has an original term (including any required renewals and any renewals effective at the option of the lessor) of one year or more.

“Other Benchmark Rate Election” means, with respect to any Loan denominated in Dollars, if the then-current Benchmark is ~~the~~ LBO Adjusted Term SOFR Rate, the occurrence of:

(a) a request by the Borrower to the Agent to notify each of the other parties hereto that, at the determination of the Borrower, Dollar-denominated syndicated credit facilities at such time contain (as a result of amendment or as originally executed), in lieu of a ~~LBO-based~~ Term SOFR-based rate, a term benchmark rate as a benchmark rate, and

(b) the Agent, in its sole discretion, and the Borrower jointly elect to trigger a fallback from the ~~LBO~~ Adjusted Term SOFR Rate and the provision, as applicable, by the Agent of written notice of such election to the Borrower and the Lenders.

“Other Taxes” is defined in Section 3.5(ii).

“Outstanding Credit Exposure” means, with respect to any Lender, at any particular time, the sum of (i) the outstanding principal Dollar Amount of such Lender’s Pro Rata Share of the Revolving Loans at such time, plus (ii) the outstanding Dollar Amount of such Lender’s Pro Rata Share of the L/C Obligations at such time.

“Overnight Bank Funding Rate” means, for any day, the rate comprised of both overnight federal funds and overnight eurodollar ~~borrowings~~ transactions denominated in Dollars by U.S.-managed banking

offices of depository institutions, as such composite rate shall be determined by the NYFRB as set forth on the NYFRB's Website from time to time, and published on the next succeeding Business Day by the NYFRB as an overnight bank funding rate.

"Overnight Foreign Currency Rate" means, for any amount payable in a Foreign Currency, the rate of interest per annum as determined by the Agent at which overnight or weekend deposits in the relevant currency (or if such amount due remains unpaid for more than three (3) Business Days, then for such other period of time as the Agent may elect) for delivery in immediately available and freely transferable funds would be offered by the Agent to major banks in the interbank market upon request of such major banks for the relevant currency as determined above and in an amount comparable to the unpaid principal amount of the related Loan, plus any taxes, levies, imposts, duties, deductions, charges or withholdings imposed upon, or charged to, the Agent by any relevant correspondent bank in respect of such amount in such relevant currency.

"Parent" means, with respect to any Lender, any Person as to which such Lender is, directly or indirectly, a subsidiary.

"Participants" is defined in Section 12.2.1.

"Participating Member State" means any member state of the European Union that has the Euro as its lawful currency in accordance with legislation of the European Union relating to Economic and Monetary Union.

"Payment" has the meaning assigned to it in Section 10.17.

"Payment Date" means the last day of each March, June, September and December, commencing June 30, 2019.

"Payment Notice" has the meaning assigned to it in Section 10.17.

"PBGC" means the Pension Benefit Guaranty Corporation, or any successor thereto.

"Permitted Acquisition" means any Acquisition made by the Borrower or any of its Subsidiaries, *provided* that (i) as of the date of the consummation of such Acquisition, no Default or Unmatured Default shall have occurred and be continuing or would result from such Acquisition, and the representation and warranty contained in Section 5.11 shall be true both before and after giving effect to such Acquisition, (ii) such Acquisition is consummated on a non-hostile basis pursuant to a negotiated acquisition agreement approved by the board of directors or other applicable governing body of the seller or entity to be acquired, and no material challenge to such Acquisition (excluding the exercise of appraisal rights) shall be pending or threatened by any shareholder or director of the seller or entity to be acquired, (iii) the business to be acquired in such Acquisition is reasonably related to one or more of the fields of enterprise in which the Borrower and its Subsidiaries are engaged on the Closing Date, (iv) as of the date of the consummation of such Acquisition, all material approvals required in connection therewith shall have been obtained, and (v) at the time of and immediately after giving effect (including pro forma effect) to any such Acquisition, the Borrower shall be in compliance with the covenants set forth in Section 6.26 on a pro forma basis acceptable to the Agent.

"Permitted Notes" means the Borrower's 4.875% Senior Notes due 2020 in the principal amount of \$425,000,000 outstanding on the Closing Date.

"Permitted Refinancing" means Indebtedness of the Borrower the proceeds of which are used to refinance Permitted Notes, provided that (i) the principal amount of such Indebtedness does not exceed that of the Permitted Notes being refinanced immediately before the respective refinancing is consummated (plus the amount of any premium, fees, expenses and/or accrued interest actually paid on

the Permitted Notes so refinanced), (ii) all net proceeds of such Indebtedness are substantially concurrently (or, if pursuant to a redemption notice or similar instrument, within 45 days) applied to permanently repay or defease the Permitted Notes being refinanced, (iii) such Indebtedness is scheduled to mature (as determined under Agreement Accounting Principles) no earlier than the later of (A) the maturity date of the Permitted Notes being refinanced and (B) ninety-one (91) days following the Facility Termination Date, (v) such Indebtedness has an Average Life at the time such Indebtedness is incurred that is equal to or greater than the lesser of (A) the Average Life of the Permitted Notes being refinanced and (B) the period from the date such Indebtedness is incurred to the Facility Termination Date, and (vi) the terms of such Indebtedness (including, without limitation, terms relating to security, covenants, events of default and remedies, but excluding interest rates and other economic terms so long as they are based on then current market conditions) are not less favorable to the Borrower or to the Lenders than those applicable to the Permitted Notes being refinanced.

“Person” means any natural person, corporation, firm, joint venture, partnership, limited liability company, association, enterprise, trust or other entity or organization, or any government or political subdivision or any agency, department or instrumentality thereof.

“Plan” means an employee pension benefit plan which is covered by Title IV of ERISA or subject to the minimum funding standards under Section 412 of the Code as to which the Borrower, any of its Subsidiaries or any member of the Controlled Group could reasonably be expected to incur any liability.

“Pricing Schedule” means the Schedule attached hereto identified as such.

“Prime Rate” means the rate of interest last quoted by The Wall Street Journal as the “Prime Rate” in the U.S. or, if The Wall Street Journal ceases to quote such rate, the highest per annum interest rate published by the Federal Reserve Board in Federal Reserve Statistical Release H.15 (519) (Selected Interest Rates) as the “bank prime loan” rate or, if such rate is no longer quoted therein, any similar rate quoted therein (as determined by the Agent) or any similar release by the Federal Reserve Board (as determined by the Agent). Each change in the Prime Rate shall be effective from and including the date such change is publicly announced or quoted as being effective.

“Principal Issuing Lender” has the meaning set forth in the definition of “Issuing Lender.”

“Proposed New Lender” is defined in Section 2.6(B)(i) hereof.

“Pro Rata Share” means, with respect to any Lender at any time, the fraction (expressed as a percentage) obtained by dividing (a) such Lender’s Commitment at such time by (b) the Aggregate Commitment at such time; *provided, however*, that (1) in the case of Section 2.23 when a Defaulting Lender shall exist, “Pro Rata Share” shall mean the fraction (expressed as a percentage) obtained by dividing (x) such Lender’s Commitment at such time by (y) the Aggregate Commitment (disregarding any Defaulting Lender’s Commitment) at such time and (2) if the Commitments shall have been terminated at such time, then such Lender’s “Pro Rata Share” shall mean such Lender’s Pro Rata Share immediately before the termination (as subsequently modified by any assignment permitted under Section 12.3 and giving effect to any Lender’s status as a Defaulting Lender at the time of determination).

“Property” of a Person means any and all property, whether real, personal, tangible, intangible, or mixed, of such Person, or other assets owned, leased or operated by such Person, including, without limitation, Equity Interests of Subsidiaries of such Person.

“Purchasers” is defined in Section 12.3.1.

“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).

“Rate Management Obligations” of a Person means any and all obligations of such Person, whether absolute or contingent and howsoever and whensoever created, arising, evidenced or acquired (including all renewals, extensions and modifications thereof and substitutions therefor), under (i) any and all Rate Management Transactions, and (ii) any and all cancellations, buy backs, reversals, terminations or assignments of any Rate Management Transactions.

“Rate Management Transaction” means any transaction (including an agreement with respect thereto) now existing or hereafter entered into which is a rate swap, basis swap, forward rate transaction, commodity swap, commodity option, equity or equity index swap, equity or equity index option, bond option, interest rate option, foreign exchange transaction, cap transaction, floor transaction, collar transaction, forward transaction, currency swap transaction, cross-currency rate swap transaction, currency option or any other similar transaction (including any option with respect to any of these transactions) or any combination thereof, whether linked to one or more interest rates, foreign currencies, commodity prices, equity prices or other financial measures.

“Reference Time” with respect to any setting of the then-current Benchmark means (1) if such Benchmark is ~~LIBO~~Term SOFR Rate, ~~11:00 a.m. (London)~~5:00 a.m. (Chicago time) on the day that is two ~~London banking days~~U.S. Government Securities Business Days preceding the date of such setting, (2) if such Benchmark is EURIBOR Rate, 11:00 a.m. Brussels time two TARGET Days preceding the date of such setting, ~~or~~ (3) if, following a Benchmark Transition Event and Benchmark Replacement Date with respect to the Term SOFR Rate, the Benchmark is Daily Simple SOFR, then four Business Days prior to such setting, or (4) if such Benchmark is none of the ~~LIBO~~Term SOFR Rate or the EURIBOR Rate, the time determined by the Agent in its reasonable discretion.

“Regulation D” means Regulation D of the Federal Reserve Board as from time to time in effect and any successor thereto or other regulation or official interpretation of said Board relating to reserve requirements applicable to member banks of the Federal Reserve System.

“Regulation U” means Regulation U of the Federal Reserve Board as from time to time in effect and any successor or other regulation or official interpretation of said Board relating to the extension of credit by banks for the purpose of purchasing or carrying margin stocks applicable to member banks of the Federal Reserve System.

“Reimbursement Obligation” is defined in Section 2.4.3.

“Related Parties” means, with respect to any specified Person, such Person’s Affiliates and the respective partners, directors, officers, employees, agents, advisors and representatives of such Person and such Person’s Affiliates.

“Relevant Governmental Body” means (i) with respect to a Benchmark Replacement in respect of Loans denominated in Dollars, the Federal Reserve Board and/or the NYFRB, or a committee officially endorsed or convened by the Federal Reserve Board and/or the NYFRB or, in each case, any successor thereto, (ii) with respect to a Benchmark Replacement in respect of Loans denominated in Euros, the European Central Bank, or a committee officially endorsed or convened by the European Central Bank or, in each case, any successor thereto, and (iii) with respect to a Benchmark Replacement in respect of Loans denominated in any other currency, (a) the central bank for the currency in which such Benchmark Replacement is denominated or any central bank or other supervisor which is responsible for supervising either (1) such Benchmark Replacement or (2) the administrator of such Benchmark Replacement or (b) any working group or committee officially endorsed or convened by (1) the central bank for the currency in which such Benchmark Replacement is denominated, (2) any central bank or other supervisor that is responsible for supervising either (A) such Benchmark Replacement or (B) the administrator of such Benchmark Replacement, (3) a group of those central banks or other supervisors or (4) the Financial Stability Board or any part thereof.

“Relevant Rate” means (i) with respect to any Term Benchmark Advance denominated in Dollars, the ~~LBO~~ Adjusted Term SOFR Rate or (ii) with respect to any Term Benchmark Advance denominated in Euros, the EURIBOR Rate, as applicable.

“Relevant Screen Rate” means (i) with respect to any Term Benchmark Advance denominated in Dollars, the ~~LBO Screen~~ Term SOFR Reference Rate or (ii) with respect to any Term Benchmark Advance denominated in Euros, the EURIBOR Screen Rate, as applicable.

“Reportable Event” means a reportable event as defined in Section 4043 of ERISA and the regulations issued under such section, with respect to a Plan, excluding, however, such events as to which the PBGC has by regulation waived the requirement of Section 4043(a) of ERISA that it be notified within thirty (30) days of the occurrence of such event, *provided, however*, that a failure to meet the minimum funding standard of Section 412 of the Code and of Section 302 of ERISA shall be a Reportable Event regardless of the issuance of a waiver of the minimum funding standard in accordance with Section 412(c) of the Code or Section 302(c) of ERISA.

“Required Lenders” means Lenders in the aggregate having more than 50% of the Aggregate Commitment, or, if the Aggregate Commitment has been terminated, Lenders in the aggregate holding more than 50% of the aggregate unpaid principal amount of the Aggregate Outstanding Credit Exposure.

“Resolution Authority” means an EEA Resolution Authority or, with respect to any UK Financial Institution, a UK Resolution Authority.

“Restricted Payment” means any dividend or other distribution (whether in cash, securities or other property) with respect to any Equity Interests in the Borrower or any Subsidiary, or any payment (whether in cash, securities or other property), including any sinking fund or similar deposit, on account of the purchase, redemption, retirement, acquisition, cancellation or termination of any such Equity Interests in the Borrower or any Subsidiary or any option, warrant or other right to acquire any such Equity Interests in the Borrower or any Subsidiary.

“Reuters” means, as applicable, Thomson Reuters Corp., Refinitiv, or any successor thereto.

“Revolving Advance” means an Advance consisting of Revolving Loans.

“Revolving Loan” means, with respect to any Lender, a loan made by such Lender pursuant to Section 2.1. (or any conversion or continuation thereof).

“S&P” or “Standard and Poor’s” means Standard & Poor’s Ratings Services, a Standard & Poor’s Financial Services LLC business.

“Sale and Leaseback Transaction” means any sale or other transfer of Property by any Person with the intent to lease such Property as lessee.

“Sanctioned Country” means, at any time, a country, region or territory which is itself the subject or target of any Sanctions (at the time of this Agreement, Crimea, Cuba, Iran, North Korea and Syria).

“Sanctioned Person” means, at any time, (a) any Person listed in any Sanctions-related list of designated Persons maintained by OFAC, the U.S. Department of State, the United Nations Security Council, the European Union, any European Union member state, Her Majesty’s Treasury of the United Kingdom or other relevant sanctions authority, (b) any Person organized, located or resident in a Sanctioned Country, (c) any Person owned or controlled by any such Person or Persons described in the foregoing clauses (a) or (b), or (d) any Person otherwise the subject of any Sanctions.

“Sanctions” means all economic or financial sanctions or trade embargoes imposed, administered or enforced from time to time by (a) the U.S. government, including those administered by OFAC or the U.S. Department of State, or (b) the United Nations Security Council, the European Union, any European Union member state, Her Majesty’s Treasury of the United Kingdom or other relevant sanctions authority.

“Schedule” refers to a specific schedule to this Agreement, unless another document is specifically referenced.

“Schwartz Group” means David and Alice Schwartz, their family and heirs, and corporations, partnerships and limited liability companies 100% owned by any of the foregoing, trusts for the benefit of any of the foregoing and foundations formed or established by any of the foregoing.

“SEC” means the United States Securities and Exchange Commission, or any successor agency thereto.

“Section” means a numbered section of this Agreement, unless another document is specifically referenced.

“Selling Lender” is defined in Section 2.6(B)(ii) hereof.

“Single Employer Plan” means a Plan (other than a Multiemployer Plan).

“SOFR” means, ~~with respect to any Business Day,~~ a rate per annum equal to the secured overnight financing rate ~~for such Business Day published as administered~~ by the SOFR Administrator ~~on the SOFR Administrator’s Website on the immediately succeeding Business Day.~~

“SOFR Administrator” means the NYFRB (or a successor administrator of the secured overnight financing rate).

“SOFR Administrator’s Website” means the NYFRB’s website at <http://www.newyorkfed.org>, or any successor source for the secured overnight financing rate identified as such by the SOFR Administrator from time to time.

“SOFR Rate Day” ~~has the meaning specified in the definition of “Daily Simple SOFR”.~~

“Specified Swap Obligation” means, with respect to any Loan Party, any obligation to pay or perform under any agreement, contract or transaction that constitutes a “swap” within the meaning of Section 1a(47) of the Commodity Exchange Act or any rules or regulations promulgated thereunder.

“Statutory Reserve Rate” means, with respect to any currency, a fraction (expressed as a decimal), the numerator of which is the number one and the denominator of which is the number one minus the aggregate of the maximum reserve, liquid asset, fees or similar requirements (including any marginal, special, emergency or supplemental reserves or other requirements) established by any central bank, monetary authority, the Federal Reserve Board, the Financial Conduct Authority, the Prudential Regulation Authority, the European Central Bank or other Governmental Authority for any category of deposits or liabilities customarily used to fund loans in such currency, expressed in the case of each such requirement as a decimal. Such reserve, liquid asset, fee or similar requirement shall include those imposed pursuant to Regulation D. Term Benchmark Loans shall be deemed to be subject to such reserve, liquid asset, fee or similar requirements without benefit of or credit for proration, exemptions or offsets that may be available from time to time to any Lender under any applicable law, rule or regulation, including Regulation D. The Statutory Reserve Rate shall be adjusted automatically on and as of the effective date of any change in any reserve, liquid asset or similar requirement.

“Subsidiary” of a Person means (i) any corporation more than 50% of the outstanding securities having ordinary voting power of which shall at the time be owned or controlled, directly or indirectly, by such Person or by one or more of its Subsidiaries or by such Person and one or more of its Subsidiaries, or (ii) any partnership, limited liability company, association, joint venture or similar business organization more than 50% of the ownership interests having ordinary voting power of which shall at the time be so owned or controlled. Unless otherwise expressly provided, all references herein to a “Subsidiary” shall mean a Subsidiary of the Borrower.

“Substantial Portion” means, with respect to the Property (other than good will) of the Borrower and its Subsidiaries, Property which (i) represents more than 10% of the consolidated assets of the Borrower and its Subsidiaries as shown in the consolidated financial statements of the Borrower and its Subsidiaries as at the end of the four fiscal quarter period ending immediately prior to the fiscal quarter in which such determination is made, or (ii) is responsible for more than 10% of the consolidated net income of the Borrower and its Subsidiaries as reflected in the financial statements referred to in clause (i) above.

“TARGET2” means the Trans-European Automated Real-time Gross Settlement Express Transfer payment system which utilizes a single shared platform and which was launched on November 19, 2007.

“TARGET Day” means any day on which TARGET2 (or, if such payment system ceases to be operative, such other payment system, if any, determined by the Agent to be a suitable replacement) is open for the settlement of payments in Euro.

“Taxes” means any and all present or future taxes, duties, levies, imposts, deductions, charges, assessments, fees or withholdings, and any and all liabilities with respect to the foregoing, but excluding Excluded Taxes.

“Term Benchmark” when used in reference to any Loan or Advance, refers to whether such Loan, or the Loans comprising such Advance, are bearing interest at a rate determined by reference to the Adjusted ~~LIBOR~~ Term SOFR Rate or the Adjusted ~~HBOR~~ EURIBOR Rate.

“Term Benchmark Payment Office” of the Agent shall mean the agency, office, branch, affiliate or correspondent bank of the Agent as it may from time to time specify to the Borrower and each Lender as its Term Benchmark Payment Office.

~~“Term SOFR” means, for the applicable Corresponding Tenor as of the applicable Reference Time, the forward-looking term rate based on SOFR that has been selected or recommended by the Relevant Governmental Body.~~

~~“Term SOFR Notice” means a notification by the Agent to the Lenders and the Borrower of the occurrence of a Term SOFR Transition Event.~~
~~Determination Day” has the meaning assigned to it under the definition of Term SOFR Reference Rate.~~

~~“Term SOFR Transition Event” means the determination by the Agent that (a) Term SOFR has been recommended for use by the Relevant Governmental Body, (b) the administration of Term SOFR is administratively feasible for the Agent and (c) a Benchmark Transition Event or an Early Opt-in Election, as applicable (and, for the avoidance of doubt, not in the case of an Other Benchmark Rate Election), has previously occurred resulting in a Benchmark Replacement in accordance with Section 3.3 that is not Term SOFR.”~~
~~means, with respect to any Term Benchmark Advance and for any tenor comparable to the applicable Interest Period, the Term SOFR Reference Rate at approximately 5:00 a.m., Chicago time, two (2) U.S. Government Securities Business Days prior to the commencement of such tenor comparable to the applicable Interest Period, as such rate is published by the CME Term SOFR Administrator.~~

“Term SOFR Reference Rate” means, for any day and time (such day, the “Term SOFR Determination Day”), with respect to any Term Benchmark Advance and for any tenor comparable to the applicable Interest Period, the rate per annum published by the CME Term SOFR Administrator and identified by the Agent as the forward-looking term rate based on SOFR. If by 5:00 pm (New York City time) on such Term SOFR Determination Day, the “Term SOFR Reference Rate” for the applicable tenor has not been published by the CME Term SOFR Administrator and a Benchmark Replacement Date with respect to the Term SOFR Rate has not occurred, then so long as such day is otherwise a U.S. Government Securities Business Day, the Term SOFR Reference Rate for such Term SOFR Determination Day will be the Term SOFR Reference Rate as published in respect of the first preceding U.S. Government Securities Business Day for which such Term SOFR Reference Rate was published by the CME Term SOFR Administrator, so long as such first preceding U.S. Government Securities Business Day is not more than five (5) U.S. Government Securities Business Days prior to such Term SOFR Determination Day.

“Transferee” is defined in Section 12.4.

“Type”, when used in reference to any Loan or Advance, refers to whether the rate of interest on such Loan, or on the Loans comprising such Advance, is determined by reference to the Adjusted ~~LIBOR~~ Term SOFR Rate, the Adjusted EURIBOR Rate, the Alternate Base Rate or the Central Bank Rate.

“UK Financial Institutions” means 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 falling within 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.

“UK Resolution Authority” means the Bank of England or any other public administrative authority having responsibility for the resolution of any UK Financial Institution.

“Unadjusted Benchmark Replacement” means the applicable Benchmark Replacement excluding the related Benchmark Replacement Adjustment.

“Unfunded Liabilities” means the amount (if any) by which the present value of all vested and unvested accrued benefits under all Single Employer Plans exceeds the fair market value of all such Plan assets allocable to such benefits, all determined as of the then most recent valuation date for such Plans using actuarial assumptions used to fund such Plans.

“Unmatured Default” means an event which but for the lapse of time or the giving of notice, or both, would constitute a Default.

“U.S. Sanctions” means economic or financial sanctions or trade embargoes imposed, administered or enforced from time to time by the U.S. government, including those administered by OFAC or the U.S. Department of State.

“Voting Equity Interests” means Equity Interests which at the time are entitled to vote in the election of, as applicable, directors, members or partners generally.

“Wholly-Owned Subsidiary” of a Person means (i) any Subsidiary all of the outstanding voting securities of which shall at the time be owned or controlled, directly or indirectly, by such Person or one or more Wholly-Owned Subsidiaries of such Person, or by such Person and one or more Wholly-Owned Subsidiaries of such Person, or (ii) any partnership, limited liability company, association, joint venture or similar business organization 100% of the ownership interests having ordinary voting power of which shall at the time be so owned or controlled.

“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.

The foregoing definitions shall be equally applicable to both the singular and plural forms of the defined terms.

1.b. Terms Generally. 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”. The word “law” shall be construed as referring to all statutes, rules, regulations, codes and other laws (including official rulings and interpretations thereunder having the force of law or with which affected Persons customarily comply), and all judgments, orders and decrees, of all Governmental Authorities. Unless the context requires otherwise (a) any definition of or reference to any agreement, instrument or other document herein shall be construed as referring to such agreement, instrument or other document as from time to time amended, restated, supplemented or otherwise modified (subject to any restrictions on such amendments, restatements, supplements or modifications set forth herein), (b) any definition of or reference to any statute, rule or regulation shall be construed as referring thereto as from time to time amended, supplemented or otherwise modified (including by succession of comparable successor laws), (c) any reference herein to any Person shall be construed to include such Person’s successors and assigns (subject to any restrictions on assignment set forth herein) and, in the case of any Governmental Authority, any other Governmental Authority that shall have succeeded to any or all functions thereof, (d) the words “herein”, “hereof” and “hereunder”, and words of similar import, shall be construed to refer to this Agreement in its entirety and not to any particular provision hereof, (e) all references herein to Articles, Sections, Exhibits and Schedules shall be construed to refer to Articles and Sections of, and Exhibits and Schedules to, this Agreement, and (f) the words “asset” and “property” shall be construed to have the same meaning and effect and to refer to any and all tangible and intangible assets and properties, including cash, securities, accounts and contract rights. Unless otherwise provided, dollar (\$) baskets set forth in the representations and warranties, covenants and events of default provisions of this Agreement (and other similar baskets; it being understood that this sentence does not apply to Article II of this Agreement) are calculated as of each date of measurement by the Dollar Amounts thereof as of such date of measurement; *provided* that if any such baskets are exceeded solely as a result of fluctuations in applicable currency exchange rates after the last time such baskets were accessed, such baskets will not be deemed to have been exceeded solely as a result of such fluctuations in currency exchange rates.

1.c. Interest Rates; ~~LIBOR~~Benchmark Notification. The interest rate on a Loan denominated in Dollars or a Foreign Currency may be derived from an interest rate benchmark that may be discontinued or is, or may in the future become, the subject of regulatory reform. Regulators have signaled the need to use alternative benchmark reference rates for some of these interest rate benchmarks and, as a result, such interest rate benchmarks may cease to comply with applicable laws and regulations, may be permanently discontinued, and/or the basis on which they are calculated may change. ~~The London interbank offered rate (“LIBOR”) is intended to represent the rate at which contributing banks may obtain short-term borrowings from each other in the London interbank market. On March 5, 2021, the U.K. Financial Conduct Authority (“FCA”) publicly announced that: (a) immediately after December 31, 2021, publication of all seven euro LIBOR settings, all seven Swiss Franc LIBOR settings, the spot next, 1-week, 2-month and 12-month Japanese Yen LIBOR settings, the overnight, 1-week, 2-month and~~

~~12-month British Pound Sterling LIBOR settings, and the 1-week and 2-month U.S. Dollar LIBOR settings will permanently cease; (b) immediately after June 30, 2023, publication of the overnight and 12-month U.S. Dollar LIBOR settings will permanently cease; (c) immediately after December 31, 2021, the 1-month, 3-month and 6-month Japanese Yen LIBOR settings and the 1-month, 3-month and 6-month British Pound Sterling LIBOR settings will cease to be provided or, subject to consultation by the FCA, be provided on a changed methodology (or “synthetic”) basis and no longer be representative of the underlying market and economic reality they are intended to measure and that representativeness will not be restored; and (d) immediately after June 30, 2023, the 1-month, 3-month and 6-month U.S. Dollar LIBOR settings will cease to be provided or, subject to the FCA’s consideration of the case, be provided on a synthetic basis and no longer be representative of the underlying market and economic reality they are intended to measure and that representativeness will not be restored. There is no assurance that dates announced by the FCA will not change or that the administrator of LIBOR and/or regulators will not take further action that could impact the availability, composition, or characteristics of LIBOR or the currencies and/or tenors for which LIBOR is published. Each party to this Agreement should consult its own advisors to stay informed of any such developments. Public and private sector industry initiatives are currently underway to identify new or alternative reference rates to be used in place of LIBOR. Upon the occurrence of a Benchmark Transition Event, a Term SOFR Transition Event, an Early Opt-in Election or an Other Benchmark Rate Election, Sections 3.3(b) and (c) provide a mechanism for determining an alternative rate of interest. The Agent will promptly notify the Borrower, pursuant to Section 3.3(e), of any change to the reference rate upon which the interest rate on Term Benchmark Loans is based. However, the Agent does not warrant or accept any responsibility for, and shall not have any liability with respect to, the administration, submission, performance or any other matter related to LIBOR or other rates in the definition of “LIBO Rate” the Adjusted Term SOFR Rate or any other interest rate used in this Agreement with respect to Dollars (or “EURIBOR Rate”, as applicable) or with respect to any alternative or successor rate thereto, or replacement rate thereof (including, without limitation, (x) any such alternative, successor or replacement rate implemented pursuant to Section 3.3(b) or (c), whether upon the occurrence of a Benchmark Transition Event, a Term SOFR Transition Event, an Early Opt-in Election or an Other Benchmark Rate Election, and (y) the implementation of any Benchmark Replacement Conforming Changes pursuant to Section 3.3(d)), including without limitation, whether the composition or characteristics of any such alternative, successor or replacement reference rate will be similar to, or produce the same value or economic equivalence of, the LIBO Rate Adjusted Term SOFR Rate or other existing interest rate for Dollar-denominated loans being replaced (or the EURIBOR Rate, as applicable) or have the same volume or liquidity as did the London interbank offered any existing interest rate for Dollars (or the Euro interbank offered rate, as applicable) prior to its discontinuance or unavailability. The Agent and its affiliates and/or other related entities may engage in transactions that affect the calculation of any alternative, successor or alternative rate (including any Benchmark Replacement) and/or any relevant adjustments thereto, in each case, in a manner adverse to the Borrower. The Agent may select information sources or services in its reasonable discretion to ascertain any Relevant Rate, any component thereof, or rates referenced in the definition thereof, in each case pursuant to the terms of this Agreement, and shall have no liability to the Borrower, any Lender or any other person or entity for damages of any kind, including direct or indirect, special, punitive, incidental or consequential damages, costs, losses or expenses (whether in tort, contract or otherwise and whether at law or in equity), for any error or calculation of any such rate (or component thereof) provided by any such information source or service.~~

ARTICLE 2 THE CREDITS

1.a. Revolving Loans. (a) Commitment. From and including the date of this Agreement and prior to the Facility Termination Date, each Lender severally agrees, on the terms and conditions set forth in this Agreement, to make Revolving Loans in Agreed Currencies to the Borrower from time to time in Dollar Amounts not to exceed in the aggregate at any one time outstanding the Dollar Amount of its Commitment minus the Dollar Amount of its Pro Rata Share of the L/C Obligations outstanding at such time, *provided, however*, that no Revolving Advance will be made if, before or after taking such Revolving Advance into account, the Aggregate Outstanding Credit Exposure exceeds or would exceed

the Aggregate Commitment. All Floating Rate Loans shall be made in Dollars. Subject to the terms of this Agreement, the Borrower may borrow, repay and reborrow Revolving Loans at any time prior to the Facility Termination Date. The Commitments to lend hereunder shall expire on the Facility Termination Date.

(1) Determination of Dollar Amounts; Required Payments. The Agent will determine the Dollar Amount of Loans and Letters of Credit denominated in any Foreign Currency on each Computation Date. If at any time the Dollar Amount of the Aggregate Outstanding Credit Exposure (calculated, with respect to those Revolving Advances and L/C Obligations denominated in Agreed Currencies other than Dollars, as of the most recent Computation Date with respect thereto) exceeds 105% of the Aggregate Commitment, the Borrower shall immediately repay Revolving Advances in an aggregate principal amount such that after giving effect thereto the Dollar Amount of the Aggregate Outstanding Credit Exposure (calculated, with respect to those Revolving Advances and L/C Obligations denominated in Agreed Currencies other than Dollars, as of the most recent Computation Date with respect thereto) does not exceed the Aggregate Commitment.

1.b. Repayment. All outstanding Advances and all other unpaid Obligations shall be paid in full by the Borrower on the Facility Termination Date.

1.c. Ratable Loans; Types of Advances. Each Advance hereunder shall consist of Revolving Loans made from the several Lenders ratably in accordance with their respective Pro Rata Shares. The Advances may be Floating Rate Advances (if denominated in Dollars) or Term Benchmark Advances, or a combination thereof, selected by the Borrower in accordance with Sections 2.9 and 2.10. After giving effect to any Advance, unless the Agent shall consent, there shall not be more than ten (10) different Interest Periods in effect with respect to all Advances then outstanding.

1.d. Letters of Credit.

1.1.1. Letter of Credit Facility/Determination of Issuing Lender. (a) Upon receipt of duly executed applications therefor, and such other documents, instructions and agreements as the Issuing Lender may reasonably require, and subject to the provisions of subsection (b) below, Section 2.1 and Article IV, the Issuing Lender shall issue Letters of Credit denominated in any Agreed Currency for the account of the Borrower (or for the account of the Borrower and any of its Subsidiaries, *provided* that the obligations of any such Subsidiary under an application for a Letter of Credit, if any, shall be limited to such Letter of Credit with respect to which it is named as an account party), on terms as are reasonably satisfactory to the Issuing Lender; *provided, however*, that no Letter of Credit will be issued for the account of the Borrower by the Issuing Lender if on the date of issuance, before or after taking such Letter of Credit into account, (i) the Aggregate Outstanding Credit Exposure exceeds or would exceed the Aggregate Commitment, or (ii) the aggregate outstanding Dollar Amount of the L/C Obligations exceeds or would exceed \$25,000,000; and *provided, further*, that no Letter of Credit shall be issued which has an expiration date later than the earlier of (A) four years from the date of issuance thereof and (B) the date which is five (5) Business Days immediately preceding the Facility Termination Date. Each Letter of Credit may, upon the request of the Borrower, include a provision whereby such Letter of Credit shall be renewed automatically for additional consecutive periods of 12 months or less (but not beyond the date that is five (5) Business Days prior to the Facility Termination Date) unless the Issuing Lender notifies the beneficiary thereof at least thirty (30) days prior to the then-applicable expiry date that such Letter of Credit will not be renewed. Notwithstanding the foregoing, any Letter of Credit may expire no later than one year after the Facility Termination Date so long as the Borrower cash collateralizes an amount equal to 105% of the face amount of such Letter of Credit, by no later than thirty (30) days prior to the Facility Termination Date, in the manner described in Section 2.4.4 and otherwise on terms and conditions reasonably acceptable to the applicable Issuing Lender and the Agent.

(1) Upon receipt of a request from the Borrower for the issuance of a Letter of Credit, the Issuing Lender shall promptly give written notification to the Agent of the Dollar Amount and Agreed Currency thereof. Within one (1) Business Day after receipt of such notice, the Agent shall give written

notification to the Issuing Lender as to whether such Letter of Credit may or may not be issued, based on the criteria set forth in clauses (i) and (ii) of the proviso in subsection (a) above.

1.1.2. Letter of Credit Participation. Immediately upon the issuance of each Letter of Credit by the Issuing Lender hereunder, each Lender shall be deemed to have automatically, irrevocably and unconditionally purchased and received from the Issuing Lender an undivided interest and participation in and to such Letter of Credit, the obligations of the Borrower in respect thereof, and the liability of the Issuing Lender thereunder (collectively, an “L/C Interest”) in an amount equal to the amount available for drawing under such Letter of Credit multiplied by such Lender’s Pro Rata Share.

The Issuing Lender will notify the Agent promptly upon presentation to it of an L/C Draft or upon any other draw under a Letter of Credit, and the Agent will promptly notify each Lender. On or at any time after the Business Day on which the Issuing Lender makes payment of each such L/C Draft or any other draw on a Letter of Credit, on demand of the Issuing Lender received by each Lender not later than 1:00 p.m. (Chicago time) on such Business Day, each Lender shall make payment on such Business Day to the Agent for the account of the Issuing Lender, in immediately available funds in the Agreed Currency of such Letter of Credit, in an amount equal to such Lender’s Pro Rata Share of the amount of the Borrower’s unpaid Reimbursement Obligation with respect thereto.

Upon the Agent’s receipt of funds as a result of the Issuing Lender’s payment on an L/C Draft or any other draw on a Letter of Credit issued by the Issuing Lender, the Agent shall promptly pay such funds to the Issuing Lender. The obligation of each Lender to pay the Agent for the account of the Issuing Lender under this Section 2.4.2 shall be unconditional, continuing, irrevocable and absolute. In the event that any Lender fails to make payment to the Agent of any amount due under this Section 2.4.2, the Agent shall be entitled to receive, retain and apply against such obligation the principal and interest otherwise payable to such Lender hereunder until the Agent on behalf of the Issuing Lender receives such payment from such Lender or such obligation is otherwise fully satisfied; provided, however, that nothing contained in this sentence shall relieve such Lender of its obligation to reimburse the Agent for such amount in accordance with this Section 2.4.2.

1.1.3. Reimbursement Obligation. The Borrower agrees unconditionally, irrevocably and absolutely upon receipt of notice from the Agent or the Issuing Lender to pay to the Agent, for the account of the Issuing Lender or the account of the Lenders, as the case may be, the amount of each advance which has been drawn under or pursuant to a Letter of Credit issued for its account or an L/C Draft related thereto (such obligation of the Borrower to reimburse the Issuing Lender or the Agent for an advance made under a Letter of Credit or L/C Draft being hereinafter referred to as a “Reimbursement Obligation” with respect to such Letter of Credit or L/C Draft), each such payment to be made by the Borrower to the Agent no later than 2:00 p.m. (Chicago time) on the third Business Day after the Business Day on which the Issuing Lender makes payment of each such L/C Draft. The Issuing Lender may direct the Agent to make such demand with respect to Letters of Credit issued by the Issuing Lender. If, for any reason, the Borrower fails to repay a Reimbursement Obligation on the day such Reimbursement Obligation arises, then such Reimbursement Obligation shall bear interest from and after such day, until paid in full, at the interest rate applicable to a Floating Rate Advance. Such interest shall be for the account of the Issuing Lender until the Lenders make payment for their respective participation interests in such Reimbursement Obligation in accordance with Section 2.4.2.

1.1.4. Cash Collateral. Notwithstanding anything to the contrary herein or in any application for a Letter of Credit, after the occurrence and during the continuance of a Default, the Borrower shall, upon the Agent’s demand (and, in the case of any Default described in Section 7.6 or 7.7, immediately, without any demand or the taking of any other action by the Agent, the Issuing Lender or any Lender), deliver to the Agent for the benefit of the Lenders, cash, or other collateral of a type satisfactory to the Required Lenders, having a value, as determined by such Required Lenders, equal to the aggregate outstanding L/C Obligations of the Borrower. Any such collateral shall be held by the Agent in a separate account appropriately designated as a cash collateral account in relation to this Agreement and the Letters of Credit and retained by the Agent for the benefit of the Lenders as collateral

security for the Borrower's obligations in respect of this Agreement and each of the Letters of Credit and L/C Drafts. Such amounts shall be applied to reimburse the Agent or the Issuing Lender, as applicable, for drawings or payments under or pursuant to Letters of Credit or L/C Drafts, or if no such reimbursement is required, to payment of such of the other Obligations as the Agent shall determine. If no Default shall be continuing, amounts remaining in any cash collateral account established pursuant to this Section 2.4.4 which are not to be applied to reimburse the Issuing Lender for amounts actually paid or, with respect to a previously submitted draft, to be paid by the Issuing Lender in respect of a Letter of Credit or L/C Draft shall be returned to the Borrower (after deduction of the Agent's reasonable expenses incurred in connection with such cash collateral account).

1.1.5. Letter of Credit Fees. The Borrower agrees to pay in Dollars (i) quarterly, in arrears, on each Payment Date to the Agent, for the ratable benefit of the Lenders, a letter of credit fee in the amount of the Applicable Fee Rate per annum on the aggregate average daily outstanding Dollar Amount available for drawing under all of the Letters of Credit and (ii) to the Agent, for the benefit of the Issuing Lender, a fronting fee of 1/8th of one percent (0.125%) of the initial outstanding Dollar Amount available for drawing under each Letter of Credit (other than the Existing Letters of Credit and other Letters of Credit outstanding under the Existing Credit Agreement), payable on the date of issuance of such Letter of Credit, plus all customary fees and other issuance, amendment, document examination, negotiation and presentment expenses and related charges in connection with the issuance, amendment, presentation of L/C Drafts, and the like customarily charged by the Issuing Lender with respect to standby and commercial Letters of Credit, including, without limitation, standard commissions with respect to commercial Letters of Credit, payable at the time of invoice of such amounts. All participation fees and fronting fees shall be computed on the basis of a year of 360 days and shall be payable for the actual number of days elapsed (including the first day but excluding the last day). Participation fees and fronting fees in respect of Letters of Credit denominated in Dollars shall be paid in Dollars, and participation fees and fronting fees in respect of Letters of Credit denominated in a Foreign Currency shall be paid in such Foreign Currency.

1.1.6. Indemnification; Exoneration. (a) In addition to amounts payable as elsewhere provided in this Agreement, the Borrower agrees to protect, indemnify, pay and save harmless the Agent, the Issuing Lender and each Lender from and against any and all liabilities and costs which the Agent, the Issuing Lender or any Lender may incur or be subject to as a consequence, direct or indirect, of (i) the issuance of any Letter of Credit other than, in the case of the Issuing Lender, as a result of its gross negligence or willful misconduct, as determined by the final judgment of a court of competent jurisdiction, or (ii) the failure of the Issuing Lender of a Letter of Credit to honor a drawing under such Letter of Credit as a result of any act or omission, whether rightful or wrongful, of any present or future de jure or de facto Governmental Authority (all such acts or omissions herein called "Governmental Acts").

(1) As among the Borrower, the Lenders, the Issuing Lender and the Agent, the Borrower assumes all risks of the acts and omissions of, or misuse of such Letter of Credit by, the beneficiary of any Letter of Credit. In furtherance and not in limitation of the foregoing, subject to the provisions of the Letter of Credit applications and Letter of Credit reimbursement agreements executed by the Borrower at the time of request for any Letter of Credit, the Issuing Lender of a Letter of Credit, the Agent and the Lenders shall not be responsible (in the absence of gross negligence or willful misconduct, as determined by the final judgment of a court of competent jurisdiction, in connection therewith): (i) for the form, validity, sufficiency, accuracy, genuineness or legal effect of any document submitted by any party in connection with the application for and issuance of the Letters of Credit, even if it should in fact prove to be in any or all respects invalid, insufficient, inaccurate, fraudulent or forged; (ii) 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; (iii) for failure of the beneficiary of a Letter of Credit to comply duly with conditions required in order to draw upon such Letter of Credit; (iv) for errors, omissions, interruptions or delays in transmission or delivery of any messages, by mail, cable, telegraph, telex, or other similar form of teletransmission or otherwise; (v) for errors in interpretation of technical trade

terms; (vi) for any loss or delay in the transmission or otherwise of any document required in order to make a drawing under any Letter of Credit or of the proceeds thereof; (vii) for the misapplication by the beneficiary of a Letter of Credit of the proceeds of any drawing under such Letter of Credit; and (viii) for any consequences arising from causes beyond the control of the Agent, the Issuing Lender and the Lenders, including, without limitation, any Governmental Acts. None of the above shall affect, impair, or prevent the vesting of any of the Issuing Lender's rights or powers under this Section 2.4.6.

(2) In furtherance and extension and not in limitation of the specific provisions hereinabove set forth, any action taken or omitted by the Issuing Lender under or in connection with Letters of Credit issued on behalf of the Borrower or any related certificates shall not, in the absence of gross negligence or willful misconduct, as determined by the final judgment of a court of competent jurisdiction, put the Issuing Lender, the Agent or any Lender under any resulting liability to the Borrower or relieve the Borrower of any of its obligations hereunder to any such Person.

(3) Without prejudice to the survival of any other agreement of the Borrower hereunder, the agreements and obligations of the Borrower contained in this Section 2.4.6 shall survive the payment in full of principal and interest hereunder, the termination of the Letters of Credit and the termination of this Agreement.

1.1.7. Transitional Letter of Credit Provisions. The letters of credit described on Schedule 2.4 (the "Existing Letters of Credit") shall be deemed to constitute Letters of Credit issued pursuant to Section 2.4.1 in which the Lenders participate pursuant to Section 2.4.2.

1.1.8. Issuing Lender Agreements. Each Issuing Lender agrees that, unless otherwise requested by the Agent, such Issuing Lender shall report in writing to the Agent (i) on the first Business Day of each week, the daily activity (set forth by day) in respect of Letters of Credit during the immediately preceding week, including all issuances, extensions, amendments and renewals, all expirations and cancellations and all disbursements and reimbursements, (ii) on or prior to each Business Day on which such Issuing Lender expects to issue, amend, renew or extend any Letter of Credit, the date of such issuance, amendment, renewal or extension, and the aggregate face amount of the Letters of Credit to be issued, amended, renewed or extended by it and outstanding after giving effect to such issuance, amendment, renewal or extension occurred (and whether the amount thereof changed), it being understood that such Issuing Lender shall not permit any issuance, renewal, extension or amendment resulting in an increase in the amount of any Letter of Credit to occur without first obtaining written confirmation from the Agent that it is then permitted under this Agreement, (iii) on each Business Day on which such Issuing Lender pays any amount in respect of one or more drawings under Letters of Credit, the date of such payment(s) and the amount of such payment(s), (iv) on any Business Day on which the Borrowers fail to reimburse any amount required to be reimbursed to such Issuing Lender on such day, the date of such failure and the amount and currency of such payment in respect of Letters of Credit and (v) on any other Business Day, such other information as the Agent shall reasonably request.

1.e. [Intentionally Omitted].

1.f. Commitment Fee; Reductions/Increase in Aggregate Commitment. (A) Subject to Section 2.23 hereof, the Borrower agrees to pay to the Agent for the account of each Lender a commitment fee at a per annum rate equal to the Applicable Fee Rate on the daily unused portion of such Lender's Commitment (calculated as such Lender's Pro Rata Share of the Available Aggregate Commitment) from the date hereof to and including the Facility Termination Date, payable on each Payment Date hereafter and on the Facility Termination Date. The Borrower may permanently reduce the Aggregate Commitment in whole, or in part ratably among the Lenders in the minimum amount of \$5,000,000 (and in integral multiples of \$1,000,000 in excess thereof), upon at least three (3) Business Days' prior written notice to the Agent, which notice shall specify the amount of any such reduction, provided, however, that the amount of the Aggregate Commitment may not be reduced below the aggregate principal Dollar Amount of the Aggregate Outstanding Credit Exposure. All accrued

commitment fees shall be payable on the effective date of any termination of the obligations of the Lenders to make Revolving Loans hereunder.

(1) Increase of Commitments. (i) At any time, the Borrower may request that the Aggregate Commitment be increased; *provided that* (a) the Aggregate Commitment shall at no time exceed \$600,000,000 minus the aggregate amount of all reductions in the Aggregate Commitment previously made pursuant to Section 2.6(A), (b) each such request shall be in a minimum amount of at least \$10,000,000 and increments of \$5,000,000 in excess thereof and (c) the Aggregate Commitment may not be increased more than twice pursuant to this Section 2.6. Any increase in the Aggregate Commitment shall be subject to the following conditions precedent: (A) as of the proposed effective date of the increase in the Aggregate Commitment all representations and warranties shall be true and correct in all material respects as though made on such date and no event shall have occurred and then be continuing which constitutes a Default or Unmatured Default, (B) the Borrower, the Agent, provided that JPMorgan is at such time the Principal Issuing Lender, JPMorgan in its capacity as such, and any financial institution that shall have agreed to become a “Lender” party hereto (each a “Proposed New Lender”) or Lender that shall have agreed to provide a “Commitment” in support of such increase in the Aggregate Commitment shall have executed and delivered a Commitment and Acceptance substantially in the form of Exhibit D hereto (a “Commitment and Acceptance”), (C) counsel for the Borrower and for the Guarantors shall have provided to the Agent supplemental opinions in form and substance reasonably satisfactory to the Agent and (D) the Borrower and the Proposed New Lender shall otherwise have executed and delivered such other instruments and documents as may be required under Article IV or that the Agent shall have reasonably requested in connection with such increase. If any fee shall be charged by the applicable Lenders or Proposed New Lender in connection with any such increase, such fee shall be in accordance with then prevailing market conditions. Upon satisfaction of the conditions precedent to any increase in the Aggregate Commitment, the Agent shall promptly advise the Borrower and each Lender of the effective date of such increase. Upon the effective date of any increase in the Aggregate Commitment that is supported by a Proposed New Lender, such Proposed New Lender shall be a party to this Agreement as a Lender and shall have the rights and obligations of a Lender hereunder. Nothing contained herein shall constitute, or otherwise be deemed to be, a commitment on the part of any Lender to increase its Commitment hereunder at any time.

1.g. Minimum Amount of Each Advance. Each Term Benchmark Advance in Dollars shall be in the minimum amount of \$5,000,000 (and in multiples of \$1,000,000 if in excess thereof), each Term Benchmark Advance in Euro shall be in the minimum amount of EUR 5,000,000 (and in multiples of EUR 1,000,000 if in excess thereof), and each Floating Rate Advance shall be in the minimum amount of \$250,000 (and in multiples of \$250,000 if in excess thereof), provided, however, that any Floating Rate Advance may be in the amount of the unused Aggregate Commitment.

1.h. Optional/Mandatory Prepayments. (A) The Borrower may from time to time pay, without penalty or premium, all outstanding Floating Rate Advances, or, in a minimum aggregate amount of \$250,000 or any integral multiple of \$250,000 in excess thereof, any portion of the outstanding Floating Rate Advances upon notice to the Agent not later than 12:00 noon (Chicago time) on the date of payment (which shall be a Business Day). The Borrower may from time to time pay, subject to the payment of any funding indemnification amounts required by Section 3.4 but without penalty or premium, all outstanding Term Benchmark Advances, or, in a minimum aggregate amount of \$5,000,000 or any integral multiple of \$1,000,000 in excess thereof, any portion of the outstanding Term Benchmark Advances in Dollars upon three (3) Business Days’ prior notice to the Agent, and in a minimum aggregate amount of EUR 5,000,000 or any integral multiple of EUR 1,000,000 in excess thereof, any portion of the outstanding Term Benchmark Advances in Euro upon four (4) Business Days’ prior notice to the Agent.

(1) If at any time and for any reason (other than fluctuations in currency exchange rates) the Dollar Amount of the Aggregate Outstanding Credit Exposure is greater than the Aggregate Commitment, the Borrower shall not later than the following Business Day make a mandatory prepayment of the Loans in an amount equal to such excess.

1.i. Method of Selecting Types and Interest Periods for New Advances. The Borrower shall select the Type of Advance and, in the case of each Term Benchmark Advance, the Interest Period and Agreed Currency applicable thereto from time to time; provided that in no event shall the Borrower be permitted to select a CBR Loan. The Borrower shall give the Agent irrevocable notice (a "Borrowing Notice") not later than 1:00 p.m. (Chicago time) on the Borrowing Date of each Floating Rate Advance, at least three (3) Business Days before the Borrowing Date for each Term Benchmark Advance in Dollars and at least four (4) Business Days before the Borrowing Date for each Term Benchmark Advance in Euro, specifying:

- (1) the Borrowing Date, which shall be a Business Day, of such Advance,
- (2) the aggregate amount of such Advance,
- (3) the Type of Advance selected, and
- (4) in the case of each Term Benchmark Advance, the Interest Period and Agreed Currency applicable thereto.

If no election as to the currency of an Advance is specified, then the requested Advance shall be made in Dollars. If no election as to the Type of Advance is specified, then the requested Advance shall be a Floating Rate Advance made in Dollars. If no Interest Period is specified with respect to any requested Term Benchmark Advance, then the Borrower shall be deemed to have selected an Interest Period of one month's duration.

On each Borrowing Date, each Lender shall make available its Loan or Loans, (i) if such Loan is denominated in Dollars, not later than 3:00 p.m. (Chicago time) in Federal or other funds immediately available to the Agent, in Chicago, Illinois, at its address specified in or pursuant to Article XIII and, (ii) if such Loan is denominated in an Agreed Currency other than Dollars, not later than 2:00 p.m., local time, in the city of the Agent's Term Benchmark Payment Office for such currency, in such funds as may then be customary for the settlement of international transactions in such currency in the city of and at the address of the Agent's Term Benchmark Payment Office for such currency. Unless the Agent determines that any applicable condition specified in Article IV has not been satisfied, the Agent will make the funds so received from the Lenders available to the Borrower at the Agent's aforesaid address.

1.j. Conversion and Continuation of Outstanding Advances. Floating Rate Advances shall continue as Floating Rate Advances unless and until such Floating Rate Advances are converted into Term Benchmark Advances pursuant to this Section 2.10 or are repaid in accordance with Section 2.8. Each Term Benchmark Advance shall continue as a Term Benchmark Advance until the end of the then applicable Interest Period therefor, at which time:

(1) each such Term Benchmark Advance denominated in Dollars shall be automatically converted into a Floating Rate Advance unless (x) such Term Benchmark Advance is or was repaid in accordance with Section 2.8 or (y) the Borrower shall have given the Agent a Conversion/Continuation Notice (as defined below) requesting that, at the end of such Interest Period, such Term Benchmark Advance either continue as a Term Benchmark Advance for the same or another Interest Period or be converted into a Floating Rate Advance; and

(2) each such Term Benchmark Advance denominated in an Agreed Currency other than Dollars shall automatically continue as a Term Benchmark Advance in the same Agreed Currency with an Interest Period of one month unless (x) such Term Benchmark Advance is or was repaid in accordance with Section 2.8 or (y) the Borrower shall have given the Agent a Conversion/Continuation Notice (as defined below) requesting that, at the end of such Interest Period, such Term Benchmark Advance continue as a Term Benchmark Advance for the same or another Interest Period.

Subject to the terms of Section 2.7, the Borrower may elect from time to time to convert all or any part of an Advance of any Type into any other Type or Types of Advances denominated in the same Agreed Currency (subject to the terms of Section 3.4); provided that in no event shall the Borrower be permitted to elect a CBR Loan. The Borrower shall give the Agent irrevocable notice (a “Conversion/Continuation Notice”) of each conversion of an Advance or continuation of a Term Benchmark Advance not later than 12:00 noon (Chicago time) at least one Business Day, in the case of a conversion into a Floating Rate Advance, three (3) Business Days, in the case of a conversion into or continuation of a Term Benchmark Advance denominated in Dollars, or four (4) Business Days, in the case of a conversion into or continuation of a Term Benchmark Advance denominated in an Agreed Currency other than Dollars, prior to the date of the requested conversion or continuation, specifying:

- (i) the requested date, which shall be a Business Day, of such conversion or continuation, and
- (ii) the Agreed Currency, amount and Type(s) of Advance(s) into which such Advance is to be converted or continued and, in the case of a conversion into or continuation of a Term Benchmark Advance, the duration of the Interest Period applicable thereto.

Notwithstanding anything in this Agreement or any other Loan Document to the contrary, interest on all Term Benchmark Loans outstanding immediately prior to the Amendment No. 4 Effective Date shall continue to accrue and be paid based upon the “Adjusted LIBO Rate” applicable pursuant to the terms of the Credit Agreement as in effect immediately prior to the Amendment No. 4 Effective Date (the “Existing Credit Agreement”) solely until the expiration of the current Interest Period (as defined in the Existing Credit Agreement) applicable thereto (at which time such Term Benchmark Loans may be reborrowed as or converted to Alternate Base Rate Borrowings or Term Benchmark Borrowings in accordance with this Section 2.10).

1.k. Interest; Changes in Interest Rate, etc. Each Floating Rate Advance shall bear interest on the outstanding principal amount thereof, for each day from and including the date such Advance is made or is automatically converted from a Term Benchmark Advance into a Floating Rate Advance pursuant to Section 2.10, to but excluding the date it is paid or is converted into a Term Benchmark Advance pursuant to Section 2.10 hereof, at a rate per annum equal to the Floating Rate for such day. Changes in the rate of interest on that portion of any Advance maintained as a Floating Rate Advance will take effect simultaneously with each change in the Alternate Base Rate or the Applicable Margin, as the case may be. Each Term Benchmark Advance shall bear interest on the outstanding principal amount thereof from and including the first day of the Interest Period applicable thereto to (but not including) the last day of such Interest Period at a rate per annum equal to (a) the Applicable Margin plus (b) the Adjusted ~~LIBO~~ Term SOFR Rate (in the case of a Term Benchmark Advance denominated in Dollars) or the Adjusted EURIBOR Rate (in the case of a Term Benchmark Advance denominated in Euros), in each case, as determined by the Agent as applicable to such Term Benchmark Advance based upon the Borrower’s selections under Sections 2.9 and 2.10 and otherwise in accordance with the terms hereof. No Interest Period may end after the Facility Termination Date.

1.l. No Conversion or Continuation of Term Benchmark Advances After Default; Rates Applicable After Default. Notwithstanding anything to the contrary contained in Section 2.9 or 2.10, during the continuance of a Default the Required Lenders may, at their option, by notice to the Borrower, declare that (i) no outstanding Advance denominated in Dollars may be converted to or continued as a Term Benchmark Advance, (ii) unless repaid, each Term Benchmark Advance denominated in Dollars shall be converted to a Floating Rate Advance at the end of the Interest Period applicable thereto and (iii) unless repaid, each Term Benchmark Advance denominated in a Foreign Currency shall bear interest at a rate per annum equal to the Central Bank Rate for the applicable Foreign Currency plus the Applicable Margin (provided that, if the Agent determines (which determination shall be conclusive and binding absent manifest error) that the Central Bank Rate for the applicable Foreign Currency cannot be determined, any outstanding affected Term Benchmark Loans denominated in such Foreign Currency shall either be (A) converted to a Floating Rate Advance denominated in Dollars (in an amount equal to

the Dollar Amount of such Foreign Currency) at the end of the Interest Period or on the next interest payment date, as applicable, therefor or (B) prepaid at the end of the applicable Interest Period, as applicable, in full; provided further that if no election is made by the Borrower by the earlier of (x) the date that is three Business Days after receipt by the Borrower of such notice and (y) the last day of the current Interest Period for the applicable Term Benchmark Loan, the Borrower shall be deemed to have elected clause (A) above). During the continuance of a Default the Required Lenders may, at their option, by notice to the Borrower (which notice may be revoked at the option of the Required Lenders notwithstanding any provision of Section 8.2 requiring unanimous consent of the Lenders to changes in interest rates), declare that (i) each Term Benchmark Advance shall bear interest for the remainder of the applicable Interest Period at the rate otherwise applicable to such Interest Period plus 2% per annum, (ii) each Floating Rate Advance shall bear interest at a rate per annum equal to the Floating Rate in effect from time to time plus 2% per annum and (iii) the letter of credit fee payable pursuant to clause (i) of Section 2.4.5 shall be increased by 2% per annum above the fee otherwise applicable, *provided* that, during the continuance of a Default under Section 7.6 or 7.7, the interest rates and letter of credit fee set forth in clauses (i), (ii) and (iii) above shall be applicable to all Advances and Letters of Credit, respectively, without any election or action on the part of the Agent or any Lender.

1.m. Method of Payment. (i) Each Advance shall be repaid and each payment of interest thereon shall be paid in the currency in which such Advance was made. All payments of the Obligations hereunder shall be made, without setoff, deduction, or counterclaim, in immediately available funds to the Agent at (except as set forth in the next sentence) the Agent's address specified pursuant to Article XIII, or at any other Lending Installation of the Agent specified in writing by the Agent to the Borrower, by 2:00 p.m. (local time) at the place of payment on the date when due and shall be applied ratably by the Agent among the Lenders. All payments to be made by the Borrower hereunder in any currency other than Dollars shall be made in such currency on the date due in such funds as may then be customary for the settlement of international transactions in such currency for the account of the Agent, at its Term Benchmark Payment Office for such currency and shall be applied ratably by the Agent among the Lenders. Each payment delivered to the Agent for the account of any Lender shall be delivered promptly by the Agent to such Lender in the same type of funds that the Agent received at, (a) with respect to Floating Rate Loans and Term Benchmark Loans denominated in Dollars, its address specified pursuant to Article XIII or at any Lending Installation specified in a notice received by the Agent from such Lender and (b) with respect to Term Benchmark Loans denominated in an Agreed Currency other than Dollars, in the funds received from the Borrower at the address of the Agent's Term Benchmark Payment Office for such currency.

(1) Notwithstanding the foregoing provisions of this Section, if, after the making of any Advance in any currency other than Dollars, currency control or exchange regulations are imposed in the country which issues such currency with the result that the type of currency in which the Advance was made (the "Original Currency") no longer exists or the Borrower is not able to make payment to the Agent for the account of the Lenders in such Original Currency, then all payments to be made by the Borrower hereunder in such currency shall instead be made when due in Dollars in an amount equal to the Dollar Amount (as of the date of repayment) of such payment due, it being the intention of the parties hereto that the Borrower take all risks of the imposition of any such currency control or exchange regulations.

1.n. Noteless Agreement; Evidence of Indebtedness. (i) Each Lender shall maintain in accordance with its usual practice an account or accounts evidencing the indebtedness of the Borrower to such Lender resulting from each Loan made by such Lender from time to time, including the amounts of principal and interest payable and paid to such Lender from time to time hereunder.

(1) The Agent shall also maintain accounts in which it will record (a) the amount of each Loan made hereunder, the Agreed Currency and Type thereof and the Interest Period with respect thereto, (b) the amount of any principal or interest due and payable or to become due and payable from the Borrower to each Lender hereunder and (c) the amount of any sum received by the Agent hereunder from the Borrower and each Lender's share thereof.

(2) The entries maintained in the accounts maintained pursuant to paragraphs (i) and (ii) above shall be *prima facie* evidence of the existence and amounts of the Obligations therein recorded; *provided, however*, that the failure of the Agent or any Lender to maintain such accounts or any error therein shall not in any manner affect the obligation of the Borrower to repay the Obligations in accordance with their terms.

(3) Any Lender may request that its Loans be evidenced by a promissory note (a “Note”). In such event, the Borrower shall prepare, execute and deliver to such Lender a Note payable to the order of such Lender in the form of Exhibit C. Thereafter, the Loans evidenced by such Note and interest thereon shall at all times (including after any assignment pursuant to Section 12.3) be represented by one or more Notes payable to the order of the payee named therein or any assignee pursuant to Section 12.3, except to the extent that any such Lender or assignee subsequently returns any such Note for cancellation and requests that such Loans once again be evidenced as described in paragraphs (i) and (ii) above.

1.o. Telephonic Notices. The Borrower hereby authorizes the Lenders and the Agent to extend, convert or continue Advances, effect selections of Agreed Currencies and Types of Advances and to transfer funds based on telephonic notices made by any person or persons the Agent in good faith believes to be acting on behalf of the Borrower, it being understood that the foregoing authorization is specifically intended to allow Borrowing Notices and Conversion/Continuation Notices to be given telephonically. The Borrower agrees to deliver promptly to the Agent a written confirmation, if such confirmation is requested by the Agent, of each telephonic notice signed by an Authorized Officer. If the written confirmation differs in any material respect from the action taken by the Agent and the Lenders, the records of the Agent and the Lenders shall govern absent manifest error.

1.p. Interest Payment Dates; Interest and Fee Basis. Interest accrued on each Floating Rate Advance shall be payable on each Payment Date, commencing with the first such date to occur after the date hereof, on any date on which the Floating Rate Advance is prepaid, whether due to acceleration or otherwise, and at maturity. Interest accrued on that portion of the outstanding principal amount of any Floating Rate Advance converted into a Term Benchmark Advance on a day other than a Payment Date shall be payable on the date of conversion. Interest accrued on each Term Benchmark Advance shall be payable on the last day of its applicable Interest Period, on any date on which the Term Benchmark Advance is prepaid, whether by acceleration or otherwise, and at maturity. Interest accrued on each Term Benchmark Advance having an Interest Period longer than three months shall also be payable on the last day of each three-month interval during such Interest Period. Interest on all Advances, commitment fees and letter of credit fees shall be calculated for actual days elapsed on the basis of a 360-day year; provided that interest on Floating Rate Advances at times when the Alternate Base Rate is based on the Prime Rate shall be calculated for actual days elapsed on the basis of a 365/366-day year. Interest shall be payable for the day an Advance is made but not for the day of any payment on the amount paid if payment is received prior to 2:00 p.m. (local time) at the place of payment. If any payment of principal or interest on an Advance shall become due on a day which is not a Business Day, such payment shall be made on the next succeeding Business Day and, in the case of a principal payment, such extension of time shall be included in computing interest in connection with such payment.

1.q. Notification of Advances, Interest Rates, Prepayments and Commitment Reductions/Increases. Promptly after receipt thereof (and in any event by 2:00 p.m., Chicago time, on the applicable Borrowing Date with respect to a Borrowing Notice for a Floating Rate Advance), the Agent will notify each Lender of the contents of each Aggregate Commitment reduction notice, Commitment Increase Notice, Borrowing Notice, Conversion/Continuation Notice, and repayment notice received by it hereunder. The Agent will notify each Lender of the interest rate applicable to each Term Benchmark Advance promptly upon determination of such interest rate and will give each Lender prompt notice of each change in the Alternate Base Rate.

1.r. Lending Installations. Subject to Section 3.6, each Lender will book its Loans at the appropriate Lending Installation listed on the administrative information sheets provided to the Agent in

connection herewith or such other Lending Installation designated by such Lender in accordance with the final sentence of this Section 2.18. All terms of this Agreement shall apply to any such Lending Installation and the Loans and any Notes issued hereunder shall be deemed held by each Lender for the benefit of any such Lending Installation. Subject to Section 3.6, each Lender may, by written notice to the Agent and the Borrower in accordance with Article XIII, designate replacement or additional Lending Installations through which Loans will be made by it and for whose account Loan payments are to be made.

1.s. Non-Receipt of Funds by the Agent. (A) Unless the Borrower or a Lender, as the case may be, notifies the Agent prior to the date on which it is scheduled to make payment to the Agent of (i) in the case of a Lender, the proceeds of a Loan, or (ii) in the case of the Borrower, a payment of principal, interest or fees to the Agent for the account of the Lenders, that it does not intend to make such payment, the Agent may assume that such payment has been made. The Agent may, but shall not be obligated to, make the amount of such payment available to the intended recipient in reliance upon such assumption. If such Lender or the Borrower, as the case may be, has not in fact made such payment to the Agent, the recipient of such payment shall, on demand by the Agent, repay to the Agent the amount so made available together with interest thereon in respect of each day during the period commencing on the date such amount was so made available by the Agent until the date the Agent recovers such amount at a rate per annum equal to (x) in the case of payment by a Lender, the greater of (i) the Federal Funds Effective Rate for such day for the first three (3) days and, thereafter, the interest rate applicable to the relevant Loan and (ii) a rate determined by the Agent in accordance with banking industry rules on interbank compensation (including without limitation the Overnight Foreign Currency Rate in the case of Loans denominated in a Foreign Currency) or (y) in the case of payment by the Borrower, the interest rate applicable to the relevant Loan.

(1) If any Lender shall fail to make any payment or any Revolving Loan required to be made by it pursuant to Sections 2.4.2, 2.4.3, 2.5.4, 2.19(A) or 10.8, then the Agent may, in its discretion and notwithstanding any contrary provision hereof, (i) apply any amounts thereafter received by the Agent for the account of such Lender and for the benefit of the Agent or the Issuing Lenders to satisfy such Lender's obligations under such Sections until all such unsatisfied obligations are fully paid, and/or (ii) hold any such amounts in a segregated account as cash collateral for, and application to, any future funding obligations of such Lender under such Sections; in the case of each of (i) and (ii) above, in any order as determined by the Agent in its discretion.

1.t. Replacement of Lender. If the Borrower is required pursuant to Section 3.1, 3.2 or 3.5 to make any additional payment to any Lender, or if any Lender's obligation to make or continue, or to convert Floating Rate Advances into, Term Benchmark Advances shall be suspended pursuant to Section 3.3, or if any Lender refuses to consent to any amendment, waiver or other modification of any Loan Document requested by the Borrower that requires the consent of a greater percentage of the Lenders than the Required Lenders and such amendment, waiver or other modification is consented to by the Required Lenders or any Lender becomes a Defaulting Lender (any Lender so affected an "Affected Lender"), the Borrower may elect to replace such Affected Lender as a Lender party to this Agreement, *provided* that, concurrently with such replacement, (i) another bank or other entity which is reasonably satisfactory to the Borrower, the Agent and, *provided* that JPMorgan is at such time the Principal Issuing Lender, JPMorgan in its capacity as such shall agree, as of such date, to purchase for cash, in immediately available funds at a purchase price equal to 100% of their principal amount, the Advances and other Obligations owing to the Affected Lender pursuant to an Assignment and Assumption and to become a Lender for all purposes under this Agreement and to assume all obligations of the Affected Lender to be terminated as of such date and to comply with the requirements of Section 12.3 applicable to assignments, and (ii) the Borrower shall pay to such Affected Lender in same day funds on the day of such replacement (A) all interest, fees and other amounts then accrued but unpaid to such Affected Lender by the Borrower hereunder to and including the date of termination, including without limitation payments due to such Affected Lender under Sections 3.1, 3.2 and 3.5, and (B) an amount, if any, equal to the payment which would have been due to such Lender on the day of such replacement under Section 3.4 had the Loans of such Affected Lender been prepaid on such date rather than sold to the replacement Lender.

1.u. Market Disruption. Notwithstanding the satisfaction of all conditions referred to in Article II and Article IV with respect to any Advance request to be made in any Agreed Currency other than Dollars, if there shall occur on or prior to the date of such Advance any change in national or international financial, political or economic conditions or currency exchange rates or exchange controls which would in the reasonable opinion of the Agent or the Required Lenders make it impracticable for the Term Benchmark Loans comprising such Advance to be denominated in the Agreed Currency specified by the Borrower, then the Agent shall forthwith give notice thereof to the Borrower and the Lenders, and such Loans shall not be denominated in such Agreed Currency but shall be made on such Borrowing Date in Dollars, in an aggregate principal amount equal to the Dollar Amount of the aggregate principal amount specified in the related Borrowing Notice or Conversion/Continuation Notice, as the case may be, as Floating Rate Loans, unless the Borrower notifies the Agent prior to 10:00 a.m. on such Borrowing Date that it elects not to borrow on such date.

1.v. Judgment Currency. If for the purposes of obtaining judgment in any court it is necessary to convert a sum due from the Borrower hereunder in the currency expressed to be payable herein (the “specified currency”) into another currency, the parties hereto agree, to the fullest extent that they may effectively do so, that the rate of exchange used shall be that at which in accordance with normal banking procedures the Agent could purchase the specified currency with such other currency at the Agent’s main Chicago office on the Business Day preceding that on which final, non-appealable judgment is given. The obligations of the Borrower in respect of any sum due to any Lender or the Agent hereunder shall, notwithstanding any judgment in a currency other than the specified currency, be discharged only to the extent that on the Business Day following receipt by such Lender or the Agent (as the case may be) of any sum adjudged to be so due in such other currency such Lender or the Agent (as the case may be) may in accordance with normal, reasonable banking procedures purchase the specified currency with such other currency. If the amount of the specified currency so purchased is less than the sum originally due to such Lender or the Agent, as the case may be, in the specified currency, the Borrower agrees, to the fullest extent that it may effectively do so, as a separate obligation and notwithstanding any such judgment, to indemnify such Lender or the Agent, as the case may be, against such loss, and if the amount of the specified currency so purchased exceeds (a) the sum originally due to any Lender or the Agent, as the case may be, in the specified currency and (b) any amounts shared with other Lenders as a result of allocations of such excess as a disproportionate payment to such Lender under Section 11.2, such Lender or the Agent, as the case may be, agrees to remit such excess to the Borrower.

1.w. Defaulting Lenders. Notwithstanding any provision of this Agreement to the contrary, if any Lender becomes a Defaulting Lender, then the following provisions shall apply for so long as such Lender is a Defaulting Lender:

(1) fees shall cease to accrue on the unfunded portion of the Commitment of such Defaulting Lender pursuant to Section 2.6(A);

(2) any payment of principal, interest, fees or other amounts received by the Agent for the account of such Defaulting Lender (whether voluntary or mandatory, at maturity, pursuant to Section 11.3 or otherwise) or received by the Agent from a Defaulting Lender pursuant to Section 11.1 shall be applied at such time or times as may be determined by the Agent as follows: first, to the payment of any amounts owing by such Defaulting Lender to the Agent hereunder; second, to the payment on a pro rata basis of any amounts owing by such Defaulting Lender to any Issuing Lender hereunder; third, to cash collateralize the Issuing Lenders’ L/C Exposure with respect to such Defaulting Lender in accordance with this Section; fourth, as the Borrower may request (so long as no Default or Unmatured 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 Agent; fifth, if so determined by the 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 Issuing Lenders’ future L/C Exposure with respect to such Defaulting Lender with respect to future Letters of Credit issued under this Agreement, in accordance with this Section; sixth, to the payment of any amounts owing to the Lenders or the Issuing Lenders as a result of any

judgment of a court of competent jurisdiction obtained by any Lender or the Issuing Lenders against such Defaulting Lender as a result of such Defaulting Lender's breach of its obligations under this Agreement or under any other Loan Document; seventh, so long as no Default or Unmatured 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 or under any other Loan Document; 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 amounts drawn and outstanding under Letters of Credit 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 4.2 were satisfied or waived, such payment shall be applied solely to pay the Loans of, and Letter of Credit related payments owed to, all non-Defaulting Lenders on a pro rata basis prior to being applied to the payment of any Loans of, or Letter of Credit related payments owed to, such Defaulting Lender until such time as all Loans and funded and unfunded participations in the Borrower's obligations corresponding to such Defaulting Lender's L/C Exposure are held by the Lenders pro rata in accordance with the Commitments without giving effect to clause (d) below. 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 shall be deemed paid to and redirected by such Defaulting Lender, and each Lender irrevocably consents hereto.

(3) the Commitment and Outstanding Credit Exposure of such Defaulting Lender shall not be included in determining whether the Required Lenders have taken or may take any action hereunder (including any consent to any amendment, waiver or other modification pursuant to Section 8.2); provided that this clause (c) shall not apply to the vote of a Defaulting Lender in the case of an amendment, waiver or other modification requiring the consent of such Lender or each Lender directly affected thereby;

(4) if any L/C Exposure exists at the time such Lender becomes a Defaulting Lender then:

(1) all or any part of the L/C Exposure of such Defaulting Lender shall be reallocated among the non-Defaulting Lenders in accordance with their respective Pro Rata Shares but only to the extent that such reallocation does not, as to any non-Defaulting Lender, cause such non-Defaulting Lender's Outstanding Credit Exposure to exceed its Commitment;

(2) if the reallocation described in clause (i) above cannot, or can only partially, be effected, the Borrower shall within one (1) Business Day following notice by the Agent, cash collateralize for the benefit of the Issuing Lender only the Borrower's obligations corresponding to such Defaulting Lender's L/C Exposure (after giving effect to any partial reallocation pursuant to clause (i) above) in accordance with the procedures set forth in Section 2.4.4 so long as such L/C Exposure is outstanding;

(3) if the Borrower cash collateralizes any portion of such Defaulting Lender's L/C Exposure pursuant to clause (ii) above, the Borrower shall not be required to pay any fees to such Defaulting Lender pursuant to Section 2.4.5 with respect to such Defaulting Lender's L/C Exposure during the period such Defaulting Lender's L/C Exposure is cash collateralized;

(4) if the L/C Exposure of the non-Defaulting Lenders is reallocated pursuant to clause (i) above, then the fees payable to the Lenders pursuant to Section 2.6(A) and Section 2.4.5 shall be adjusted in accordance with such non-Defaulting Lenders' Pro Rata Shares; and

(5) if all or any portion of such Defaulting Lender's L/C Exposure is neither reallocated nor cash collateralized pursuant to clause (i) or (ii) above, then, without prejudice to any rights or remedies of the Issuing Lender or any other Lender hereunder, all letter of credit fees payable under Section 2.4.5 with respect to such Defaulting Lender's L/C Exposure shall be payable to the Issuing Lender until and to the extent that such L/C Exposure is reallocated and/or cash collateralized; and

so long as such Lender is a Defaulting Lender, no Issuing Lender shall be required to issue, amend or increase any Letter of Credit, unless it is satisfied that the related exposure and the Defaulting Lender's then outstanding L/C Exposure will be 100% covered by the Commitments of the non-Defaulting Lenders and/or cash collateral will be provided by the Borrower in accordance with Section 2.4.4, and L/C Exposure related to any newly issued or increased Letter of Credit shall be allocated among non-Defaulting Lenders in a manner consistent with Section 2.23(c) (and such Defaulting Lender shall not participate therein).

If (i) a Bankruptcy Event or a Bail-In Action with respect to a Parent of any Lender shall occur following the date hereof and for so long as such event shall continue or (ii) the Issuing Lender has a good faith belief that any Lender has defaulted in fulfilling its obligations under one or more other agreements in which such Lender commits to extend credit, no Issuing Lender shall be required to issue, amend or increase any Letter of Credit, unless the Issuing Lender shall have entered into arrangements with the Borrower or such Lender, satisfactory to such Issuing Lender to defease any risk to it in respect of such Lender hereunder.

In the event that each of the Agent, the Borrower, each Issuing Lender agrees that a Defaulting Lender has adequately remedied all matters that caused such Lender to be a Defaulting Lender, then the L/C Exposure of the Lenders shall be readjusted to reflect the inclusion of such Lender's Commitment and on such date such Lender shall purchase at par such of the Loans of the other Lenders as the Agent shall determine may be necessary in order for such Lender to hold such Loans in accordance with its Pro Rata Share.

1.x. Loan Modification Offers. (A) The Borrower may, by written notice to the Agent, from time to time make up to three offers (the "Loan Modification Offer") to all the Lenders to extend the final maturity date of such Lenders' respective Revolving Loans and Commitments to a later maturity date (the "Modified Facility Termination Date") pursuant to procedures reasonably specified by the Agent and reasonably acceptable to the Borrower (each Lender that accepts the Loan Modification Offer, an "Accepting Lender", and the Revolving Loans and Commitments of the Accepting Lenders, the "Modified Revolving Loans" and the "Modified Commitments", respectively). The Loan Modification Offer shall set forth the proposed Modified Facility Termination Date, the date on which the Loan Modification Agreement (as defined below) is requested to become effective (which shall not be less than ten (10) Business Days nor more than thirty (30) Business Days after the date of the Loan Modification Offer) and such other principal terms on which the Borrower proposes to enter into the Loan Modification Agreement.

(1) The Borrower, each Accepting Lender and the Agent shall execute and deliver an amendment agreement (the "Loan Modification Agreement") setting forth, to the extent applicable, (i) the designation of the Modified Revolving Loans and Modified Commitments, which shall be specified by the Agent, (ii) the Modified Facility Termination Date (which, for purposes of clarity, shall be applicable only to the Modified Revolving Loans and the Modified Commitments), (iii) the interest rate or rates and fees applicable to the Modified Revolving Loans and Modified Commitments and (iv) such additional amendments to this Agreement and the other Loan Documents as may be necessary or appropriate, in the opinion of the Agent, to give effect to the other provisions of the Loan Modification Agreement described in clauses (i) through (iii) of this paragraph, and such amendment will be effective to amend this Agreement and the other Loan Documents on the terms set forth therein without the consent of any other Lender; *provided* that the Loan Modification Agreement shall not alter the rights of any Lender (other than the Accepting Lenders) in any manner that would not be permitted under Section 8.2 without the consent of such Lender unless such consent shall have been obtained. Notwithstanding the foregoing, the Loan Modification Agreement shall not become effective unless (x) the Agent shall have received a certificate of an Authorized Officer of the Borrower, dated as of the date of effectiveness of the Loan Modification Agreement, confirming compliance with the conditions precedent set forth in paragraphs (i) and (ii) of Section 4.2, (y) the Agent shall have received all legal opinions, documents and certificates reasonably requested by the Agent consistent with those delivered on the Closing Date and (z) such other

conditions as the parties to the Loan Modification Agreement have agreed shall have been satisfied. The Agent shall promptly notify each Lender as to the effectiveness of the Loan Modification Agreement.

ARTICLE 3 YIELD PROTECTION; TAXES

1.a. Yield Protection. If any Change in Law shall:

(1) subject the Agent, any Lender or any applicable Lending Installation to any taxes duties, levies, imposts, deductions, charges, assessments, fees or withholdings (other than Taxes or Excluded Taxes governed by Section 3.5) on its loans, loan principal, letters of credit, commitments, or other obligations, or its deposits, reserves, other liabilities or capital attributable thereto, or

(2) impose, modify or deem applicable any reserve, special deposit, liquidity or similar requirement (including any compulsory loan requirement, insurance charge or other assessment) against assets of, deposits with or for the account of, or credit extended by, any Lender or any applicable Lending Installation (other than any component of the Statutory Reserve Rate taken into account in the Adjusted ~~LIBOR~~ Term SOFR Rate or the Adjusted EURIBOR Rate, as applicable), or

(3) impose any other condition the result of which is to increase the cost to any Lender or any applicable Lending Installation of making, funding or maintaining its Loans or reduces any amount receivable by any Lender or any applicable Lending Installation in connection with its Loans, or requires any Lender or any applicable Lending Installation to make any payment calculated by reference to the amount of Loans held or interest received by it, by an amount reasonably deemed material by such Lender,

and the result of any of the foregoing is to increase the cost to the Agent, such Lender or applicable Lending Installation of making or maintaining its Loans or Commitment or to reduce the return received by the Agent, such Lender or applicable Lending Installation in connection with such Loans or Commitment, then, within fifteen (15) days of demand by the Agent or such Lender, the Borrower shall pay the Agent or such Lender such additional amount or amounts as will compensate the Agent or such Lender for such increased cost or reduction in amount received.

1.b. Changes in Capital Adequacy Regulations. If a Lender (including any Lender in its capacity as the Issuing Lender) reasonably determines that the amount of capital or liquidity required or expected to be maintained by such Lender, any Lending Installation of such Lender or any corporation controlling such Lender is increased as a result of a Change in Law, then, within fifteen (15) days of demand by such Lender, the Borrower shall pay such Lender the amount necessary to compensate for any shortfall in the rate of return on the portion of such increased capital or liquidity which such Lender reasonably determines is attributable to this Agreement, its Loans, its L/C Interests or its Commitment to make Loans or to issue or participate in Letters of Credit hereunder (after taking into account such Lender's policies as to capital adequacy and liquidity).

1.c. Alternate Rate of Interest. (a) If prior to the commencement of any Interest Period for a Term Benchmark Advance:

- (i) the Agent determines (which determination shall be conclusive absent manifest error) that adequate and reasonable means do not exist for ascertaining the Adjusted ~~LIBOR~~ Term SOFR Rate, the ~~LIBOR~~ Term SOFR Reference Rate, the Adjusted EURIBOR Rate or the EURIBOR Rate, as applicable (including because the Relevant Screen Rate is not available or published on a current basis), for the applicable currency and such Interest Period; or

- (ii) the Agent is advised by the Required Lenders that the Adjusted ~~LIBO~~Term SOFR Rate, the ~~LIBO~~Term SOFR Reference Rate, the Adjusted EURIBOR Rate or the EURIBOR Rate, as applicable, for the applicable currency and such Interest Period will not adequately and fairly reflect the cost to such Lenders (or Lender) of making or maintaining their Loans (or its Loan) included in such Borrowing for the applicable currency and such Interest Period;

then the Agent shall give notice thereof to the Borrower and the Lenders by telephone, telecopy or electronic mail as promptly as practicable thereafter and, until the Agent notifies the Borrower and the Lenders that the circumstances giving rise to such notice no longer exist, (A) any Conversion/Continuation Notice that requests the conversion of any Revolving Advance to, or continuation of any Revolving Advance as, a Term Benchmark Advance shall be ineffective, (B) if any Conversion/Continuation Notice requests a Term Benchmark Revolving Advance in Dollars, such Revolving Advance shall be made as a Floating Rate Advance and (C) if any Conversion/Continuation Notice requests a Term Benchmark Advance in a Foreign Currency, such Conversion/Continuation Notice be ineffective; provided that if the circumstances giving rise to such notice affect only one Type of Advances, then the other Type of Advances shall be permitted.

Furthermore, if any Term Benchmark Loan in any Agreed Currency is outstanding on the date of the Borrower's receipt of the notice from the Agent referred to in this Section 3.3(a) with respect to a Relevant Rate applicable to such Term Benchmark Loan, then until the Agent notifies the Borrower and the Lenders that the circumstances giving rise to such notice no longer exist, (x) if such Term Benchmark Loan is denominated in Dollars, then on the last day of the Interest Period applicable to such Loan (or the next succeeding Business Day if such day is not a Business Day), such Loan shall be converted by the Agent to, and shall constitute, a Floating Rate Loan denominated in Dollars on such day, and (y) if such Term Benchmark Loan is denominated in any Foreign Currency, then such Loan shall, on the last day of the Interest Period applicable to such Loan (or the next succeeding Business Day if such day is not a Business Day), bear interest at the Central Bank Rate for such Foreign Currency plus the Applicable Margin; provided that, if the Agent determines (which determination shall be conclusive and binding absent manifest error) that the Central Bank Rate for the applicable Foreign Currency cannot be determined, any outstanding affected Term Benchmark Loans denominated in such Foreign Currency shall, at the Borrower's election prior to such day: (A) be prepaid by the Borrower on such day or (B) solely for the purpose of calculating the interest rate applicable to such Term Benchmark Loan, such Term Benchmark Loan denominated in such Foreign Currency shall be deemed to be a Term Benchmark Loan denominated in Dollars and shall accrue interest at the same interest rate applicable to Term Benchmark Loans denominated in Dollars at such time.

(1) Notwithstanding anything to the contrary herein or in any other Loan Document (and any agreement, document or instrument evidencing any Rate Management Transaction shall be deemed not to be a "Loan Document" for purposes of this Section 3.3), if a Benchmark Transition Event, ~~an Early Opt-in Election~~ or an Other Benchmark Rate Election, as applicable, and its related Benchmark Replacement Date have occurred prior to the Reference Time in respect of any setting of the then-current Benchmark, then (x) if a Benchmark Replacement is determined in accordance with clause (1) or (2) of the definition of "Benchmark Replacement" with respect to Dollars for such Benchmark Replacement Date, such Benchmark Replacement will replace such Benchmark for all purposes hereunder and under any Loan Document in respect of such Benchmark setting and subsequent Benchmark settings without any amendment to, or further action or consent of any other party to, this Agreement or any other Loan Document and (y) if a Benchmark Replacement is determined in accordance with clause (3) of the definition of "Benchmark Replacement" with respect to any Agreed Currency for such Benchmark Replacement Date, such Benchmark Replacement will replace such Benchmark for all purposes hereunder and under any Loan Document in respect of any Benchmark setting at or after 5:00 p.m. (New York City time) on the fifth (5th) Business Day after the date notice of such Benchmark Replacement is provided to the Lenders without any amendment to, or further action or consent of any other party to, this Agreement or any other Loan Document so long as the Agent has not received, by such time, written notice of objection to such Benchmark Replacement from Lenders comprising the Required Lenders.

~~(c) Notwithstanding anything to the contrary herein or in any other Loan Document and subject to the proviso below in this paragraph, with respect to a Loan denominated in Dollars, if a Term SOFR Transition Event and its related Benchmark Replacement Date have occurred prior to the Reference Time in respect of any setting of the then-current Benchmark, then the applicable Benchmark Replacement will replace the then-current Benchmark for all purposes hereunder or under any Loan Document in respect of such Benchmark setting and subsequent Benchmark settings, without any amendment to, or further action or consent of any other party to, this Agreement or any other Loan Document; provided that, this clause (c) shall not be effective unless the Agent has delivered to the Lenders and the Borrower a Term SOFR Notice. For the avoidance of doubt, the Agent shall not be required to deliver a Term SOFR Notice after the occurrence of a Term SOFR Transition Event and may do so in its sole discretion.~~

(2) [Reserved].

(3) In connection with the implementation of a Benchmark Replacement or in connection with any Term Benchmark Loan denominated in Dollars, the Agent will have the right to make Benchmark Replacement Conforming Changes from time to time and, notwithstanding anything to the contrary herein or in any other Loan Document, any amendments implementing such Benchmark Replacement Conforming Changes will become effective without any further action or consent of any other party to this Agreement or any other Loan Document.

(4) The Agent will promptly notify the Borrower and the Lenders of (i) any occurrence of a Benchmark Transition Event, ~~an Early Opt-in Election~~ or an Other Benchmark Rate Election, as applicable, (ii) the implementation of any Benchmark Replacement, (iii) the effectiveness of any Benchmark Replacement Conforming Changes, (iv) the removal or reinstatement of any tenor of a Benchmark pursuant to clause (f) below and (v) the commencement or conclusion of any Benchmark Unavailability Period. Any determination, decision or election that may be made by the Agent or, if applicable, any Lender (or group of Lenders) pursuant to this Section 3.3, including any determination with respect to a tenor, rate or adjustment or of the occurrence or non-occurrence of an event, circumstance or date and any decision to take or refrain from taking any action or any selection, will be conclusive and binding absent manifest error and may be made in its or their sole discretion and without consent from any other party to this Agreement or any other Loan Document, except, in each case, as expressly required pursuant to this Section 3.3.

(5) Notwithstanding anything to the contrary herein or in any other Loan Document, at any time (including in connection with the implementation of a Benchmark Replacement), (i) if the then-current Benchmark is a term rate (including Adjusted Term SOFR, ~~LIBOR~~ Rate, Term SOFR Reference Rate or EURIBOR Rate) and either (x) any tenor for such Benchmark is not displayed on a screen or other information service that publishes such rate from time to time as selected by the Agent in its reasonable discretion or (y) the regulatory supervisor for the administrator of such Benchmark has provided a public statement or publication of information announcing that any tenor for such Benchmark is or will be no longer representative, then the Agent may modify the definition of “Interest Period” for any Benchmark settings at or after such time to remove such unavailable or non-representative tenor and (ii) if a tenor that was removed pursuant to clause (i) above either (x) is subsequently displayed on a screen or information service for a Benchmark (including a Benchmark Replacement) or (y) is not, or is no longer, subject to an announcement that it is or will no longer be representative for a Benchmark (including a Benchmark Replacement), then the Agent may modify the definition of “Interest Period” for all Benchmark settings at or after such time to reinstate such previously removed tenor.

(6) Upon the Borrower’s receipt of notice of the commencement of a Benchmark Unavailability Period, the Borrower may revoke any request for a Term Benchmark Advance of, conversion to or continuation of Term Benchmark Loans to be made, converted or continued during any Benchmark Unavailability Period and, failing that, either (x) the Borrower will be deemed to have converted any request for a Term Benchmark Advance denominated in Dollars into a request for an Advance of or conversion to Floating Rate Loans or (y) any such request for a Term Benchmark Advance denominated in a Foreign Currency shall be ineffective. During any Benchmark Unavailability Period or

at any time that a tenor for the then-current Benchmark is not an Available Tenor, the component of the Alternate Base Rate based upon the then-current Benchmark or such tenor for such Benchmark, as applicable, will not be used in any determination of the Alternate Base Rate.

Furthermore, if any Term Benchmark Loan in any Agreed Currency is outstanding on the date of the Borrower's receipt of notice of the commencement of a Benchmark Unavailability Period with respect to a Relevant Rate applicable to such Term Benchmark Loan, then until such time as a Benchmark Replacement for such Agreed Currency is implemented pursuant to this Section 3.3: (x) if such Term Benchmark Loan is denominated in Dollars, then on the last day of the Interest Period applicable to such Loan (or the next succeeding Business Day if such day is not a Business Day), such Loan shall be converted by the Agent to, and shall constitute, a Floating Rate Loan denominated in Dollars on such day; and (y) if such Term Benchmark Loan is denominated in any Foreign Currency, then such Loan shall, on the last day of the Interest Period applicable to such Loan (or the next succeeding Business Day if such day is not a Business Day) bear interest at the Central Bank Rate for such Foreign Currency plus the Applicable Margin; provided that, if the Agent determines (which determination shall be conclusive and binding absent manifest error) that the Central Bank Rate for the applicable Foreign Currency cannot be determined, any outstanding affected Term Benchmark Loans denominated in such Foreign Currency shall, at the Borrower's election prior to such day: (A) be prepaid by the Borrower on such day; or (B) solely for the purpose of calculating the interest rate applicable to such Term Benchmark Loan, such Term Benchmark Loan denominated in such Foreign Currency shall be deemed to be a Term Benchmark Loan denominated in Dollars and shall accrue interest at the same interest rate applicable to Term Benchmark Loans denominated in Dollars at such time.

1.d. Funding Indemnification. If any payment of a Term Benchmark Advance occurs on a date which is not the last day of the applicable Interest Period, whether because of acceleration, prepayment or otherwise, or a Term Benchmark Advance is not made or converted on the date specified by the Borrower for any reason other than pursuant to Section 3.3 hereof or the default by one or more Lenders, the Borrower will indemnify each Lender (other than any Lender in default of its obligations under this Agreement) for any loss or cost actually incurred by it resulting therefrom, including, without limitation, any loss or cost in liquidating or employing deposits acquired to fund or maintain such Term Benchmark Advance, but in any event not including lost profits.

1.e. Taxes. (i) All payments by the Borrower to or for the account of any Lender or the Agent hereunder shall be made free and clear of and without deduction or withholding for any and all Taxes except as required by applicable law. Subject to Section 3.5(v) of this Agreement, if the Borrower shall be required by law to deduct or withhold any Taxes from or in respect of any sum payable hereunder to any Lender or the Agent, (a) the sum payable shall be increased as necessary so that after making all required deductions (including deductions applicable to additional sums payable under this Section 3.5) such Lender or the Agent (as the case may be) receives an amount equal to the sum it would have received had no such deductions been made, (b) the Borrower shall make such deductions, (c) the Borrower shall pay the full amount deducted to the relevant authority in accordance with applicable law and (d) the Borrower shall furnish to the Agent the original copy of a receipt evidencing payment thereof or other evidence of such payment reasonably satisfactory to the Agent within thirty (30) days after such payment is made.

(1) In addition, the Borrower hereby agrees to pay any present or future stamp or documentary taxes and any other excise or property taxes, charges or similar levies which arise from any payment made hereunder or from the execution or delivery of, or otherwise with respect to, this Agreement, except any such taxes, charges or similar levies imposed with respect to an assignment ("Other Taxes").

(2) Subject to Section 3.5(v) of this Agreement, the Borrower hereby agrees to indemnify the Agent and each Lender for the full amount of Taxes or Other Taxes (including, without limitation, any Taxes or Other Taxes imposed on amounts payable under this Section 3.5) paid by the Agent or such Lender and any liability (including penalties, interest and expenses) arising therefrom or

with respect thereto. Payments due under this indemnification shall be made within thirty (30) days of the date the Agent or such Lender makes demand therefor pursuant to Section 3.6 and delivers to the Borrower (with a copy to the Agent) either (A) a copy of the receipt issued by a Governmental Authority evidencing payment of such Taxes or Other Taxes or (B) a certificate as to the amount of such payment prepared in good faith.

(3) Each Lender that is not a United States person as defined in Section 7701(a)(30) of the Code (each a “Non-U.S. Lender”) agrees that it will, on or prior to the date of this Agreement (and in the case of a Transferee that is a Non-U.S. Lender, on or prior to the date such person acquires an interest in any Loan Document), (i) deliver to each of the Borrower and the Agent two duly completed copies of United States Internal Revenue Service Form W-8BEN, W-8BEN-E, W-8ECI or W-8IMY (with all required documentation from each beneficial owner), or (ii) in the case of a Non-U.S. Lender claiming exemption from the withholding of United States federal income tax under Section 881(c) of the Code with respect to payments of “portfolio interest”, deliver two duly completed copies of United States Internal Revenue Service Form W-8BEN, or W-8BEN-E, as applicable, and a certificate representing that such Lender is not (A) a “bank” for purposes of Section 881(c) of the Code, (B) a ten-percent shareholder of the Borrower (within the meaning of Section 871(h)(3)(B) of the Code) or (C) a controlled foreign corporation related to the Borrower (within the meaning of Section 864(d)(4) of the Code), certifying in either case that such Lender is entitled to receive all payments under this Agreement without deduction or withholding of any United States federal income taxes. Each Non-U.S. Lender further undertakes to deliver to each of the Borrower and the Agent (x) renewals or additional copies of such form (or any successor form) on or before the date that such form expires or becomes obsolete, and (y) after the occurrence of any event requiring a change in the most recent forms so delivered by it, such additional forms or amendments thereto as may be reasonably requested by the Borrower or the Agent. All forms or amendments described in the preceding sentence shall certify that such Lender is entitled to receive all payments under this Agreement without deduction or withholding of any United States federal income taxes, unless an event (including without limitation any change in treaty, law or regulation) has occurred after the date of this Agreement and prior to the date on which any such delivery would otherwise be required which renders all such forms inapplicable or which would prevent such Lender from duly completing and delivering any such form or amendment with respect to it and such Lender advises the Borrower and the Agent that it is not capable of receiving payments without any deduction or withholding of United States federal income tax.

(4) For any period during which a Lender has failed to provide the Borrower with an appropriate form as required pursuant to clause (iv), above, or clause (viii) below, with respect to any payment under the Agreement (unless such failure is due to a change in treaty, law or regulation, or any change in the interpretation or administration thereof by any governmental authority, occurring subsequent to the date such Lender becomes a party to this Agreement), such Lender shall not be entitled to indemnification or any additional payments under this Section 3.5 with respect to Taxes imposed by the United States on such payment. If a Lender which is otherwise exempt from or subject to a reduced rate of withholding tax become subject to Taxes because of its failure to deliver a form required under clause (iv), above or clause (viii), below, the Borrower shall take such steps as such Lender shall reasonably request to assist such Non-U.S. Lender to recover such Taxes.

(5) Any Lender that is entitled to an exemption from or reduction of withholding tax with respect to payments under this Agreement pursuant to the law of any relevant jurisdiction or any treaty shall deliver to the Borrower (with a copy to the Agent), at the time or times prescribed by applicable law, such properly completed and executed documentation prescribed by applicable law as will permit such payments to be made without withholding or at a reduced rate.

(6) Each Lender shall severally indemnify the Agent, within thirty (30) days after demand therefor, for (A) any Taxes attributable to such Lender (but only to the extent that any Loan Party has not already indemnified the Agent for such Taxes and without limiting the obligation of the Loan Parties to do so), and (B) any Excluded Taxes attributable to such Lender, in each case, that are payable or paid by the Agent in connection with any Loan Document, and any reasonable expenses arising

therefrom or with respect thereto, whether or not such amounts 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 Agent shall be conclusive absent manifest error. Each Lender hereby authorizes the Agent to set off and apply any and all amounts at any time owing to such Lender under any Loan Document or otherwise payable by the Agent to the Lender from any other source against any amount due to the Agent under this Section 3.5(vii).

(7) On or prior to the date of this Agreement (and in the case of a Transferee that is a Non-U.S. Lender, on or prior to the date such person acquires an interest in any Loan Document), any Lender that is a United States person as defined in section 7701(a)(30) of the Code, including any Transferee that is a United States person, shall deliver to the Borrower (with a copy to the Agent) a duly completed and signed Internal Revenue Service Form W-9 (or successor form) establishing that the Lender is organized under the laws of the United States and is not subject to backup withholding.

(8) If any Agent or Lender determines, in its reasonable judgment, that, based on a final determination, it has received a refund of, or a credit with respect to, any Taxes or Other Taxes as to which it has been indemnified by the Borrower or with respect to which the Borrower has paid additional amounts pursuant to Section 3.5 of this Agreement, it shall pay over such refund or credit to the Borrower within ten (10) Business Days of the receipt of such refund or the use of such credit. This section shall not be construed to require any Agent or Lender to make available its tax returns (or any other information relating to its taxes that it deems confidential) to the Borrower or to any other Person.

(9) If a payment made to a Lender under any Loan Document would be subject to United States 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 Code, as applicable), such Lender shall deliver to the Borrower and the Agent at the time or times prescribed by law and at such time or times reasonably requested by the Borrower or the Agent such documentation prescribed by applicable law (including as prescribed by Section 1471(b)(3)(C)(i) of the Code) and such additional documentation reasonably requested by the Borrower or the Agent as may be necessary for the Borrower and the 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 Section 3.5(x), "FATCA" shall include any amendments made to FATCA after the date of this Agreement.

1.f. Lender Statements; Survival of Indemnity. To the extent reasonably possible, each Lender shall designate an alternate Lending Installation with respect to its Term Benchmark Loans to reduce any liability of the Borrower to such Lender under Sections 3.1, 3.2 and 3.5 or to avoid the unavailability of Term Benchmark Advances under Section 3.3, so long as such designation is not, in the judgment of such Lender, disadvantageous to such Lender. Each Lender shall deliver a written statement of such Lender to the Borrower (with a copy to the Agent) as to the amount due, if any, under Section 3.1, 3.2, 3.4 or 3.5. Such written statement shall set forth in reasonable detail the calculations upon which such Lender determined such amount and shall be final, conclusive and binding on the Borrower in the absence of manifest error. Determination of amounts payable under such Sections in connection with a Term Benchmark Loan shall be calculated as though each Lender funded its Term Benchmark Loan through the purchase of a deposit of the type, currency and maturity corresponding to the deposit used as a reference in determining the Adjusted ~~LIBOR~~ Term SOFR Rate or Adjusted EURIBOR Rate applicable to such Loan, whether in fact that is the case or not. Unless otherwise provided herein, the amount specified in the written statement of any Lender shall be payable within fifteen (15) days after receipt by the Borrower of such written statement. The obligations of the Borrower under Sections 3.1, 3.2, 3.4 and 3.5 shall survive payment of the Obligations and termination of this Agreement.

ARTICLE 4 CONDITIONS PRECEDENT

1.a. Initial Advance. The Lenders shall not be required to make the initial Loans hereunder unless:

(1) The Agent (or its counsel) shall have received from each party hereto either (i) a counterpart of this Agreement signed on behalf of such party or (ii) written evidence reasonably satisfactory to the Agent (which may include facsimile transmission of a signed signature page to this Agreement) that such party has signed a counterpart to this Agreement.

(2) The Agent shall have received a favorable written opinion (addressed to the Agent and the Lenders and dated the Closing Date) of each of (i) Latham & Watkins LLP and (ii) Timothy S. Ernst, counsel for the Borrower, each in form and substance reasonably satisfactory to the Agent.

(3) The Lenders, the Agent and the Arranger shall have received all fees and other amounts due and payable on or prior to the Closing Date, including, to the extent invoiced, reimbursement or payment of all out-of-pocket expenses required to be reimbursed or paid by the Borrower hereunder.

(4) The Agent shall have received such customary documents and certificates, all in form and substance reasonably satisfactory to the Agent and as further described in the list of closing documents attached as Schedule 4.1.

(5) The Agent shall have received evidence satisfactory to it that the commitments under the Existing Credit Agreement shall have been terminated and cancelled and all indebtedness thereunder shall have been fully repaid (except to the extent being so repaid with the initial Revolving Loans, and except with respect to Existing Letters of Credit continuing hereunder) and any and all liens thereunder shall have been terminated.

(6) (i) The Agent shall have received, prior to the Closing Date, all documentation and other information regarding the Borrower requested in connection with applicable “know your customer” and anti-money laundering rules and regulations, including the Patriot Act, to the extent requested in writing of the Borrower at least 10 days prior to the Closing Date and (ii) to the extent the Borrower qualifies as a “legal entity customer” under the Beneficial Ownership Regulation, at least five days prior to the Closing Date, any Lender that has requested, in a written notice to the Borrower at least 10 days prior to the Closing Date, a Beneficial Ownership Certification in relation to the Borrower shall have received such Beneficial Ownership Certification (provided that, upon the execution and delivery by such Lender of its signature page to this Agreement, the condition set forth in this clause (ii) shall be deemed to be satisfied).

The Agent shall notify the Borrower and the Lenders of the Closing Date, and such notice shall be conclusive and binding.

1.b. Each Advance and Letter of Credit. The Lenders shall not be required to make any Advance, and the Issuing Lender shall not be required to issue any Letter of Credit, unless on the applicable Borrowing Date or, in the case of a Letter of Credit, the date of issuance:

(1) There exists no Default or Unmatured Default.

(2) The representations and warranties contained in Article V are true and correct in all material respects (or, in the case of any representation or warranty qualified by materiality or Material Adverse Effect, in all respects) as of such Borrowing Date or date of issuance except to the extent any such representation or warranty is stated to relate solely to an earlier date, in which case such representation or warranty shall have been true and correct in all material respects on and as of such earlier date.

Each Borrowing Notice with respect to each such Advance and each application with respect to each such Letter of Credit shall constitute a representation and warranty by the Borrower that the

conditions contained in Section 4.2(i) and (ii) have been satisfied. Subject to Section 2.10, the conditions contained in this Section 4.2 shall not apply to the conversion or continuation of all or any portion of any outstanding Advance.

ARTICLE 5 REPRESENTATIONS AND WARRANTIES

The Borrower represents and warrants to the Lenders that:

1.a. Existence and Standing. Each of the Borrower and its Subsidiaries is a corporation, partnership (in the case of Subsidiaries only) or limited liability company duly and properly incorporated or organized, as the case may be, validly existing and (to the extent such concept applies to such entity) in good standing under the laws of its jurisdiction of incorporation or organization and has all requisite authority to own, operate and encumber its Property and to conduct its business, as presently conducted in each jurisdiction in which its business is conducted, except for any failure to be so authorized that could not reasonably be expected to have a Material Adverse Effect.

1.b. Authorization and Validity. Each Loan Party has the power and authority and legal right to execute and deliver the Loan Documents to which it is a party and to perform its obligations thereunder. The execution and delivery by each Loan Party of the Loan Documents to which it is a party and the performance of its obligations thereunder have been duly authorized by proper corporate (or equivalent) proceedings, and the Loan Documents to which such Loan Party is a party constitute legal, valid and binding obligations of such Loan Party enforceable against such Loan Party in accordance with their respective terms, except as enforceability may be limited by bankruptcy, insolvency or similar laws affecting the enforcement of creditors' rights generally.

1.c. No Conflict; Government Consent. Neither the execution and delivery by the Loan Parties of the Loan Documents, nor the consummation of the transactions therein contemplated, nor compliance with the provisions thereof will (i) violate any law, rule, regulation, order, writ, judgment, injunction, decree or award binding on the Borrower or any of its Subsidiaries or (ii) violate the Borrower's or any Subsidiary's articles or certificate of incorporation, partnership agreement, certificate of partnership, articles or certificate of organization, by-laws, or operating or other management agreement, as the case may be, or (iii) violate the provisions of any indenture, material instrument or material agreement to which the Borrower or any of its Subsidiaries is a party or is subject, or by which it, or its Property, is bound, or conflict with or constitute a default thereunder, or (iv) result in, or require, the creation or imposition of any Lien in, of or on the Property of the Borrower or any Subsidiary pursuant to the terms of any indenture, instrument or agreement. No order, consent, adjudication, approval, license, authorization, or validation of, or filing, recording or registration with, or exemption by, or other action in respect of any Governmental Authority which has not been obtained by the Borrower or any of its Subsidiaries, is required to be obtained by the Borrower or any of its Subsidiaries in connection with the execution and delivery of the Loan Documents, the borrowings under this Agreement, the payment and performance by the Borrower of the Obligations or the legality, validity, binding effect or enforceability of any of the Loan Documents, except filings, consents or notices which have been made, obtained or given, or which, if not made, obtained or given, individually or in the aggregate could not reasonably be expected to have a Material Adverse Effect.

1.d. Financial Statements. The December 31, 2018 audited consolidated financial statements of the Borrower and its Subsidiaries heretofore delivered to the Lenders were prepared in accordance with generally accepted accounting principles in effect on the date such statements were prepared and fairly present the consolidated financial condition and operations of the Borrower and its Subsidiaries at such dates and the consolidated results of their operations for the periods then ended, subject, in the case of such unaudited financial statements, to normal year-end adjustments and the absence of notes.

1.e. Material Adverse Change. Since December 31, 2018 there has been no change in the business, Property, financial condition or results of operations of the Borrower and its Subsidiaries taken as a whole, which could reasonably be expected to have a Material Adverse Effect.

1.f. Taxes. The Borrower and its Subsidiaries have filed all material United States federal tax returns and all other material tax returns which are required to be filed and have paid all material taxes due pursuant to said returns or pursuant to any assessment received by the Borrower or any of its Subsidiaries, except such taxes, if any, as are not yet due and payable or are being contested in good faith and as to which adequate reserves have been provided in accordance with Agreement Accounting Principles. No tax liens have been filed and no claims are being asserted with respect to any such material taxes, except such taxes, if any, as are not yet due and payable or are being contested in good faith and as to which adequate reserves have been provided in accordance with Agreement Accounting Principles. The charges, accruals and reserves on the books of the Borrower and its Subsidiaries in respect of any taxes are adequate in accordance with Agreement Accounting Principles.

1.g. Litigation and Contingent Obligations. Except as set forth on Schedule 5.7, there is no litigation, arbitration, governmental investigation, proceeding or inquiry pending or, to the knowledge of any of their officers, threatened against or affecting the Borrower or any of its Subsidiaries which could reasonably be expected to have a Material Adverse Effect or which seeks to prevent, enjoin or delay the making of any Loans. As of the Closing Date, other than any liability incident to any litigation, arbitration or proceeding which (i) could not reasonably be expected to have a Material Adverse Effect or (ii) is set forth on Schedule 5.7, the Borrower and its Subsidiaries have no material contingent obligations not provided for or disclosed in the financial statements referred to in Section 5.4 or the footnotes thereto.

1.h. Subsidiaries. Schedule 5.8 contains an accurate list of all Subsidiaries of the Borrower as of the Closing Date, setting forth their respective jurisdictions of organization and the percentage of their respective Equity Interests owned by the Borrower or other Subsidiaries. All of the issued and outstanding Equity Interests of such Subsidiaries have been (to the extent such concepts are relevant with respect to such ownership interest) duly authorized and issued and are fully paid and non-assessable. No Material Domestic Subsidiaries exist as of the Closing Date.

1.i. ERISA. Except as could not reasonably be expected, individually or in the aggregate, to have a Material Adverse Effect: there are no Unfunded Liabilities under any Single Employer Plans; none of the Borrower, any of its Subsidiaries or any other member of the Controlled Group has incurred, or is reasonably expected to incur, any withdrawal or partial withdrawal liability to Multiemployer Plans; each Plan complies in all material respects with all applicable requirements of law and regulations; no Reportable Event has occurred with respect to any Plan; none of the Borrower, any of its Subsidiaries or any other member of the Controlled Group has withdrawn from any Plan or initiated steps to do so; and no steps have been taken to terminate or appoint a trustee to administer any Plan.

1.j. Accuracy of Information. The information, exhibits and reports furnished by the Borrower or any of its Subsidiaries to the Agent or to any Lender in connection with the negotiation of, or compliance with, the Loan Documents, taken as a whole, do not contain any material misstatement of fact or omitted to state a material fact or any fact necessary to make the statements contained therein not materially misleading in a manner relied upon by the Lenders to their detriment.

1.k. Regulation U. Neither the Borrower nor any of its Subsidiaries is engaged in the business of extending credit for the purpose of purchasing or carrying Margin Stock. No part of the proceeds of any Advance have been used or will be used, whether directly or indirectly, for any purpose that entails a violation of any of the Regulations of the Federal Reserve Board, including Regulation U.

1.l. Material Agreements. Neither the Borrower nor any Subsidiary is in default in the performance, observance or fulfillment of any of the obligations, covenants or conditions contained in any agreement (other than agreements or instruments evidencing or governing Indebtedness) to which it is a party, which default could reasonably be expected to have a Material Adverse Effect.

1.m. Compliance With Laws. The Borrower and its Subsidiaries have complied with all applicable statutes, rules, regulations, orders and restrictions of any Governmental Authority having jurisdiction over the conduct of their respective businesses or the ownership of their respective Property, except for any failure to comply with any of the foregoing which could not reasonably be expected to have a Material Adverse Effect.

1.n. Ownership of Properties. Except as set forth on Schedule 6.15, on the date of this Agreement, the Borrower and its Subsidiaries will have good title, free of all Liens other than those permitted by Section 6.15, to all of the Property and assets reflected in the Borrower's most recent consolidated financial statements provided to the Agent as owned by the Borrower and its Subsidiaries and all other Property material to the Borrower's and its Subsidiaries' businesses, except as sold or otherwise disposed of in the ordinary course of business. The Borrower and each Subsidiary (i) owns and/or possesses all the patents, trademarks, trade names, service marks, copyrights, licenses and rights with respect to the foregoing necessary for the present conduct of its business without any known conflict with the rights of others, and (ii) owns and/or possesses and/or has applied for all the patents, trademarks, trade names, service marks, copyrights, licenses and rights with respect to the foregoing necessary for the planned conduct of its business for the next six months, without any known conflict with the rights of others, except, with respect to clauses (i) and (ii), where the failure to own and/or possess any patents, trademarks, trade names, service marks, copyrights, licenses and/or rights could not reasonably be expected to have a Material Adverse Effect and/or subject the Borrower or any Subsidiary to any material liability in connection with any infringement and/or similar cause of action related to any of the foregoing.

1.o. Plan Assets; Prohibited Transactions. The Borrower is not an entity deemed to hold "plan assets" within the meaning of 29 C.F.R. § 2510.3-101, as modified by Section 3(42) of ERISA, of an employee benefit plan (as defined in Section 3(3) of ERISA) which is subject to Title I of ERISA or any plan (within the meaning of Section 4975 of the Code), and neither the execution of this Agreement nor the making of Loans or issuance of Letters of Credit hereunder gives rise to a prohibited transaction (within the meaning of Section 406 of ERISA or Section 4975 of the Code) with respect to "plan assets" of the Borrower and its Subsidiaries.

1.p. Environmental Matters. In the ordinary course of its business, the officers of the Borrower consider the effect of Environmental Laws on the business of the Borrower and its Subsidiaries, in the course of which they identify and evaluate potential risks and liabilities accruing to the Borrower due to Environmental Laws. On the basis of this consideration, the Borrower has concluded that Environmental Laws could not reasonably be expected to have a Material Adverse Effect. Neither the Borrower nor any Subsidiary has received any notice to the effect that its operations are not in material compliance with any of the requirements of applicable Environmental Laws or are the subject of any investigation by any Governmental Authority evaluating whether any remedial action is needed to respond to a release of any toxic or hazardous waste or substance into the environment, which non-compliance or remedial action could reasonably be expected to have a Material Adverse Effect.

1.q. Investment Company Act. Neither the Borrower nor any Subsidiary is an "investment company" or a company "controlled" by an "investment company", within the meaning of the Investment Company Act of 1940, as amended.

1.r. Beneficial Ownership. As of the Closing Date, to the best knowledge of the Borrower, the information included in the Beneficial Ownership Certification provided on or prior to the Closing Date to any Lender in connection with this Agreement is true and correct in all respects.

1.s. Anti-Corruption Laws and Sanctions. The Borrower has implemented and maintains in effect policies and procedures designed to support compliance in all material respects with respect to Anti-Corruption Laws and applicable U.S. Sanctions, and the Borrower, its Subsidiaries and the respective directors, officers, employees and agents of the Borrower and its Subsidiaries, are in compliance with Anti-Corruption Laws and applicable U.S. Sanctions in all material respects. None of

(a) the Borrower, any Subsidiary or to the knowledge of the Borrower or such Subsidiary any of their respective directors, officers or employees, or (b) to the knowledge of the Borrower, any agent of the Borrower or any Subsidiary that will act in any capacity in connection with or benefit from the credit facility established hereby, is a Sanctioned Person. No Advance, Loan or Letter of Credit, use of proceeds or other transaction contemplated by this Agreement will violate Anti-Corruption Laws or applicable Sanctions.

1.t. Affected Financial Institutions. No Loan Party is an Affected Financial Institution.

1.u. Post-Retirement Benefits. As of the Closing Date, neither the Borrower nor any of its Subsidiaries has any expected costs of post-retirement medical and insurance benefits payable to their employees and former employees, to the extent such costs are required to be estimated by the Borrower in accordance with Financial Accounting Standards Board Statement No. 106.

1.v. Insurance. Schedule 5.22 accurately sets forth as of the Closing Date all insurance policies and programs currently in effect with respect to the respective properties and assets and business of the Borrower and its Domestic Subsidiaries, specifying, for each such policy and program, (i) the amount thereof, (ii) the risks insured against thereby, (iii) the name of the insurer and each insured party thereunder, (iv) the policy or other identification number thereof, (v) the expiration date thereof, (vi) the annual premium with respect thereto, and (vii) any reserves relating to any self-insurance program that is in effect.

1.w. Reportable Transaction. The Borrower does not intend to treat the Advances as being a “reportable transaction” (within the meaning of Treasury Regulation Section 1.6011-4). In the event the Borrower determines to take any action inconsistent with such intention, it will promptly notify the Agent thereof.

ARTICLE 6 COVENANTS

During the term of this Agreement, unless the Required Lenders shall otherwise consent in writing:

1.a. Financial Reporting. The Borrower will maintain, for itself and each Subsidiary, a system of accounting established and administered in accordance with generally accepted accounting principles, and furnish to the Lenders:

(1) Within ninety (90) days after the close of each of its fiscal years, to the extent prepared to comply with SEC requirements, a copy of the Borrower’s report on SEC Form 10-K filed with the SEC for such fiscal year, or, if no such Form 10-K was filed by the Borrower, an unqualified (except for qualifications relating to changes in accounting principles or practices reflecting changes in generally accepted accounting principles and required or approved by the Borrower’s independent certified public accountants) audit report certified by independent certified public accountants acceptable to the Required Lenders, prepared in accordance with Agreement Accounting Principles on a consolidated basis for itself and its Subsidiaries, including balance sheets as of the end of such period, related profit and loss and reconciliation of surplus statements, and a statement of cash flows.

(2) Within forty-five (45) days after the close of the first three quarterly periods of each of its fiscal years, for itself and its Subsidiaries, to the extent prepared to comply with SEC requirements, a copy of the Borrower’s report on SEC Form 10-Q filed with the SEC for such fiscal quarter, or, if no such Form 10-Q was filed by the Borrower, consolidated unaudited balance sheets as at the close of each such period and consolidated profit and loss and reconciliation of surplus statements and a statement of cash flows for the period from the beginning of such fiscal year to the end of such quarter, all certified by its chief financial officer.

(3) [Reserved].

(4) Within (a) the earlier of (1) thirty-five (35) days after the delivery of the financial statements required under Section 6.1(i) and (2) one hundred (100) days after the close of each of its fiscal years, and (b) within the earlier of (1) forty (40) days after the delivery of the financial statements required under Section 6.1(ii) and (2) seventy (70) days after the close of the first three quarterly periods of each of its fiscal years, a compliance certificate in substantially the form of Exhibit A signed by its Chief Financial Officer or Treasurer showing the calculations necessary to determine compliance with this Agreement and stating that no Default or Unmatured Default exists, or if any Default or Unmatured Default exists, stating the nature and status thereof.

(5) As soon as possible and in any event within thirty (30) days after the Borrower knows that any Reportable Event that could reasonably be expected to have a Material Adverse Effect has occurred with respect to any Plan, a statement, signed by the chief financial officer of the Borrower, describing said Reportable Event and the action which the Borrower proposes to take with respect thereto.

(6) As soon as possible and in any event within twenty (20) days after receipt by the Borrower, a copy of (a) any notice or claim to the effect that the Borrower or any of its Subsidiaries is or may be liable to any Person as a result of the release by the Borrower, any of its Subsidiaries, or any other Person of any toxic or hazardous waste or substance into the environment, and (b) any notice alleging any violation of any federal, state or local environmental, health or safety law or regulation by the Borrower or any of its Subsidiaries, which, in either case, could reasonably be expected to have a Material Adverse Effect.

(7) Promptly upon the furnishing thereof to the shareholders of the Borrower, copies of all financial statements, reports and proxy statements so furnished.

(8) Promptly upon the filing thereof, copies of all registration statements and annual, quarterly, monthly or other regular reports which the Borrower or any of its Subsidiaries files with the Securities and Exchange Commission.

(9) Such other information (including non-financial information) as the Agent or any Lender may from time to time reasonably request, including, without limitation, information and documentation reasonably requested by the Agent or any Lender for purposes of compliance with applicable “know your customer” and anti-money laundering rules and regulations, including the Patriot Act and the Beneficial Ownership Regulation.

(10) (A) Within five (5) Business Days after each purchase by the Borrower or any of its Subsidiaries of Margin Stock in the amount of \$1,000,000 or more and (B) together with each delivery of a compliance certificate pursuant to Section 6.1(iv), a current list of all Margin Stock (and its current value) held by the Borrower or any of its Subsidiaries.

(11) Any change in the information provided in the Beneficial Ownership Certification delivered to such Lender that would result in a change to the list of beneficial owners identified in such certification.

Information required to be delivered pursuant to clauses (i), (ii), and (viii) of this Section 6.1 (to the extent any such documents are included in materials otherwise filed with the SEC) shall be deemed to have been delivered on the date (a) on which the Borrower provides notice to the Lenders that such information has been posted on the Borrower’s Internet website at the website address listed on the signature page hereof or at another website identified in such notice and accessible to the Lenders without charge; or (b) 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 Agent have access (whether a commercial, third-party website or whether sponsored by the Agent); *provided that*: (x) the Borrower shall deliver paper copies of

such information to any Lender that requests such delivery and (y) the Borrower shall notify the Agent and each Lender (by facsimile or electronic mail) of the posting of any such documents and provide to the Agent by electronic mail electronic versions (i.e., soft copies) of such documents.

1.b. Use of Proceeds. The Borrower will, and will cause each Subsidiary to, use the proceeds of the Advances to make Permitted Acquisitions pursuant to the terms of this Agreement, for working capital and for other general corporate purposes. The Borrower will not, nor will it permit any Subsidiary to, use any of the proceeds of the Advances to purchase or carry any Margin Stock in violation of Regulation U. The Borrower will not knowingly request any Advance or Letter of Credit, and the Borrower shall not use, and shall procure that its Subsidiaries and its or their respective directors, officers, employees and agents shall not use, the proceeds of any Advance or Letter of Credit (i) in furtherance of an offer, payment, promise to pay, or authorization of the payment or giving of money, or anything else of value, to any Person in violation of any Anti-Corruption Laws(ii) for the purpose of funding, financing or facilitating any activities, business or transaction of or with any Sanctioned Person, or in any Sanctioned Country in violation of applicable Sanctions, or (iii) in any manner that would result in the violation of any Sanctions applicable to any party hereto.

1.c. Notice of Default. The Borrower will give prompt notice in writing to the Lenders of the occurrence of any Default or Unmatured Default and of any other development, financial or otherwise, which could reasonably be expected to have a Material Adverse Effect.

1.d. Conduct of Business. The Borrower will, and will cause each Subsidiary to, carry on and conduct its business only in fields of enterprise substantially the same as or reasonably related to the fields of enterprise in which it is presently conducted and do all things necessary to remain duly incorporated or organized, validly existing and (to the extent such concept applies to such entity) in good standing as a domestic corporation, partnership or limited liability company in its jurisdiction of incorporation or organization, as the case may be, and maintain all requisite authority to conduct its business in each jurisdiction in which its business is conducted, in each case, except to the extent that a failure to do so could not reasonably be expected to have a Material Adverse Effect.

1.e. Taxes. The Borrower will, and will cause each Subsidiary to, timely file complete and correct United States federal, if applicable, and applicable foreign, state and local material tax returns required by law and pay when due all taxes, assessments and governmental charges and levies upon it or its income, profits or Property, except those which are being contested in good faith by appropriate proceedings and with respect to which adequate reserves have been set aside if and to the extent required by Agreement Accounting Principles and the failure to make payment pending such contest could not reasonably be expected to result in a Material Adverse Effect.

1.f. Insurance; Insurance and Condemnation Proceeds. The Borrower shall maintain for itself and its Domestic Subsidiaries, or shall cause each of its Domestic Subsidiaries to maintain, in full force and effect the insurance policies and programs listed on Schedule 5.22 or substantially similar policies and programs or other policies and programs as reflect coverage that is reasonably consistent with prudent industry practice.

1.g. Compliance with Laws. The Borrower will, and will cause each Subsidiary to, comply with all laws, rules, regulations, orders, writs, judgments, injunctions, decrees or awards to which it may be subject including, without limitation, all Environmental Laws, the violation of which could reasonably be expected to have a Material Adverse Effect and/or result in the creation of any Lien not permitted by Section 6.15. The Borrower will maintain in effect and enforce policies and procedures designed to ensure compliance by the Borrower, its Subsidiaries and their respective directors, officers, employees and agents with Anti-Corruption Laws and applicable Sanctions.

1.h. Maintenance of Properties. The Borrower will, and will cause each Subsidiary to, do all things necessary and commercially reasonable to maintain, preserve, protect and keep its Property in good repair, working order and condition, ordinary wear and tear excepted, and make all necessary and proper

repairs, renewals and replacements so that its business carried on in connection therewith may be properly conducted at all times, in each case except to the extent that a failure to do so could not reasonably be expected to have a Material Adverse Effect.

1.i. Inspection. The Borrower will, and will cause each Subsidiary to, permit the Agent and the Lenders, by their respective representatives and agents, to inspect any of the Property, books and financial records of the Borrower and each Subsidiary, to examine and make copies of the books of accounts and other financial records of the Borrower and each Subsidiary, and to discuss the affairs, finances and accounts of the Borrower and each Subsidiary with, and to be advised as to the same by, their respective officers, in each case upon reasonable advance notice and at such reasonable times (during normal business hours) and intervals as the Agent may designate.

1.j. Restricted Payments. The Borrower will not, and will not permit any of its Subsidiaries to, declare or make, or agree to pay or make, directly or indirectly, any Restricted Payment, except (a) the Borrower may declare and pay dividends with respect to its Equity Interests payable solely in additional shares of its common stock, (b) Subsidiaries may declare and pay dividends ratably with respect to their Equity Interests, (c) the Borrower may make Restricted Payments pursuant to and in accordance with stock option plans or other benefit plans for management or employees of the Borrower and its Subsidiaries, (d) the Borrower may make Restricted Payments deemed to occur upon the exercise of any stock option on a “net share” settlement basis by management or employees of the Borrower and its Subsidiaries, and (e) the Borrower and its Subsidiaries may make any other Restricted Payment so long as no Unmatured Default or Default has occurred and is continuing prior to making such Restricted Payment or would arise after giving effect (including giving effect on a pro forma basis acceptable to the Agent) thereto and the aggregate amount of all such Restricted Payments during any fiscal year of the Borrower does not exceed \$100,000,000; provided, that such Dollar limitation shall not be applicable if at the time of the making of such Restricted Payment and immediately after giving effect (including giving effect on a pro forma basis acceptable to the Agent) thereto, the Borrower is in compliance with the financial covenants set forth in Section 6.26.

1.k. Indebtedness. The Borrower will not, nor will it permit any Subsidiary to, create or incur any Indebtedness, except:

- (1) The Loans and Reimbursement Obligations.
- (2) Indebtedness (other than Indebtedness of Foreign Subsidiaries and Intercompany Indebtedness) existing on the Closing Date and described in Part I of Schedule 6.11.
- (3) Indebtedness arising under Rate Management Transactions and other Financial Contracts permitted by Section 6.25.
- (4) The Permitted Notes and any Permitted Refinancing thereof.
- (5) Indebtedness (other than Intercompany Indebtedness) of Foreign Subsidiaries not exceeding \$100,000,000 (or equivalent in foreign currencies) in aggregate principal amount at any one time outstanding.
- (6) Factoring of accounts and notes receivable of Foreign Subsidiaries, *provided* that (A) such receivables sold without recourse to the selling Foreign Subsidiary shall be sold on commercially reasonable terms and (B) the liabilities of such Foreign Subsidiaries with respect to such receivables sold with recourse to the selling Foreign Subsidiary shall not exceed \$25,000,000 (or equivalent in foreign currencies) in the aggregate outstanding at any time.
- (7) Indebtedness constituting Contingent Obligations permitted by Section 6.24.

(8) Indebtedness incurred pursuant to Sale and Leaseback Transactions, provided that at the time such transaction is entered into (A) no Default or Unmatured Default exists and (B) the Leverage Ratio as of the last day of the most recent fiscal quarter for which the Borrower has delivered financial statements pursuant to Section 6.1 (or, if prior to the date of the delivery of the first financial statements to be delivered pursuant to Section 6.1, the most recent financial statements referred to in Section 5.4) on a pro forma basis as if such Sale and Leaseback Transaction were entered into at the beginning of the four-fiscal quarter period ending on such day would have been equal to or less than 3.00 to 1.00.

(9) Intercompany Indebtedness of the Borrower to any Subsidiary or of any Guarantor to the Borrower or any other Subsidiary or of any Subsidiary that is not a Guarantor to any other Subsidiary that is not a Guarantor; provided that if the Borrower or any Guarantor is the obligor on such Intercompany Indebtedness, such Intercompany Indebtedness shall be expressly subordinate to the payment in full of the Guaranteed Obligations in a manner reasonably satisfactory in form and substance to the Agent.

(10) Intercompany Indebtedness of any Subsidiary that is not a Guarantor to the Borrower or any Guarantor (i) existing on the Closing Date and described on Part II of Schedule 6.11 or (ii) incurred after the Closing Date in the ordinary course of business.

(11) Other Intercompany Indebtedness, not otherwise permitted by clauses (ix) and (x) above, permitted by Section 6.14(iii).

(12) Indebtedness constituting purchase money Indebtedness or Capitalized Leases not exceeding \$100,000,000 (or the equivalent amount in foreign currencies) in aggregate principal amount at any one time outstanding.

(13) Indebtedness in respect of performance bonds, appeal bonds, surety bonds, completion guaranties, warranties, indemnities and similar obligations or owing to any person providing workers' compensation, health, disability or other employee benefits or property, casualty, or liability insurance, in each case incurred in the ordinary course of business.

(14) Indebtedness arising from agreements providing for customary indemnification, adjustment of purchase price or similar obligations or earnout provisions in connection with dispositions or Acquisitions permitted hereunder.

(15) Banking Service Obligations and other Indebtedness arising from the honoring by a bank or other financial institution of a check, draft or similar instrument drawn against insufficient funds in the ordinary course of business.

(16) Other Indebtedness, provided that, at the time of and immediately after giving effect (including pro forma effect) to the incurrence of any such Indebtedness (including the application of any proceeds therefrom), the Borrower shall be in compliance with the covenants set forth in Section 6.26 on a pro forma basis reasonably satisfactory to the Agent.

(17) Other Indebtedness (other than Intercompany Indebtedness), not otherwise permitted by clauses (i) through (xvi) above, not exceeding \$25,000,000 in the aggregate outstanding at any one time.

1.l. Merger. The Borrower will not, nor will it permit any Subsidiary to, merge or consolidate with or into any other Person, or consummate a Division as the Dividing Person, except that a Subsidiary may merge (i) into the Borrower or a Wholly-Owned Subsidiary or (ii) in connection with a Permitted Acquisition or (iii) in connection with a disposition permitted hereunder, *provided*, that if a Guarantor merges with another Subsidiary, the surviving entity shall be a Guarantor other than in

connection with a disposition of such Guarantor; *provided, further*, that any Subsidiary that is an LLC may consummate a Division as the Dividing Person if, immediately upon the consummation of the Division, the assets of the applicable Dividing Person are held by one or more Subsidiaries at such time, or, with respect to assets not so held by one or more Subsidiaries, such Division, in the aggregate, would otherwise result in a sale, transfer or disposition permitted by Section 6.13.

1.m. Sale of Assets. The Borrower will not, nor will it permit any Subsidiary to, lease, sell or otherwise dispose of all or substantially all of its Property to any other Person (including by way of a Division), except:

- (1) Sales of inventory in the ordinary course of business.
- (2) Sales by the Borrower or Subsidiaries of accounts receivable and notes receivable permitted by Section 6.11(vi).
- (3) Sales or other dispositions of Property in connection with Sale and Leaseback Transactions permitted by Section 6.11(viii).
- (4) Equipment or other assets traded in or exchanged for replacement assets.
- (5) [Reserved].
- (6) Dividends or distributions permitted by Section 6.10.
- (7) Dispositions of Property that constitute Investments permitted by Section 6.14.
- (8) Sales or other distributions of Property by the Borrower to any Guarantor or by any Guarantor to the Borrower or any other Guarantor or by any Subsidiary that is not a Guarantor to the Borrower or any other Subsidiary.
- (9) Sales or other dispositions of Property having a fair market value not to exceed \$75,000,000 in the aggregate for any Fiscal Year.

1.n. Investments and Acquisitions. The Borrower will not, nor will it permit any Subsidiary to, make any Investments (including without limitation, loans and advances to, and other Investments in, Subsidiaries, and including any Investment resulting from a Division), or to become or remain a partner in any partnership or joint venture, or to make any Acquisition of any Person, except:

- (1) Cash Equivalent Investments.
- (2) Investments in Equity Interests in Subsidiaries existing on the Closing Date; Intercompany Indebtedness permitted by Section 6.11 (other than clause (xi) thereof); Intercompany Indebtedness of any Subsidiary to the Borrower which is incurred in the ordinary course of business; and other Investments existing on the Closing Date and described in Schedule 6.14.
- (3) Investments by the Borrower or any Guarantor in Subsidiaries other than Guarantors, in addition to Investments permitted by clause (ii) above not to exceed the greater of (A) the sum of (I) \$100,000,000 (or equivalent in foreign currencies) *plus* (II) the cumulative amount of repayments of principal, returns of capital and dividends received by the Borrower or any Guarantor from Subsidiaries other than Guarantors on Investments (including existing Investments) in such Subsidiaries and (B) 15% of Consolidated EBITDA for the most recently ended four fiscal quarters for which financial statements have been made available under Section 6.1 (or, if prior to the date of the delivery of the first financial statements to be delivered pursuant to Section 6.1, the most recent financial statements referred to in Section 5.4) at the time of such Investment. To the extent that the Borrower or any Guarantor makes

an Investment in a Subsidiary by converting Intercompany Indebtedness of such Subsidiary to an Equity Interest or Equity Interests in such Subsidiary, such conversion shall not be deemed to be a new Investment for purposes of this clause (iii).

(4) Investments in the Borrower and in Subsidiaries that are Guarantors, and Investments by Subsidiaries that are not Guarantors in the Borrower or other Subsidiaries.

(5) (A) Permitted Acquisitions and (B) Investments by the Borrower or any Guarantor in Subsidiaries other than Guarantors to be used to fund Permitted Acquisitions, provided that in each case no Default or Unmatured Default exists before or after giving effect to such Permitted Acquisition.

(6) Investments constituting Rate Management Transactions and Financial Contracts permitted by Section 6.25.

(7) Investments constituting Contingent Obligations (or payments thereon) permitted by Section 6.24.

(8) Investments of any Person in existence at the time such Person becomes a Subsidiary; *provided* that such Investment was not made in connection with or in anticipation of such Person becoming a Subsidiary.

(9) Other Investments not otherwise permitted by clauses (i) through (ix) above, in an aggregate outstanding amount not exceeding 25% of Consolidated Tangible Net Worth as of the most recently ended fiscal quarter for which financial statements have been made available under Section 6.1 (or, if prior to the date of the delivery of the first financial statements to be delivered pursuant to Section 6.1, the most recent financial statements referred to in Section 5.4) at the time of such Investment.

1.o. Liens. The Borrower will not, nor will it permit any Subsidiary to, create, incur, or suffer to exist any Lien in, of or on the Property of the Borrower or any of its Subsidiaries, except:

(1) Liens for taxes, assessments or governmental charges (other than Liens imposed by the PBGC) or levies on its Property if the same shall not at the time be delinquent or thereafter can be paid without penalty, or are being contested in good faith and by appropriate proceedings and for which adequate reserves shall have been set aside on its books if and to the extent required by Agreement Accounting Principles.

(2) Liens imposed by law, such as carriers', warehousemen's and mechanics' liens and other similar liens arising in the ordinary course of business which secure payment of obligations not more than sixty (60) days past due or which are being contested in good faith by appropriate proceedings and for which adequate reserves shall have been set aside on its books if and to the extent required by Agreement Accounting Principles.

(3) Liens arising out of pledges or deposits under worker's compensation laws, unemployment insurance, old age pensions, or other social security benefits, or similar legislation.

(4) Utility easements, building restrictions and such other encumbrances or charges against real property as are of a nature generally existing with respect to properties of a similar character and which do not in any material way affect the marketability of the same or interfere with the use thereof in the business of the Borrower or its Subsidiaries.

(5) [Reserved].

(6) Liens on property of Foreign Subsidiaries in connection with banker's acceptances with maturities not in excess of 180 days.

(7) Liens on accounts and notes receivable of Foreign Subsidiaries securing loans and advances to Foreign Subsidiaries permitted by Section 6.11.

(8) Liens against equipment, property, or plant leased by the Borrower or any Subsidiary in favor of the lessor thereof.

(9) Purchase money Liens and Liens to secure Capitalized Leases to secure Indebtedness permitted hereunder, and extensions, renewals and refinancing thereof so long as the principal amounts thereof are not increased.

(10) Liens to secure the performance of tenders, statutory obligations, bids, leases, government contracts, performance and surety bonds and other similar obligations in the ordinary course of business and judgment liens to the extent such judgment would not constitute a Default under Section 7.9.

(11) Liens on documents and related property arising in connection with trade letters of credit in the ordinary course of business.

(12) Liens (excluding liens permitted under clauses (i) through (xi) above) existing on the Closing Date and listed on Schedule 6.15 hereto.

(13) Liens (excluding liens permitted under clauses (i) through (xii) above and clause (xiv) below) to secure obligations of the Borrower or any Subsidiary, the principal amount of which does not exceed at any one time the greater of (A) \$30,000,000 and (B) 9% of Consolidated EBITDA for the most recently ended four fiscal quarters for which financial statements have been made available under Section 6.1 (or, if prior to the date of the delivery of the first financial statements to be delivered pursuant to Section 6.1, the most recent financial statements referred to in Section 5.4) at the time of the incurrence of any such Lien.

(14) Liens that are customary contractual rights of setoff (i) relating to the establishment of depository relations with banks or other financial institutions not given in connection with the incurrence of Indebtedness, (ii) relating to pooled deposit or sweep accounts of the Borrower to permit satisfaction of overdraft or similar obligations incurred in the ordinary course of business or (iii) relating to purchase orders and other agreements entered into with customers in the ordinary course of business.

1.p. [Reserved].

1.q. Limitation on Payment Restrictions Affecting Subsidiaries. The Borrower shall not, and shall not permit any of its Subsidiaries to, directly or indirectly, create, assume or suffer to exist any consensual restriction on the ability of any of its Subsidiaries to pay dividends or make other distributions to or on behalf of, or to pay any obligation to or on behalf of, or otherwise to transfer assets or property to or on behalf of, or make or pay loans or advances to or on behalf of, the Borrower or any of its Subsidiaries, except:

(1) restrictions imposed by the agreements and instruments governing or evidencing the Permitted Notes or any Permitted Refinancing thereof and restrictions imposed by the agreements and instruments governing or evidencing Indebtedness permitted by Section 6.11(xvi) so long as, in the case of any such Indebtedness, such prohibition or limitation is customary for such Indebtedness,

(2) restrictions imposed by applicable law,

(3) existing restrictions under Indebtedness of any Subsidiary outstanding on the Closing Date,

(4) restrictions under any Acquired Indebtedness not incurred in violation of any agreement (including any Equity Interest) relating to any property, asset, or business acquired by the Borrower or any of its Subsidiaries, which restrictions in each case existed at the time of acquisition, were not put in place in connection with or in anticipation of such acquisition and are not applicable to any Person, other than the Person acquired, or to any property, asset or business, other than the property, assets and business so acquired,

(5) restrictions with respect solely to any of its Subsidiaries imposed pursuant to a binding agreement which has been entered into for the sale or disposition of all or substantially all of the Equity Interests or assets of such Subsidiary; *provided*, that such restrictions apply solely to the Equity Interests or assets of such Subsidiary which are being sold,

(6) restrictions on transfer contained in purchase money Indebtedness; *provided*, that such restrictions relate only to the transfer of the property acquired with the proceeds of such purchase money Indebtedness,

(7) provisions with respect to the disposition or distribution of assets or property in joint venture agreements, asset sale agreements, stock sale agreements and other similar agreements entered into in the ordinary course of business,

(8) restrictions on cash or other deposits or net worth imposed by customers under contracts entered into in the ordinary course of business,

(9) in connection with and pursuant to permitted refinancings, replacements of restrictions imposed pursuant to clauses (iii), (iv) or (vi) or this clause (ix) of this Section 6.17 that are not more restrictive taken as a whole than those being replaced and do not apply to any other Person or assets than those that would have been covered by the restrictions in the Indebtedness so refinanced, and

(10) restrictions contained in Indebtedness incurred by a Foreign Subsidiary in accordance with this Agreement; *provided*, that such restrictions relate only to one or more Foreign Subsidiaries.

Notwithstanding the foregoing, (A) customary provisions restricting subletting or assignment of any lease entered into in the ordinary course of business, consistent with industry practice and (B) any asset subject to a Lien which is not prohibited to exist with respect to such asset pursuant to the terms of this Agreement may be subject to customary restrictions on the transfer or disposition thereof pursuant to such Lien.

1.r. [Reserved].

1.s. Affiliates. The Borrower will not, and will not permit any Subsidiary to, enter into any transaction (including, without limitation, the purchase or sale of any Property or service) with, or make any payment or transfer to, any Affiliate (other than the Borrower and its Wholly-Owned Subsidiaries) except (a) in the ordinary course of business and pursuant to the reasonable requirements of the Borrower's or such Subsidiary's business and upon fair and reasonable terms no less favorable to the Borrower or such Subsidiary than the Borrower or such Subsidiary would obtain in a comparable arms-length transaction or (b) transactions with Affiliates specifically permitted hereunder.

1.t. Unfunded Liabilities. Except as could not reasonably be expected, individually or in the aggregate, to have a Material Adverse Effect, the Borrower will not permit any Unfunded Liabilities to exist.

1.u. [Reserved].

1.v. [Reserved].

1.w. Sale and Leaseback Transactions. The Borrower will not, nor will it permit any Subsidiary to, enter into or suffer to exist any Sale and Leaseback Transaction other than Sale and Leaseback Transactions permitted by Section 6.11(viii).

1.x. Contingent Obligations. The Borrower will not, nor will it permit any Subsidiary to, make or suffer to exist any Contingent Obligation (including, without limitation, any Contingent Obligation with respect to the obligations of a Subsidiary), except (i) by endorsement of instruments for deposit or collection in the ordinary course of business, (ii) guaranties of Indebtedness permitted by Section 6.11, provided that only Guarantors shall guarantee (x) Permitted Notes and (y) Material Indebtedness incurred pursuant to Section 6.11(xvi), (iii) guaranties by the Borrower or any Subsidiary of employee credit card obligations in the ordinary course of business, (iv) recourse obligations in connection with the factoring of accounts and notes receivable of Foreign Subsidiaries, (v) guaranties and other Contingent Obligations of the Borrower or any Subsidiary with respect to obligations of any Subsidiary and (vi) other Contingent Obligations not otherwise permitted by clauses (i) through (v) above not exceeding \$25,000,000 in the aggregate outstanding at any one time.

1.y. Financial Contracts. The Borrower will not, nor will it permit any Subsidiary to, enter into or remain liable upon any Financial Contract, except Financial Contracts pursuant to which the Borrower or any Subsidiary has hedged its reasonably estimated interest rate, foreign currency or commodity exposure.

1.z. Financial Covenants.

1.1.1. Interest Coverage Ratio. The Borrower will not permit the ratio, determined as of the end of each of its fiscal quarters for the then most-recently ended four fiscal quarters, of (i) Consolidated EBITDA to (ii) Consolidated Interest Expense to be less than 4.00 to 1.00 for each fiscal quarter ending on or after December 31, 2018.

1.1.2. Leverage Ratio. The Borrower will not permit the Leverage Ratio, determined as of the end of each of its fiscal quarters for the then most-recently ended four fiscal quarters, to be greater than 3.50 to 1.00 for each fiscal quarter ending on or after December 31, 2018.

1.1.3. Pro Forma Calculation. In the event that the Borrower or any Subsidiary shall have consummated a Permitted Acquisition or an Investment in a joint venture during any four fiscal quarter period for which any financial covenant contained in this Section 6.26 is calculated, such financial covenant shall be calculated as if such Permitted Acquisition or Investment (including any Indebtedness incurred in connection therewith) had been consummated on the first day of such four fiscal quarter period, *provided* that the Borrower shall not include such Permitted Acquisition or Investment in the calculation of Consolidated EBITDA, unless the Borrower shall have delivered to the Lenders, at or prior to the time financial statements as of the last day of such four fiscal quarter period are delivered to the Lenders pursuant to Section 6.1, the most recently audited and unaudited financial statements of the acquired business or Person or joint venture, as the case may be, for such period and presented in conformity with generally accepted accounting principles of the applicable jurisdiction. Prior to the consummation of any Permitted Acquisition for Consideration in excess of \$50,000,000 or at any time the Borrower has consummated Permitted Acquisitions having Consideration of more than \$100,000,000 in the aggregate since the end of the most recent Fiscal Quarter for which financial statements have been delivered, the Borrower shall deliver to the Agent a certificate signed on behalf of the Borrower by its Chief Financial Officer or Treasurer setting forth the Leverage Ratio as of the last day of the most recent fiscal quarter for which the Borrower has delivered financial statements pursuant to Section 6.1 calculated

on a pro forma basis as if such Permitted Acquisition were entered into at the beginning of the four-fiscal quarter period and otherwise in accordance with the provisions set forth in this Section 6.26.4.

1.aa. Fiscal Year. The Borrower shall not, and shall not permit any Subsidiary to, change the fiscal year of the Borrower or any Subsidiary.

1.ab. Guarantors. If at any time on or after the Closing Date, any one or more Domestic Subsidiaries shall constitute a Material Domestic Subsidiary, the Borrower shall promptly notify the Agent thereof, which notice shall specify the date as of which such Domestic Subsidiary or Subsidiaries became a Material Domestic Subsidiary. A Subsidiary with respect to which the Borrower complies with this Section may be excluded in determining whether one or more Subsidiaries collectively constitute a Material Domestic Subsidiary. Within ninety (90) days (or such later date as may be agreed upon by the Agent) after the date specified in such notice, the Borrower shall cause such Material Domestic Subsidiary to execute and deliver to the Agent a Guaranty (or a joinder thereto in the form contemplated thereby), together with such supporting documentation, including authorizing resolutions and/or opinions of counsel, as the Agent may reasonably request. Notwithstanding the foregoing, if the Borrower acquires a Material Domestic Subsidiary pursuant to a Permitted Acquisition, the Borrower may, as an alternative to complying with the preceding sentence, within ninety (90) days (or such later date as may be agreed upon by the Agent) after the consummation of such Permitted Acquisition, cause such Material Domestic Subsidiary to merge into, or to transfer all or substantially all of its assets to, the Borrower or a Guarantor.

ARTICLE 7 DEFAULTS

The occurrence of any one or more of the following events shall constitute a Default:

1.a. Breach of Representation or Warranty. Any representation or warranty made or deemed made by or on behalf of the Borrower or any of its Subsidiaries to the Lenders or the Agent under or in connection with this Agreement, any Loan, any Letter of Credit or any certificate or information delivered in connection with this Agreement or any other Loan Document shall be materially false on the date as of which made.

1.b. Nonpayment. Nonpayment of principal of any Loan or Reimbursement Obligation when due, or nonpayment of interest upon any Loan or of any commitment fee or other obligations under any of the Loan Documents within five (5) days after the same becomes due.

1.c. Breach of Certain Covenants. The breach by the Borrower of any of the terms or provisions of Section 6.2, 6.10, 6.11, 6.12, 6.13, 6.14, 6.15, 6.17, 6.19, 6.21, 6.23, 6.24, 6.25, 6.26, or 6.28; or the breach by the Borrower of any of the terms and conditions of Section 6.1, 6.3, 6.6 or 6.9 which is not remedied within ten (10) days.

1.d. Other Defaults. The breach by the Borrower (other than a breach which constitutes a Default under another Section of this Article VII) of any of the terms or provisions of this Agreement or any other Loan Document which is not remedied within thirty (30) days after written notice from the Agent or the Required Lenders.

1.e. Defaults as to Other Indebtedness. (i) Failure of the Borrower or any of its Subsidiaries to pay when due (after taking into account any applicable grace periods) any Indebtedness (other than Indebtedness owing by the Borrower to any Subsidiary or by any Subsidiary to the Borrower or another Subsidiary and other than Rate Management Obligations) outstanding in a principal amount aggregating in excess of \$75,000,000 (“Material Indebtedness”); or the default by the Borrower or any of its Subsidiaries in the performance (beyond the applicable grace period with respect thereto, if any) of any term, provision or condition contained in any agreement under which any such Material Indebtedness was

created or is governed, or any other event shall occur or condition exist, the effect of which default or event is to cause, or to permit the holder or holders of such Material Indebtedness to cause, such Material Indebtedness to become due prior to its stated maturity; or any Material Indebtedness of the Borrower or any of its Subsidiaries then outstanding in a principal amount in excess of \$75,000,000 shall be declared to be due and payable or required to be prepaid or repurchased (other than by regularly scheduled payment and other than in connection with any Permitted Refinancing) prior to the stated maturity thereof; or the Borrower or any of its Subsidiaries shall not pay, or shall admit in writing its inability to pay, its debts generally as they become due; or (ii) the occurrence of an early termination under any Rate Management Transaction resulting from (A) any event of default under such Rate Management Transaction as to which the Borrower or any Subsidiary is the defaulting party or (B) any termination event as to which the Borrower or any Subsidiary is an affected party and, in either event, the termination value or other similar obligation owed by the Borrower or such Subsidiary as a result thereof is in excess of \$75,000,000 and remains unpaid.

1.f. Voluntary Bankruptcy. The Borrower or any of its Material Subsidiaries shall (i) have an order for relief entered with respect to it under the Federal bankruptcy laws as now or hereafter in effect, (ii) make an assignment for the benefit of creditors, (iii) apply for, seek, consent to, or acquiesce in, the appointment of a receiver, custodian, trustee, examiner, liquidator or similar official for it or any Substantial Portion of its Property, (iv) institute any proceeding seeking an order for relief under the Federal bankruptcy laws as now or hereafter in effect or seeking to adjudicate it a bankrupt or insolvent, or seeking dissolution, winding up, liquidation, reorganization, arrangement, adjustment or composition of it or its debts under any law relating to bankruptcy, insolvency or reorganization or relief of debtors or fail to file (by the deadline for such filing) an answer or other pleading denying the material allegations of any such proceeding filed against it, (v) take any corporate or partnership action to authorize or effect any of the foregoing actions set forth in this Section 7.6 or (vi) fail to contest in good faith and in a reasonably timely manner any appointment or proceeding described in Section 7.7.

1.g. Involuntary Bankruptcy. Without the application, approval or consent of the Borrower or any of its Material Subsidiaries, a receiver, trustee, examiner, liquidator or similar official shall be appointed for the Borrower or any of its Material Subsidiaries or any Substantial Portion of its Property, or a proceeding described in Section 7.6(iv) shall be instituted against the Borrower or any of its Material Subsidiaries and in each case such appointment continues undischarged or such proceeding continues undismissed or unstayed for a period of 60 consecutive days.

1.h. Attachments. Any court, government or governmental agency shall condemn, seize or otherwise appropriate, or take custody or control of, all or any portion of the Property of the Borrower and its Subsidiaries which, when taken together with all other Property of the Borrower and its Subsidiaries so condemned, seized, appropriated, or taken custody or control of, during the twelve-month period ending with the month in which any such action occurs, constitutes a Substantial Portion.

1.i. Judgments. The Borrower or any of its Subsidiaries shall fail within thirty (30) days to pay, bond or otherwise discharge one or more (i) judgments or orders for the payment of money (except to the extent covered by insurance as to which the insurer has not disclaimed coverage) in excess of \$75,000,000 (or the equivalent thereof in currencies other than Dollars) in the aggregate, or (ii) nonmonetary judgments or orders which, individually or in the aggregate, could reasonably be expected to have a Material Adverse Effect, which judgment(s), in any such case, is/are not stayed on appeal or otherwise being appropriately contested in good faith in a reasonably timely manner.

1.j. ERISA; Withdrawal Liability. The Borrower, any of its Subsidiaries or any other member of the Controlled Group shall have been notified by the sponsor of a Multiemployer Plan that it has incurred withdrawal liability to such Multiemployer Plan in an amount which, when aggregated with all other amounts required to be paid to Multiemployer Plans by the Borrower, any of its Subsidiaries or any other member of the Controlled Group as withdrawal liability (determined as of the date of such notification), could reasonably be expected to have a Material Adverse Effect.

1.k. ERISA; Insolvency/Termination. The Borrower, any of its Subsidiaries or any other member of the Controlled Group shall have been notified by the sponsor of a Multiemployer Plan that such Multiemployer Plan is insolvent or is being terminated, within the meaning of Title IV of ERISA, if as a result of such insolvency or termination the aggregate annual contributions of the Borrower, any of its Subsidiaries and the other members of the Controlled Group (taken as a whole) to all Multiemployer Plans which are then insolvent or being terminated have been or will be increased over the amounts contributed to such Multiemployer Plans for the respective plan years of each such Multiemployer Plan immediately preceding the plan year in which the insolvency or termination occurs by an amount which could reasonably be expected to have a Material Adverse Effect.

1.l. Change in Control. Any Change in Control shall occur.

1.m. Guaranty. Any Guarantor shall take any action to revoke or discontinue or to assert the invalidity or unenforceability of any Guaranty, or any Guarantor shall deny that it has any further liability under any Guaranty to which it is a party, or shall give notice to such effect.

ARTICLE 8 ACCELERATION, WAIVERS, AMENDMENTS AND REMEDIES

1.a. Acceleration. If any Default described in Section 7.6 or 7.7 occurs with respect to the Borrower, the obligations of the Lenders to make Loans and the obligation of the Issuing Lender to issue Letters of Credit hereunder shall automatically terminate and the Obligations shall immediately become due and payable without any election or action on the part of the Agent, the Issuing Lender or any Lender. If any other Default occurs, the Required Lenders (or the Agent with the consent of the Required Lenders) may terminate or suspend the obligations of the Lenders to make Loans and the obligation of the Issuing Lender to issue Letters of Credit hereunder, or declare the Obligations to be due and payable, or both, whereupon the Obligations shall become immediately due and payable, without presentment, demand, protest or notice of any kind, all of which the Borrower hereby expressly waives.

If, within thirty (30) days after acceleration of the maturity of the Obligations or termination of the obligations of the Lenders to make Loans and the obligation of the Issuing Lender to issue Letters of Credit hereunder as a result of any Default (other than any Default as described in Section 7.6 or 7.7 with respect to the Borrower) and before any judgment or decree for the payment of the Obligations due shall have been obtained or entered, the Required Lenders (in their sole discretion) shall so direct, the Agent shall, by notice to the Borrower, rescind and annul such acceleration and/or termination.

1.b. Amendments.

(1) Subject to Sections 3.3(b), (c) and (d) and the provisions of this Article VIII, the Required Lenders (or the Agent with the consent in writing of the Required Lenders) and the Borrower may enter into agreements supplemental hereto for the purpose of adding or modifying any provisions to the Loan Documents or changing in any manner the rights of the Lenders or the Borrower hereunder or waiving any Default hereunder; provided, however, that no such supplemental agreement or waiver shall, (x) without the consent of the Agent and the Issuing Lender, amend any provision of Section 2.23 hereof or (y) without the consent of each Lender directly affected thereby:

(1) Except pursuant to Section 2.24, extend the final maturity of any Loan or postpone any regularly scheduled payment of principal of any Loan, postpone the date fixed for any payment of Reimbursement Obligations, forgive all or any portion of the principal amount of any Loan or Reimbursement Obligation, or reduce the rate or extend the time of payment of interest or fees hereunder (except that any amendment or modification of the financial covenants in this Agreement (or defined terms used in the financial covenants in this Agreement) shall not constitute a reduction in the rate of interest or fees for purposes of this clause (i)).

(2) Reduce the percentage specified in the definition of Required Lenders or amend the definition of Pro Rata Share.

(3) Except pursuant to Section 2.24, (A) extend the Facility Termination Date or (B) reduce the amount or extend the payment date for, the mandatory payments required under Section 2.8, or (C) increase the amount of the Aggregate Commitment (except pursuant to Section 2.6(B)) or (D) increase the amount of the Commitment of any Lender hereunder, or (E) reduce the Aggregate Commitment other than ratably among the Lenders having Commitments (other than a non-ratable reduction of the Aggregate Commitment in respect of the Commitment of a Defaulting Lender), or (F) permit the Borrower to assign its rights under this Agreement.

(4) Amend this Section 8.2 (or any provision of this Agreement that explicitly requires the consent of each Lender prior to any action or inaction).

(5) Release any Guarantor, except in connection with a disposition of Equity Interests of a Guarantor otherwise permitted by the Loan Documents.

(6) Amend the ratable treatment among the Lenders under Section 11.2 hereof.

No amendment of any provision of this Agreement relating to the Agent shall be effective without the written consent of the Agent. The Agent may waive payment of the fee required under Section 12.3.2 without obtaining the consent of any other party to this Agreement. No amendment of any provision of this Agreement relating to the Issuing Lender shall be effective without the written consent of the Issuing Lender. Notwithstanding the foregoing, no consent with respect to any amendment, waiver or other modification of this Agreement shall be required of any Defaulting Lender, except with respect to any amendment, waiver or other modification referred to in clause (a)(i), (a)(ii), (a)(iii)(A) or (a)(iii)(D) of this Section 8.2 and then only in the event such Defaulting Lender shall be directly affected by such amendment, waiver or other modification.

(2) Notwithstanding the foregoing, this Agreement and any other Loan Document may be amended (or amended and restated) with the written consent of the Required Lenders, the Agent and the Borrower (x) to add one or more credit facilities to this Agreement and to permit extensions of credit from time to time outstanding thereunder and the accrued interest and fees in respect thereof to share ratably in the benefits of this Agreement and the other Loan Documents with the Revolving Loans and the accrued interest and fees in respect thereof and (y) to include appropriately the Lenders holding such credit facilities in any determination of the Required Lenders and Lenders.

(3) Notwithstanding anything to the contrary herein the Agent may, with the consent of the Borrower only, amend, modify or supplement this Agreement or any of the other Loan Documents to cure any ambiguity, omission, mistake, defect or inconsistency.

1.c. Preservation of Rights. No delay or omission of the Lenders, the Issuing Lender or the Agent to exercise any right under the Loan Documents shall impair such right or be construed to be a waiver of any Default or an acquiescence therein, and the making of a Loan or the issuance of a Letter of Credit notwithstanding the existence of a Default or the inability of the Borrower to satisfy the conditions precedent to such Loan or issuance of such Letter of Credit shall not constitute any waiver or acquiescence. Any single or partial exercise of any such right shall not preclude other or further exercise thereof or the exercise of any other right, and no waiver, amendment or other variation of the terms, conditions or provisions of the Loan Documents whatsoever shall be valid unless in writing signed by the Lenders required pursuant to Section 8.2, and then only to the extent in such writing specifically set forth. All remedies contained in the Loan Documents or by law afforded shall be cumulative and all shall be available to the Agent, the Issuing Lender and the Lenders until the Obligations have been paid in full.

ARTICLE 9 GENERAL PROVISIONS

1.a. Survival of Representations. All representations and warranties of the Borrower contained in this Agreement shall survive the making of the Loans herein contemplated.

1.b. Governmental Regulation. Anything contained in this Agreement to the contrary notwithstanding, no Lender shall be obligated to extend credit to the Borrower, and the Issuing Lender shall not be obligated to issue any Letter of Credit for the account of the Borrower, in violation of any limitation or prohibition provided by any applicable statute or regulation.

1.c. Headings. Section headings in the Loan Documents are for convenience of reference only, and shall not govern the interpretation of any of the provisions of the Loan Documents.

1.d. Entire Agreement. The Loan Documents embody the entire agreement and understanding among the Borrower, the Agent and the Lenders and supersede all prior agreements and understandings among the Borrower, the Agent and the Lenders relating to the subject matter thereof other than the fee letter described in Section 10.13.

1.e. Several Obligations; Benefits of this Agreement. The respective obligations of the Lenders hereunder are several and not joint and no Lender shall be the partner or agent of any other (except to the extent to which the Agent is authorized to act as such). The failure of any Lender to perform any of its obligations hereunder shall not relieve any other Lender from any of its obligations hereunder. This Agreement shall not be construed so as to confer any right or benefit upon any Person other than the parties to this Agreement and their respective successors and assigns, *provided, however*, that the parties hereto expressly agree that the Arranger shall enjoy the benefits of the provisions of Sections 9.6, 9.10 and 10.11 to the extent specifically set forth therein and shall have the right to enforce such provisions on its own behalf and in its own name to the same extent as if it were a party to this Agreement.

1.f. Expenses; Indemnification. (a) The Borrower shall pay (i) all reasonable out-of-pocket expenses incurred by the Agent and its Affiliates, including the reasonable fees, charges and disbursements of counsel for the Agent, in connection with the syndication of the credit facilities provided for herein, the preparation 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 out-of-pocket expenses incurred by any Issuing Lender in connection with the issuance, amendment, renewal or extension of any Letter of Credit or any demand for payment thereunder and (iii) all out-of-pocket expenses incurred by the Agent, any Issuing Lender or any Lender, including the fees, charges and disbursements of any counsel for the Agent, any Issuing Lender or any Lender, in connection with the enforcement or protection of its rights in connection with this Agreement and the other Loan Documents, including its rights under this Section, or in connection with the Loans made or Letters of Credit issued hereunder, including all such out-of-pocket expenses incurred during any workout, restructuring or negotiations in respect of such Loans or Letters of Credit.

(1) The Borrower shall indemnify the Agent, the Arranger, each Syndication Agent, each Co-Documentation Agent, each Issuing Lender and each Lender, 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, incurred by or asserted against any Indemnitee 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 or the consummation of any transactions contemplated hereby (including the credit facilities offered hereunder), (ii) any Loan or Letter of Credit or the use of the proceeds therefrom (including any refusal by an Issuing

Lender 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 of its Subsidiaries, or any Environmental Liability related in any way to the Borrower or any of its Subsidiaries, or (iv) any actual or prospective claim, litigation, investigation, arbitration or proceeding relating to any of the foregoing, whether or not such claim, litigation, investigation, arbitration or proceeding is brought by the Borrower or any other Loan Party or its or their respective equity holders, Affiliates, creditors or any other third Person and whether based on contract, tort or any other theory and regardless of whether any Indemnatee is a party thereto; provided that such indemnity shall not, as to any Indemnatee, be available to the extent that such losses, claims, damages, liabilities or related expenses 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 Indemnatee. This Section 9.6(b) shall not apply with respect to Taxes other than any Taxes that represent losses, claims or damages arising from any non-Tax claim.

(2) To the extent permitted by applicable law (i) the Borrower shall not assert, and the Borrower hereby waives, any claim against any Indemnatee for any damages arising from the use by others of information or other materials obtained through telecommunications, electronic or other information transmission systems (including the Internet), and (ii) no party hereto shall assert, and each such party hereby waives, any claim against any other party hereto, 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 or thereby, the transactions contemplated hereby, any Loan or Letter of Credit or the use of the proceeds thereof; provided that, nothing in this clause (d)(ii) shall relieve the Borrower of any obligation it may have to indemnify an Indemnatee against special, indirect, consequential or punitive damages asserted against such Indemnatee by a third party.

(3) All amounts due under this Section shall be payable promptly after written demand therefor.

1.g. Numbers of Documents. All material documents hereunder shall be furnished to the Agent with sufficient counterparts so that the Agent may furnish one to each of the Lenders.

1.h. Accounting. Except as provided to the contrary herein, all accounting terms used herein shall be interpreted and all accounting determinations hereunder shall be made in accordance with Agreement Accounting Principles, *provided* that, if the Borrower notifies the Agent that the Borrower requests an amendment to any provision hereof to eliminate the effect of any change occurring after the date hereof in Agreement Accounting Principles or in the application thereof on the operation of such provision (or if the Agent notifies the Borrower that the Required Lenders request an amendment to any provision hereof for such purpose), regardless of whether any such notice is given before or after such change in Agreement Accounting Principles or in the application thereof, then such provision shall be interpreted on the basis of Agreement Accounting Principles as in effect and applied immediately before such change shall have become effective until such notice shall have been withdrawn or such provision amended in accordance herewith. Notwithstanding any other provision contained herein, all terms of an accounting or financial nature used herein shall be construed, and all computations of amounts and ratios referred to herein shall be made (i) without giving effect to any election under Accounting Standards Codification 825-10-25 (or any other Accounting Standards Codification or Financial Accounting Standard having a similar result or effect) to value any Indebtedness or other liabilities of the Borrower or any Subsidiary at "fair value", as defined therein and (ii) without giving effect to any treatment of Indebtedness in respect of convertible debt instruments under Accounting Standards Codification 470-20 (or any other Accounting Standards Codification or Financial Accounting Standard having a similar result or effect) to value any such Indebtedness in a reduced or bifurcated manner as described therein, and such Indebtedness shall at all times be valued at the full stated principal amount thereof. Notwithstanding the foregoing or anything to the contrary set forth herein, (i) any lease existing on the books and/or records of the Borrower as of the Closing Date as an operating lease shall remain characterized as an operating lease,

in accordance with past practices of the Borrower; and (ii) any lease that did or was entitled to qualify as an operating lease under Agreement Accounting Principles as in effect prior to January 1, 2018 shall continue to constitute or shall qualify as an operating lease hereunder, and shall not constitute or be re-characterized as a Capitalized Lease.

1.i. Severability of Provisions. Any provision in any Loan Document that is held to be inoperative, unenforceable, or invalid in any jurisdiction shall, as to that jurisdiction, be inoperative, unenforceable, or invalid without affecting the remaining provisions in that jurisdiction or the operation, enforceability, or validity of that provision in any other jurisdiction, and to this end the provisions of all Loan Documents are declared to be severable.

1.j. Nonliability of Lenders. The relationship between the Borrower on the one hand and the Lenders, the Issuing Lender and the Agent on the other hand shall be solely that of borrower and lender. Neither the Agent, the Arranger, the Issuing Lender nor any Lender shall have any advisory, agent or fiduciary responsibilities to the Borrower or any of its Affiliates or any other Person. No Lender or any of its Affiliates has any obligation to the Borrower or any of its Affiliates with respect to the transactions contemplated hereby except, in the case of a Lender, those obligations expressly set forth herein and in the other Loan Documents. Each of 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 no Lender or any of its Affiliates has any obligation to disclose any of such interests to the Borrower or its Affiliates. To the fullest extent permitted by law, the Borrower hereby waives and releases any claims that it may have against each of the Lenders and their Affiliates with respect to any breach or alleged breach of agency or fiduciary duty in connection with any aspect of any transaction contemplated hereby. Neither the Agent, the Arranger, the Issuing Lender nor any Lender undertakes any responsibility to the Borrower to review or inform the Borrower of any matter in connection with any phase of the Borrower's business or operations. The Borrower agrees that neither the Agent, the Arranger, the Issuing Lender nor any Lender shall have liability to the Borrower (whether sounding in tort, contract or otherwise) for losses suffered by the Borrower in connection with, arising out of, or in any way related to, the transactions contemplated and the relationship established by the Loan Documents, or any act, omission or event occurring in connection therewith, unless such losses resulted from the gross negligence or willful misconduct of the party from which recovery is sought or any affiliate of such party. Neither the Agent, the Arranger, the Issuing Lender nor any Lender shall have any liability with respect to, and the Borrower hereby waives, releases and agrees not to sue for, any special, indirect, consequential or punitive damages suffered by the Borrower in connection with, arising out of, or in any way related to the Loan Documents or the transactions contemplated thereby.

1.k. Confidentiality. Each Lender agrees to maintain the confidentiality of the Information (as defined below), except that Information may be disclosed (i) to its Affiliates (that are not competitors of the Borrower or any Subsidiary in any of their respective lines of business) and to other Lenders and their respective Affiliates (that are not competitors of the Borrower or any Subsidiary in any of their respective lines of business), (ii) to legal counsel, accountants, and other professional advisors to such Lender or to a Transferee, (iii) as may be required or appropriate, to regulatory officials, (iv) to any Person as requested pursuant to or as required by law, regulation, or legal process, (v) as may be required or appropriate, to any Person in connection with any legal proceeding to which such Lender is a party, (vi) to such Lender's direct or indirect contractual counterparties in swap agreements or securitization transactions or to legal counsel, accountants and other professional advisors to such counterparties, (vii) permitted by Section 12.4, and (viii) to rating agencies if requested or required by such agencies in connection with a rating relating to the Advances hereunder. For the purposes of this Section, "Information" means all information received from the Borrower relating to the Borrower or its business, other than any such information that is available to the Agent, any Issuing Lender or any Lender on a nonconfidential basis prior to disclosure by the Borrower. 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.

EACH LENDER ACKNOWLEDGES THAT INFORMATION AS DEFINED IN THE IMMEDIATELY PRECEDING PARAGRAPH FURNISHED TO IT PURSUANT TO THIS AGREEMENT MAY INCLUDE MATERIAL NON-PUBLIC INFORMATION CONCERNING THE BORROWER AND ITS RELATED PARTIES OR THEIR RESPECTIVE SECURITIES, AND CONFIRMS THAT IT HAS DEVELOPED COMPLIANCE PROCEDURES REGARDING THE USE OF MATERIAL NON-PUBLIC INFORMATION AND THAT IT WILL HANDLE SUCH MATERIAL NON-PUBLIC INFORMATION IN ACCORDANCE WITH THOSE PROCEDURES AND APPLICABLE LAW, INCLUDING FEDERAL AND STATE SECURITIES LAWS.

ALL INFORMATION, INCLUDING REQUESTS FOR WAIVERS AND AMENDMENTS, FURNISHED BY THE BORROWER OR THE AGENT PURSUANT TO, OR IN THE COURSE OF ADMINISTERING, THIS AGREEMENT WILL BE SYNDICATE-LEVEL INFORMATION, WHICH MAY CONTAIN MATERIAL NON-PUBLIC INFORMATION ABOUT THE BORROWER, THE OTHER LOAN PARTIES AND THEIR RELATED PARTIES OR THEIR RESPECTIVE SECURITIES. ACCORDINGLY, EACH LENDER REPRESENTS TO THE BORROWER AND THE AGENT THAT IT HAS IDENTIFIED IN ITS ADMINISTRATIVE QUESTIONNAIRE A CREDIT CONTACT WHO MAY RECEIVE INFORMATION THAT MAY CONTAIN MATERIAL NON-PUBLIC INFORMATION IN ACCORDANCE WITH ITS COMPLIANCE PROCEDURES AND APPLICABLE LAW.

1.l. Disclosure. The Borrower and each Lender hereby acknowledge and agree that JPMorgan and/or one or more Affiliates are or may become direct or indirect equity investors in the Borrower, and each Lender hereby waives any liability of JPMorgan or any of its Affiliates to such Lender arising out of or resulting from such investments or relationships, other than liabilities arising out of the gross negligence or willful misconduct, as determined by the final judgment of a court of competent jurisdiction, of JPMorgan or its Affiliates.

1.m. Non-Reliance. Each Lender hereby represents that it is not relying on or looking to any margin stock (as defined in Regulation U of the Federal Reserve Board) for the repayment of the Loan provided for herein.

1.n. USA Patriot Act; Acknowledgment and Consent to Bail-In of Affected Financial Institutions. Each Lender that is subject to the requirements of the USA Patriot Act (Title III of Pub. L. 107-56 (signed into law October 26, 2001)) (the “Act” or the “Patriot Act”) 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 to identify the Borrower in accordance with the Act. 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 Affected Financial Institution arising under any Loan Document 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:

(1) 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 party hereto that is an Affected Financial Institution; and

(2) the effects of any Bail-In Action on any such liability, including, if applicable:

(1) a reduction in full or in part or cancellation of any such liability;

(2) a conversion of all, or a portion of, such liability into shares or other instruments of ownership in such Affected Financial Institution, its parent entity, 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

(3) the variation of the terms of such liability in connection with the exercise of the Write-Down and Conversion Powers of any Resolution Authority.

1.o. Interest Rate Limitation. Notwithstanding anything herein to the contrary, if at any time the interest rate applicable to any Loan, together with all fees, charges and other amounts which are treated as interest on such Loan under applicable law (collectively the “Charges”), shall exceed the maximum lawful rate (the “Maximum Rate”) which may be contracted for, charged, taken, received or reserved by the Lender holding such Loan in accordance with applicable law, the rate of interest payable in respect of such Loan hereunder, together with all Charges payable in respect thereof, shall be limited to the Maximum Rate and, to the extent lawful, the interest and Charges that would have been payable in respect of such Loan but were not payable as a result of the operation of this Section shall be cumulated and the interest and Charges payable to such Lender in respect of other Loans or periods shall be increased (but not above the Maximum Rate therefor) until such cumulated amount, together with interest thereon at the NYFRB Rate to the date of repayment, shall have been received by such Lender.

1.p. No Fiduciary Duty, etc. (a) The Borrower acknowledges and agrees, and acknowledges its Subsidiaries’ understanding, that no Credit Party will have any obligations except those obligations expressly set forth herein and in the other Loan Documents and each Credit Party is acting solely in the capacity of an arm’s length contractual counterparty to the Borrower with respect to the Loan Documents and the transactions contemplated herein and therein and not as a financial advisor or a fiduciary to, or an agent of, the Borrower or any other person. The Borrower agrees that it will not assert any claim against any Credit Party based on an alleged breach of fiduciary duty by such Credit Party in connection with this Agreement and the transactions contemplated hereby. Additionally, the Borrower acknowledges and agrees that no Credit Party is advising the Borrower as to any legal, tax, investment, accounting, regulatory or any other matters in any jurisdiction. The Borrower shall consult with its own advisors concerning such matters and shall be responsible for making its own independent investigation and appraisal of the transactions contemplated herein or in the other Loan Documents, and the Credit Parties shall have no responsibility or liability to the Borrower with respect thereto.

(1) The Borrower further acknowledges and agrees, and acknowledges its Subsidiaries’ understanding, that each Credit Party, together with its Affiliates, is a full service securities or banking firm engaged in securities trading and brokerage activities as well as providing investment banking and other financial services. In the ordinary course of business, any Credit Party may provide investment banking and other financial services to, and/or acquire, hold or sell, for its own accounts and the accounts of customers, equity, debt and other securities and financial instruments (including bank loans and other obligations) of, the Borrower and other companies with which the Borrower may have commercial or other relationships. With respect to any securities and/or financial instruments so held by any Credit Party or any of its customers, all rights in respect of such securities and financial instruments, including any voting rights, will be exercised by the holder of the rights, in its sole discretion.

(2) In addition, the Borrower acknowledges and agrees, and acknowledges its Subsidiaries’ understanding, that each Credit Party and its affiliates may be providing debt financing, equity capital or other services (including financial advisory services) to other companies in respect of which the Borrower may have conflicting interests regarding the transactions described herein and otherwise. No Credit Party will use confidential information obtained from the Borrower by virtue of the transactions contemplated by the Loan Documents or its other relationships with the Borrower in connection with the performance by such Credit Party of services for other companies, and no Credit Party will furnish any such information to other companies. The Borrower also acknowledges that no Credit Party has any obligation to use in connection with the transactions contemplated by the Loan Documents, or to furnish to the Borrower, confidential information obtained from other companies.

1.q. Certain 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 Agent, the Arranger and their respective Affiliates, and not, for the avoidance of doubt, to or for the benefit of the Borrower or any other Loan Party, that at least one of the following is and will be true:

(1) such Lender is not using “plan assets” (within the meaning of the Plan Asset Regulations) of one or more Benefit Plans in connection with the Loans, the Letters of Credit or the Commitments;

(2) 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;

(3) (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 subsections (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

(4) such other representation, warranty and covenant as may be agreed in writing between the Agent, in its sole discretion, and such Lender.

(1) In addition, unless sub-clause (i) in the immediately preceding clause (a) is true with respect to a Lender or such Lender has not provided another representation, warranty and covenant as provided in sub-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 Agent, the Arranger and their respective Affiliates, and not, for the avoidance of doubt, to or for the benefit of the Borrower or any other Loan Party, that none of the Agent, or any Arranger, any Syndication Agent, any Co-Documentation Agent or any of their respective Affiliates is a fiduciary with respect to the assets of such Lender (including in connection with the reservation or exercise of any rights by the Agent under this Agreement, any Loan Document or any documents related to hereto or thereto).

(2) The Agent, the Arranger, Syndication Agent and Co-Documentation Agent hereby informs the Lenders that each such Person is not undertaking to provide investment advice or to give advice in a fiduciary capacity, in connection with the transactions contemplated hereby, and that such Person has a financial interest in the transactions contemplated hereby in that such Person or an Affiliate thereof (i) may receive interest or other payments with respect to the Loans, the Letters of Credit, the Commitments, this Agreement and any other Loan Documents (ii) may recognize a gain if it extended the Loans, the Letters of Credit or the Commitments for an amount less than the amount being paid for an interest in the Loans, the Letters of Credit or the Commitments by such Lender or (iii) may receive fees or other payments in connection with the transactions contemplated hereby, the Loan Documents or otherwise, including structuring fees, commitment fees, arrangement fees, facility fees, upfront fees, underwriting fees, ticking fees, agency fees, administrative agent or collateral agent fees, utilization fees,

minimum usage fees, letter of credit fees, fronting fees, deal-away or alternate transaction fees, amendment fees, processing fees, term out premiums, banker's acceptance fees, breakage or other early termination fees or fees similar to the foregoing.

1.r. Acknowledgement Regarding Any Supported QFCs

. To the extent that the Loan Documents provide support, through a guarantee or otherwise, for any agreement, document 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.

ARTICLE 10
THE AGENT

1.a. Appointment; Nature of Relationship. JPMorgan Chase Bank, N.A. is hereby appointed by each of the Lenders (including the Issuing Lender, and each reference in this Article X to a Lender shall include the Issuing Lender) as its contractual representative (herein referred to as the "Agent") hereunder and under each other Loan Document, and each of the Lenders irrevocably authorizes the Agent to act as the contractual representative of such Lender with the rights and duties expressly set forth herein and in the other Loan Documents. The Agent agrees to act as such contractual representative upon the express conditions contained in this Article X. Notwithstanding the use of the defined term "Agent," it is expressly understood and agreed that the Agent shall not have any fiduciary responsibilities to any Lender by reason of this Agreement or any other Loan Document and that the Agent is merely acting as the contractual representative of the Lenders with only those duties as are expressly set forth in this Agreement and the other Loan Documents. In its capacity as the Lenders' contractual representative, the Agent (i) does not hereby assume any fiduciary duties to any of the Lenders, (ii) is a "representative" of the Lenders within the meaning of the term "secured party" as defined in the New York Uniform Commercial Code and (iii) is acting as an independent contractor, the rights and duties of which are limited to those expressly set forth in this Agreement and the other Loan Documents. Each of the Lenders hereby agrees to assert no claim against the Agent on any agency theory or any other theory of liability for breach of fiduciary duty, all of which claims each Lender hereby waives.

1.b. Powers. The Agent shall have and may exercise such powers under the Loan Documents as are specifically delegated to the Agent by the terms of each thereof, together with such powers as are reasonably incidental thereto. The Agent shall have no implied duties to the Lenders, or any obligation to the Lenders to take any action thereunder except any action specifically provided by the Loan Documents to be taken by the Agent.

1.c. General Immunity. Neither the Agent nor any of its directors, officers, agents or employees shall be liable to the Borrower, the Lenders or any Lender for any action taken or omitted to be taken by it or them hereunder or under any other Loan Document or in connection herewith or therewith except to the extent such action or inaction is determined in a final non-appealable judgment by a court of competent jurisdiction to have arisen from the gross negligence or willful misconduct of such Person or any affiliate of such Person.

1.d. No Responsibility for Loans, Recitals, etc. Neither the Agent nor any of its directors, officers, agents or employees shall be responsible for or have any duty to ascertain, inquire into, or verify (a) any statement, warranty or representation made in connection with any Loan Document or any borrowing hereunder; (b) the performance or observance of any of the covenants or agreements of any obligor under any Loan Document, including, without limitation, any agreement by an obligor to furnish information directly to each Lender; (c) the satisfaction of any condition specified in Article IV, except receipt of items required to be delivered solely to the Agent; (d) the existence or possible existence of any Default or Unmatured Default; (e) the validity, enforceability, effectiveness, sufficiency or genuineness of any Loan Document or any other instrument or writing furnished in connection therewith; (f) the value, sufficiency, creation, perfection or priority of any Lien in any collateral security; or (g) the financial condition of the Borrower or any guarantor of any of the Obligations or of any of the Borrower's or any such guarantor's respective Subsidiaries. Except as expressly set forth herein, the Agent shall not have any duty to disclose, and shall not be liable for the failure to disclose, any information relating to the Borrower or any of its Subsidiaries that is communicated to or obtained by the bank serving as Agent or any of its Affiliates in any capacity.

1.e. Action on Instructions of Lenders. The Agent shall in all cases be fully protected in acting, or in refraining from acting, hereunder and under any other Loan Document in accordance with written instructions signed by the Required Lenders or all of the Lenders, as applicable, and such instructions and any action taken or failure to act pursuant thereto shall be binding on all of the Lenders. The Lenders hereby acknowledge that the Agent shall be under no duty to take any discretionary action permitted to be taken by it pursuant to the provisions of this Agreement or any other Loan Document unless it shall be requested in writing to do so by the Required Lenders or all of the Lenders, as applicable. Agent shall be fully justified in failing or refusing to take any action hereunder and under any other Loan Document unless it shall first be indemnified to its satisfaction by the Lenders pro rata against any and all liability, cost and expense that it may incur by reason of taking or continuing to take any such action.

1.f. Employment of Agents and Counsel. The Agent may execute any of its duties as Agent hereunder and under any other Loan Document by or through employees, agents, and attorneys-in-fact and shall not be answerable to the Lenders, except as to money or securities received by it or its authorized agents, for the default or misconduct of any such agents or attorneys-in-fact selected by it with reasonable care. The Agent shall be entitled to advice of counsel concerning the contractual arrangement between the Agent and the Lenders and all matters pertaining to the Agent's duties hereunder and under any other Loan Document.

1.g. Reliance on Documents; Counsel. The Agent shall be entitled to rely upon any Note, notice, consent, certificate, affidavit, letter, telegram, statement, paper or document believed by it to be genuine and correct and to have been signed or sent by the proper person or persons, and, in respect to legal matters, upon the opinion of counsel selected by the Agent, which counsel may be employees of the Agent.

1.h. Agent's Reimbursement and Indemnification. The Lenders agree to reimburse and indemnify the Agent ratably in proportion to their respective Commitments (or, if the Commitments have been terminated, in proportion to their Commitments immediately prior to such termination) (i) for any amounts not reimbursed by the Borrower for which the Agent is entitled to reimbursement by the Borrower under the Loan Documents, (ii) for any other expenses incurred by the Agent on behalf of the Lenders, in connection with the preparation, execution, delivery, administration and enforcement of the Loan Documents (including, without limitation, for any expenses incurred by the Agent in connection with any dispute between the Agent and any Lender or between two or more of the Lenders) and (iii) for any liabilities, obligations, losses, damages, penalties, actions, judgments, suits, costs, expenses or disbursements of any kind and nature whatsoever which may be imposed on, incurred by or asserted against the Agent in any way relating to or arising out of the Loan Documents or any other document delivered in connection therewith or the transactions contemplated thereby (including, without limitation, for any such amounts incurred by or asserted against the Agent in connection with any dispute between the Agent and any Lender or between two or more of the Lenders), or the enforcement of any of the terms of the Loan Documents or of any such other documents, *provided* that (i) no Lender shall be liable for any of the foregoing to the extent any of the foregoing is found in a final non-appealable judgment by a court of competent jurisdiction to have resulted from the gross negligence or willful misconduct of the Agent and (ii) any indemnification required pursuant to Section 3.5(vii) shall, notwithstanding the provisions of this Section 10.8, be paid by the relevant Lender in accordance with the provisions thereof. The obligations of the Lenders under this Section 10.8 shall survive payment of the Obligations and termination of this Agreement.

1.i. Notice of Default. The Agent shall not be deemed to have knowledge or notice of the occurrence of any Default or Unmatured Default hereunder unless the Agent has received written notice from a Lender or the Borrower referring to this Agreement describing such Default or Unmatured Default and stating that such notice is a "notice of default". In the event that the Agent receives such a notice, the Agent shall give prompt notice thereof to the Lenders.

1.j. Rights as a Lender. In the event the Agent is a Lender, the Agent shall have the same rights and powers hereunder and under any other Loan Document with respect to its Commitment and its Loans as any Lender and may exercise the same as though it were not the Agent, and the term "Lender" or "Lenders" shall, at any time when the Agent is a Lender, unless the context otherwise indicates, include the Agent in its individual capacity. The Agent and its affiliates may accept deposits from, lend money to, and generally engage in any kind of trust, debt, equity or other transaction, in addition to those contemplated by this Agreement or any other Loan Document, with the Borrower or any of its Subsidiaries in which the Borrower or such Subsidiary is not restricted hereby from engaging with any other Person. The Agent, in its individual capacity, is not obligated to remain a Lender.

1.k. Lender Credit Decision. Each Lender acknowledges and agrees that the extensions of credit made hereunder are commercial loans and letters of credit and not investments in a business enterprise or securities. Each Lender further represents that it is engaged in making, acquiring or holding commercial loans in the ordinary course of its business and has, independently and without reliance upon the Agent, the Arranger or any other Lender and based on the financial statements prepared by the Borrower and such other documents and information as it has deemed appropriate, made its own credit analysis and decision to enter into this Agreement and the other Loan Documents. Each Lender also acknowledges that it will, independently and without reliance upon the Agent, the Arranger or any other Lender and based on such documents and information as it shall deem appropriate at the time, continue to make its own credit decisions in taking or not taking action under this Agreement and the other Loan Documents.

1.l. Successor Agent. The Agent may resign at any time by giving written notice thereof to the Lenders and the Borrower, such resignation to be effective upon the appointment of a successor Agent. Upon any such resignation, the Required Lenders shall have the right to appoint, on behalf of the Lenders, a successor Agent. If no successor Agent shall have been so appointed by the Required Lenders within thirty (30) days after the resigning Agent's giving notice of its intention to resign, then the

resigning Agent may appoint, on behalf of the Lenders, a successor Agent. Any appointment of a successor Agent shall be subject to the Borrower's consent, which shall not be unreasonably withheld or delayed, provided that such consent shall not be required at any time that a Default shall have occurred and be continuing. Notwithstanding the foregoing, the Agent may at any time without the consent of the Borrower or any Lender, appoint any of its Affiliates which is a commercial bank as a successor Agent hereunder. No successor Agent shall be deemed to be appointed hereunder until such successor Agent has accepted the appointment. Any such successor Agent shall be a commercial bank having capital and retained earnings of at least \$500,000,000. Upon the acceptance of any appointment as Agent hereunder by a successor Agent, such successor Agent shall thereupon succeed to and become vested with all the rights, powers, privileges and duties of the resigning Agent. Upon the effectiveness of the resignation of the Agent, the resigning Agent shall be discharged from its duties and obligations hereunder and under the Loan Documents. After the effectiveness of the resignation of the Agent, the provisions of this Article X shall continue in effect for the benefit of the Agent in respect of any actions taken or omitted to be taken by it while it was acting as the Agent hereunder and under the other Loan Documents. The Agent may not be removed or replaced at any time without its prior written consent. In the event that there is a successor to the Agent by merger, or the Agent assigns its duties and obligations to an Affiliate pursuant to this Section 10.12, then the term "Prime Rate" as used in this Agreement shall mean the prime rate, base rate or other analogous rate of the new Agent.

1.m. Agent's Fee. The Borrower agrees to pay to the Agent and the Arranger, for their respective accounts, the fees agreed to by the Borrower, the Agent and the Arranger pursuant to that certain letter agreement dated February 5, 2019, or as otherwise agreed from time to time.

1.n. Delegation to Affiliates. The Borrower and the Lenders agree that the Agent may delegate any of its duties under this Agreement to any of its Affiliates. Any such Affiliate (and such Affiliate's directors, officers, agents and employees) which performs duties in connection with this Agreement shall be entitled to the same benefits of the indemnification, waiver and other protective provisions to which the Agent is entitled under Article IX and Article X.

1.o. Guarantor Releases. The Lenders hereby empower and authorize the Agent to execute and deliver to the Borrower on their behalf any agreements, documents or instruments as shall be necessary or appropriate to effect any releases of any Guarantor which shall be permitted by the terms hereof or of any other Loan Document or which shall otherwise have been approved by the Required Lenders (or, if required by the terms of Section 8.2, all of the Lenders) in writing.

1.p. Co-Agents, etc. Neither the Co-Syndication Agents nor the Co-Documentation Agents nor any Co-Agent shall have any right, power, obligation, liability, responsibility or duty under this Agreement other than those applicable to all Lenders as such. Without limiting the foregoing, none of such Lenders shall have or be deemed to have a fiduciary relationship with any Lender. Each Lender hereby makes the same acknowledgments with respect to such Lenders as it makes with respect to the Agent in Section 10.11.

1.q. Payments.

(1) Each Lender hereby agrees that (x) if the Agent notifies such Lender that the Agent has determined in its sole discretion that any funds received by such Lender from the Agent or any of its Affiliates (whether as a payment, prepayment or repayment of principal, interest, fees or otherwise; individually and collectively, a "Payment") were erroneously transmitted to such Lender (whether or not known to such Lender), and demands the return of such Payment (or a portion thereof), such Lender shall promptly, but in no event later than one Business Day thereafter, return to the Agent the amount of any such Payment (or portion thereof) as to which such a demand was made in same day funds, together with interest thereon in respect of each day from and including the date such Payment (or portion thereof) was received by such Lender to the date such amount is repaid to the Agent at the greater of the NYFRB Rate and a rate determined by the Agent in accordance with banking industry rules on interbank compensation from time to time in effect, and (y) to the extent permitted by applicable law, such Lender shall not assert,

and hereby waives, as to the Agent, any claim, counterclaim, defense or right of set-off or recoupment with respect to any demand, claim or counterclaim by the Agent for the return of any Payments received, including without limitation any defense based on “discharge for value” or any similar doctrine. A notice of the Agent to any Lender under this 10.17 shall be conclusive, absent manifest error.

(2) Each Lender hereby further agrees that if it receives a Payment from the Agent or any of its Affiliates (x) that is in a different amount than, or on a different date from, that specified in a notice of payment sent by the Agent (or any of its Affiliates) with respect to such Payment (a “Payment Notice”) or (y) that was not preceded or accompanied by a Payment Notice, it shall be on notice, in each such case, that an error has been made with respect to such Payment. Each Lender agrees that, in each such case, or if it otherwise becomes aware a Payment (or portion thereof) may have been sent in error, such Lender shall promptly notify the Agent of such occurrence and, upon demand from the Agent, it shall promptly, but in no event later than one Business Day thereafter, return to the Agent the amount of any such Payment (or portion thereof) as to which such a demand was made in same day funds, together with interest thereon in respect of each day from and including the date such Payment (or portion thereof) was received by such Lender to the date such amount is repaid to the Agent at the greater of the NYFRB Rate and a rate determined by the Agent in accordance with banking industry rules on interbank compensation from time to time in effect.

(3) The Borrower and each other Loan Party hereby agrees that (x) in the event an erroneous Payment (or portion thereof) are not recovered from any Lender that has received such Payment (or portion thereof) for any reason, the Agent shall be subrogated to all the rights of such Lender with respect to such amount and (y) an erroneous Payment shall not pay, prepay, repay, discharge or otherwise satisfy any Obligations owed by the Borrower or any other Loan Party.

(4) Each party’s obligations under this Section 10.17 shall survive the resignation or replacement of the Agent or any transfer of rights or obligations by, or the replacement of, a Lender, the termination of the Commitments or the repayment, satisfaction or discharge of all Obligations under any Loan Document.

ARTICLE 11

SETOFF; RATABLE PAYMENTS

1.a. Setoff. In addition to, and without limitation of, any rights of the Lenders or the Issuing Lender under applicable law, if the Borrower becomes insolvent, however evidenced, or any Default occurs, any and all deposits (including all account balances, whether provisional or final and whether or not collected or available, other than trust accounts) and any other Indebtedness at any time held or owing by any Lender or the Issuing Lender or any Affiliate of any Lender or the Issuing Lender to or for the credit or account of the Borrower may be offset and applied toward the payment of the Obligations owing to such Lender or the Issuing Lender, whether or not the Obligations, or any part hereof, shall then be due.

1.b. Ratable Payments. Subject to Section 2.23, if any Lender, whether by setoff or otherwise, has payment made to it upon its Loans (other than payments received pursuant to Section 3.1, 3.2, 3.4 or 3.5) in a greater proportion than that received by any other Lender, such Lender agrees, promptly upon demand, to purchase a portion of the Loans held by the other Lenders so that after such purchase each Lender will hold its ratable proportion of Loans. If any Lender, whether in connection with setoff or amounts which might be subject to setoff or otherwise, receives collateral or other protection for its Obligations or such amounts which may be subject to setoff, such Lender agrees, promptly upon demand, to take such action necessary such that all Lenders share in the benefits of such collateral ratably in proportion to their Loans. In case any such payment is disturbed by legal process, or otherwise, appropriate further adjustments shall be made.

1.c. Application of Payments. So long as a Default shall have occurred and be continuing, or if the Borrower shall otherwise fail to direct the application of payments hereunder, the Agent shall,

unless otherwise specified at the direction of the Required Lenders, which direction shall be consistent with the last sentence of this Section 11.3, apply all payments and prepayments (other than prepayments pursuant to Section 2.8(A)) in respect of any Obligations in the following order:

- (1) first, to pay interest on and then principal of any portion of the Loans which the Agent may have advanced on behalf of any Lender for which the Agent has not then been reimbursed by such Lender or the Borrower;
- (2) second, to pay Obligations in respect of any fees, expenses, reimbursements or indemnities then due to the Agent;
- (3) third, to pay Obligations in respect of any fees, expenses, reimbursements or indemnities then due to the Lenders and the Issuing Lender;
- (4) fourth, to pay interest due in respect of Loans and Reimbursement Obligations;
- (5) fifth, to the ratable payment or prepayment of principal outstanding on Loans, Reimbursement Obligations, Rate Management Obligations and Banking Services Obligations in such order as the Agent may determine in its sole discretion; and
- (6) sixth, to the ratable payment of all other Obligations.

Notwithstanding the foregoing, amounts received from any Loan Party shall not be applied to any Excluded Swap Obligation of such Loan Party. Unless otherwise designated (which designation shall only be applicable prior to the occurrence of a Default) by the Borrower, all principal payments in respect of Loans shall be applied first, to repay outstanding Floating Rate Loans, and *then* to repay outstanding Term Benchmark Loans with those Term Benchmark Loans which have earlier expiring Interest Periods being repaid prior to those which have later expiring Interest Periods. The order of priority set forth in this Section 11.3 and the related provisions of this Agreement are set forth solely to determine the rights and priorities of the Agent, the Lenders and other Holders of Guaranteed Obligations as among themselves. The order of priority set forth in clauses (D) through (F) of this Section 11.3 may at any time and from time to time be changed by the Required Lenders without necessity of notice to or consent of or approval by the Borrower, or any other Person. The order of priority set forth in clauses (A) through (C) of this Section 11.3 may be changed only with the prior written consent of the Agent.

1.d. Relations Among Lenders.

Except with respect to the exercise of set-off rights of any Lender in accordance with Section 11.1, the proceeds of which are applied in accordance with this Agreement, and except as set forth in the following sentence, each Lender agrees that it will not take any action, nor institute any actions or proceedings, against the Borrower or any other obligor hereunder or with respect to any Loan Document, without the prior written consent of the Required Lenders or, as may be provided in this Agreement or the other Loan Documents, at the direction of the Agent. Notwithstanding the foregoing, and subject to Section 11.2, any Lender shall have the right to enforce on an unsecured basis the payment of the principal of and interest on any Loan made by it after the date such principal or interest has become due and payable pursuant to the terms of this Agreement.

ARTICLE 12
BENEFIT OF AGREEMENT; ASSIGNMENTS; PARTICIPATIONS

1.a. Successors and Assigns. The terms and provisions of the Loan Documents shall be binding upon and inure to the benefit of the Borrower, the Agent, the Issuing Lender and the Lenders and their respective successors and assigns, except that (i) the Borrower shall not have the right to assign its rights or obligations under the Loan Documents, (ii) any assignment by any Lender must be made in

compliance with Section 12.3 and (iii) any assignment or delegation of duties by the Agent shall be made only in compliance with Article X. The parties to this Agreement acknowledge that clause (ii) of this Section 12.1 relates only to absolute assignments and does not prohibit assignments creating security interests, including, without limitation, any pledge or assignment by any Lender of all or any portion of its rights under this Agreement and any Note to a Federal Reserve Bank; *provided, however*, that no such pledge or assignment creating a security interest shall release the transferor Lender from its obligations hereunder unless and until the parties thereto have complied with the provisions of Section 12.3. The Agent may treat the Person which made any Loan or which holds any Note as the owner thereof for all purposes hereof unless and until such Person complies with Section 12.3; *provided, however*, that the Agent may in its discretion (but shall not be required to) follow instructions from the Person which made any Loan or which holds any Note to direct payments relating to such Loan or Note to another Person. Any assignee of the rights to any Loan or any Note agrees by acceptance of such assignment to be bound by all the terms and provisions of the Loan Documents. Any request, authority or consent of any Person, who at the time of making such request or giving such authority or consent is the owner of the rights to any Loan (whether or not a Note has been issued in evidence thereof), shall be conclusive and binding on any subsequent holder or assignee of the rights to such Loan.

1.b. Participations.

1.1.1. Permitted Participants; Effect. Any Lender may, in the ordinary course of its business and in accordance with applicable law, at any time sell to one or more banks or other entities that are not Ineligible Institutions or competitors of the Borrower or any Subsidiary in any of their respective lines of business ("Participants") participating interests in any Loan owing to such Lender, any Note held by such Lender, any Commitment of such Lender, any L/C Interest of such Lender or any other interest of such Lender under the Loan Documents. In the event of any such sale by a Lender of participating interests to a Participant, such Lender's obligations under the Loan Documents shall remain unchanged, such Lender shall remain solely responsible to the other parties hereto for the performance of such obligations, such Lender shall remain the owner of its Loans and L/C Interests and the holder of any Note issued to it in evidence thereof for all purposes under the Loan Documents, all amounts payable by the Borrower under this Agreement shall be determined as if such Lender had not sold such participating interests, and the Borrower and the Agent shall continue to deal solely and directly with such Lender in connection with such Lender's rights and obligations under the Loan Documents; *provided, however*, that each Participant shall comply with Section 3.5 as though it were a Lender (it being understood that the documentation required under Section 3.5 shall be delivered to the participating Lender). In addition, each Lender that sells a participation shall, acting for this purpose only as an 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, L/C Interests 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, L/C Interest 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, in the absence of 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 Credit Agreement notwithstanding any notice to the contrary. For the avoidance of doubt, the Agent (in its capacity as Agent) shall have no responsibility for maintaining a Participant Register.

1.1.2. Voting Rights. Each Lender shall retain the sole right to approve, without the consent of any Participant, any amendment, modification or waiver of any provision of the Loan Documents other than any amendment, modification or waiver with respect to any Loan, L/C Interest or Commitment in which such Participant has an interest which forgives principal, interest or fees or reduces the interest rate or fees payable with respect to any such Loan, L/C Interest or Commitment, extends the Facility Termination Date (except as set forth in Section 2.24), postpones any date fixed for any regularly-scheduled payment of principal of, or interest or fees on, any such Loan, L/C Interest or Commitment,

postpones the expiry date of any Letter of Credit beyond the Facility Termination Date, releases any guarantor (except in connection with a disposition of Equity Interests of a Guarantor otherwise permitted by the Loan Documents) of any such Loan or Reimbursement Obligation or releases all or substantially all of the collateral, if any, securing any such Loan or Reimbursement Obligation.

1.1.3. Benefit of Setoff. The Borrower agrees that each Participant shall be deemed to have the right of setoff provided in Section 11.1 in respect of its participating interest in amounts owing under the Loan Documents to the same extent as if the amount of its participating interest were owing directly to it as a Lender under the Loan Documents, *provided* that each Lender shall retain the right of setoff provided in Section 11.1 with respect to the amount of participating interests sold to each Participant. The Lenders agree to share with each Participant, and each Participant, by exercising the right of setoff provided in Section 11.1, agrees to share with each Lender, any amount received pursuant to the exercise of its right of setoff, such amounts to be shared in accordance with Section 11.2 as if each Participant were a Lender.

1.c. Assignments.

1.1.1. Permitted Assignments. Any Lender or the Issuing Lender may, in the ordinary course of its business and in accordance with applicable law, at any time assign to one or more banks or other entities that are not Ineligible Institutions or competitors of the Borrower or any Subsidiary in any of their respective lines of business (“Purchasers”) all or any part of its rights and obligations under the Loan Documents. Each assignment shall be of a constant, and not a varying, ratable percentage of all of the assigning Lender’s rights and obligations under this Agreement. Such assignment shall be made pursuant to an Assignment and Assumption. The consent of the Borrower, so long as no Default exists, shall be required prior to an assignment becoming effective with respect to a Purchaser which is not a Lender or an affiliate thereof (provided that the Borrower shall be deemed to have consented to any such assignment unless it shall object thereto by written notice to the Agent within ten (10) Business Days after having received notice thereof). The consent of (i) the Agent, and (ii) provided that JPMorgan is at such time the Principal Issuing Lender, JPMorgan in its capacity as such shall be required prior to any assignment. Any consent required under this Section 12.3.1 shall not be unreasonably withheld or delayed. Each such assignment with respect to a Purchaser which is not a Lender or an affiliate thereof shall (unless the Agent otherwise consents) be in an amount not less than the lesser of (i) \$5,000,000 or (ii) the remaining amount of the assigning Lender’s Commitment (calculated as at the date of such assignment) or its outstanding Loans and L/C Interests (if the applicable Commitment has been terminated). The assignee, if it shall not be a Lender, shall deliver to the Agent an Administrative Questionnaire in which the assignee designates one or more credit contacts to whom all syndicate-level information (which may contain material non-public information about the Borrower and its affiliates and their Related Parties or their respective securities) will be made available and who may receive such information in accordance with the assignee’s compliance procedures and applicable laws, including Federal and state securities laws. The Agent shall, acting for this purpose only as an agent of the Borrower, maintain a copy of each assignment and acceptance delivered to it and a register (the “Register”) for the recordation of the names and addresses of the Lenders and the Commitment or/and the principal amount (and stated interest) of the Loans owing to each Lender from time to time. The entries in the Register shall be conclusive, in the absence of manifest error, and the Borrower, each Lender and the Agent shall treat each person whose name is recorded in the Register as the owner of the Loans for all purposes of this Agreement. Notwithstanding anything to the contrary, any assignment of any Loan shall be effective only upon appropriate entries with respect thereto being made in the Register.

1.1.2. Effect; Effective Date. Upon (i) delivery to the Agent of an Assignment and Assumption in respect of the applicable assignment, together with any consents required by Section 12.3.1, and (ii) payment of a \$3,500 fee to the Agent for processing such assignment (unless such fee is waived by the Agent), such assignment shall become effective on the effective date specified in such assignment. The Assignment and Assumption shall contain a representation by the Purchaser to the effect that none of the consideration used to make the purchase of the Commitment, Loans and L/C Interests under the applicable assignment agreement constitutes “plan assets” as defined under ERISA and that the

rights and interests of the Purchaser in and under the Loan Documents will not be “plan assets” under ERISA. On and after the effective date of such assignment, such Purchaser shall for all purposes be a Lender party to this Agreement and any other Loan Document executed by or on behalf of the Lenders and shall have all the rights and obligations of a Lender under the Loan Documents, to the same extent as if it were an original party hereto, and no further consent or action by the Borrower, the Lenders or the Agent shall be required to release the transferor Lender with respect to the percentage of the Aggregate Commitment, Loans and L/C Interests assigned to such Purchaser. Upon the consummation of any assignment to a Purchaser pursuant to this Section 12.3.2, the transferor Lender, the Agent and the Borrower shall, if the transferor Lender or the Purchaser desires that its Loans be evidenced by Notes, make appropriate arrangements so that new Notes or, as appropriate, replacement Notes are issued to such transferor Lender and new Notes or, as appropriate, replacement Notes, are issued to such Purchaser, in each case in principal amounts reflecting their respective Commitments, as adjusted pursuant to such assignment.

1.d. Dissemination of Information. The Borrower authorizes each Lender to disclose to any Participant or Purchaser or any other Person acquiring an interest in the Loan Documents by operation of law (each a “Transferee”) and any prospective Transferee any and all information in such Lender’s possession concerning the creditworthiness of the Borrower and its Subsidiaries, including without limitation any information contained in any Reports; *provided* that each Transferee and prospective Transferee agrees to be bound by Section 9.11 of this Agreement.

1.e. Tax Treatment. If any interest in any Loan Document is transferred to any Transferee, the transferor Lender or the assigning Lender shall cause the Transferee, concurrently with the effectiveness of such transfer or assignment, to comply with the provisions of Section 3.5.

ARTICLE 13 NOTICES

1.a. Notices; Electronic Communication.

1.1.1. Notices Generally. Except in the case of notices and other communications expressly permitted to be given by telephone (and subject to Section 13.1.2), 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 telecopy, as follows:

(1) if to the Borrower, to it at 1000 Alfred Nobel Drive, Hercules, California 94547, Attention of Treasurer (Telecopy No. (510) 741-5815; Telephone No. (510) 741-6142), with a copy to Attention of General Counsel (Telecopy No. (510) 741-5865);

(2) if to the Agent, (A) in the case of borrowings denominated in Dollars, to JPMorgan Chase Bank, N.A., Loan and Agency Services Group, 10 South Dearborn Street, 7th Floor, Chicago, Illinois 60603, Attention of Duyanna Goodlet (Telecopy No. (888) 303-9732) and (B) in the case of borrowings denominated in any other Agreed Currency, to J.P. Morgan Europe Limited, 25 Bank Street, Canary Wharf, London E14 5JP, Attention of The Manager, Loan & Agency Services (Telecopy No. 44 207 777 2360), and in each case with a copy to JPMorgan Chase Bank, N.A., 560 Mission Street, 19th Floor, San Francisco, California, Attention of Alex Rogin (Telecopy No. (415) 315-5722);

(3) if to JPMorgan as an Issuing Lender, to it at JPMorgan Chase Bank, N.A., Sarjapur Outer Ring Rd, Vathur Hobli, Floor 04, Bangalore, 560 087 India, Attention of Dinesh Chandrasekaran (Telecopy No. (312) 256-2608), or in the case of any other Issuing Lender, to it at the address and telecopy number specified from time to time by such Issuing Lender to the Borrower and the Agent; and

(4) if to any other Lender, to it at its address (or telecopy number) set forth in its Administrative Questionnaire.

Notices sent by hand or overnight courier service, or mailed by certified or registered mail, shall be deemed to have been given when received; notices sent by facsimile 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 delivered through Electronic Systems, to the extent provided in Section 13.1.2, shall be effective as provided in such Section.

1.1.2. Electronic Communications.

(1) Notices and other communications to the Lenders and the Issuing Lenders hereunder may be delivered or furnished by using Electronic Systems pursuant to procedures approved by the Agent; provided that the foregoing shall not apply to notices pursuant to Article II unless otherwise agreed by the Agent and the applicable Lender. The Agent or the Borrower may, 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.

(2) Unless the Agent otherwise prescribes, (1) 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 (2) 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 (2), of notification that such notice or communication is available and identifying the website address therefor; provided that, for both clauses (1) and (2) above, if such notice, email or other communication is not sent during the normal business hours of the recipient, such notice or communication shall be deemed to have been sent at the opening of business on the next business day for the recipient.

1.1.3. Change of Address, Etc. Any party hereto may change its address or telecopy number for notices and other communications hereunder by notice to the other parties hereto. All notices and other communications given to any party hereto in accordance with the provisions of this Agreement shall be deemed to have been given on the date of receipt.

1.1.4. Electronic Systems.

(1) The Borrower agrees that the Agent may, but shall not be obligated to, make Communications (as defined below) available to the Issuing Lenders and the other Lenders by posting the Communications on Debt Domain, Intralinks, Syndtrak, ClearPar or a substantially similar Electronic System.

(2) Any Electronic System used by the Agent is provided "as is" and "as available." The Agent Parties (as defined below) do not warrant the adequacy of such Electronic Systems and expressly disclaim liability for errors or omissions in the Communications. No warranty of any kind, express, implied or statutory, including, without limitation, 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 Communications or any Electronic System. In no event shall the Agent or any of its Related Parties (collectively, the "Agent Parties") have any liability to any Loan Party, any Lender, the Issuing Lenders or any other Person or entity for damages of any kind, including, without limitation, direct or indirect, special, incidental or consequential damages, losses or expenses (whether in tort, contract or otherwise) arising out of any Loan Party's or the Agent's transmission of Communications through an Electronic System. "Communications" means, collectively,

any notice, demand, communication, information, document or other material provided by or on behalf of any Loan Party pursuant to any Loan Document or the transactions contemplated therein which is distributed by the Agent, any Lender or any Issuing Lender by means of electronic communications pursuant to this Section, including through an Electronic System.

ARTICLE 14 COUNTERPARTS

This Agreement may be executed in counterparts (and by different parties hereto on 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 Agent 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 4.1, this Agreement shall become effective when it shall have been executed by the Agent and when the Agent shall have received counterparts hereof which, when taken together, bear the signatures of each of the other parties hereto, and thereafter shall be binding upon and inure to the benefit of the parties hereto and their respective successors and assigns. Delivery of an executed counterpart of a signature page of this Agreement by telecopy, e-mailed .pdf or any other electronic means that reproduces an image of the actual executed signature page shall be effective as delivery of a manually executed counterpart of this Agreement. The words "execution," "signed," "signature," "delivery," and words of like import in or relating to any document to be signed in connection with this Agreement and the transactions contemplated hereby shall be deemed to include Electronic Signatures, deliveries or the keeping of records in electronic form, each of which shall be of the same legal effect, validity or enforceability as a manually executed signature, physical delivery thereof or the use of a paper-based recordkeeping system, as the case may be, to the extent and as provided for in any applicable law, including the Federal Electronic Signatures in Global and National Commerce Act, the New York State Electronic Signatures and Records Act, or any other similar state laws based on the Uniform Electronic Transactions Act.

ARTICLE 15 CHOICE OF LAW; CONSENT TO JURISDICTION; WAIVER OF JURY TRIAL

1.a. **CHOICE OF LAW.** THE LOAN DOCUMENTS (OTHER THAN THOSE CONTAINING A CONTRARY EXPRESS CHOICE OF LAW PROVISION) SHALL BE CONSTRUED IN ACCORDANCE WITH AND GOVERNED BY THE LAW OF THE STATE OF NEW YORK, BUT GIVING EFFECT TO FEDERAL LAWS APPLICABLE TO NATIONAL BANKS. EACH OF THE LENDERS AND THE AGENT HEREBY IRREVOCABLY AND UNCONDITIONALLY AGREES THAT, NOTWITHSTANDING THE GOVERNING LAW PROVISIONS OF ANY APPLICABLE LOAN DOCUMENT, ANY CLAIMS BROUGHT AGAINST THE AGENT BY ANY LENDER RELATING TO THIS AGREEMENT, ANY OTHER LOAN DOCUMENT OR THE CONSUMMATION OR ADMINISTRATION OF THE TRANSACTIONS CONTEMPLATED HEREBY OR THEREBY SHALL BE CONSTRUED IN ACCORDANCE WITH AND GOVERNED BY THE LAW OF THE STATE OF NEW YORK, BUT GIVING EFFECT TO FEDERAL LAWS APPLICABLE TO NATIONAL BANKS..

1.b. **CONSENT TO JURISDICTION.** EACH OF THE PARTIES HERETO HEREBY IRREVOCABLY AND UNCONDITIONALLY SUBMITS, FOR ITSELF AND ITS PROPERTY, TO THE EXCLUSIVE JURISDICTION OF THE UNITED STATES DISTRICT COURT FOR THE SOUTHERN DISTRICT OF NEW YORK SITTING IN THE BOROUGH OF MANHATTAN (OR IF SUCH COURT LACKS SUBJECT MATTER JURISDICTION, THE SUPREME COURT OF THE STATE OF NEW YORK SITTING IN THE BOROUGH OF MANHATTAN), AND ANY APPELLATE COURT FROM ANY THEREOF, IN ANY ACTION OR PROCEEDING ARISING OUT OF OR RELATING TO THIS AGREEMENT OR ANY OTHER LOAN DOCUMENT OR THE TRANSACTIONS RELATING HERETO OR THERETO, OR FOR RECOGNITION OR ENFORCEMENT OF ANY JUDGMENT, AND EACH OF THE PARTIES HERETO HEREBY

IRREVOCABLY AND UNCONDITIONALLY AGREES THAT ALL CLAIMS IN RESPECT OF ANY SUCH ACTION OR PROCEEDING MAY (AND ANY SUCH CLAIMS, CROSS-CLAIMS OR THIRD PARTY CLAIMS BROUGHT AGAINST THE AGENT OR ANY OF ITS RELATED PARTIES MAY ONLY) BE HEARD AND DETERMINED IN SUCH FEDERAL (TO THE EXTENT PERMITTED BY LAW) OR NEW YORK STATE COURT. EACH OF THE PARTIES HERETO AGREES THAT A FINAL JUDGMENT IN ANY SUCH ACTION 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 AGENT, ANY ISSUING LENDER OR ANY LENDER MAY OTHERWISE HAVE TO BRING ANY ACTION OR PROCEEDING RELATING TO THIS AGREEMENT AGAINST THE BORROWER, ANY LOAN PARTY OR ITS PROPERTIES IN THE COURTS OF ANY JURISDICTION. EACH OF THE PARTIES HERETO HEREBY IRREVOCABLY AND UNCONDITIONALLY WAIVES, TO THE FULLEST EXTENT IT MAY LEGALLY AND EFFECTIVELY DO SO, ANY OBJECTION WHICH IT MAY NOW OR HEREAFTER HAVE TO THE LAYING OF VENUE OF ANY SUIT, ACTION OR PROCEEDING ARISING OUT OF OR RELATING TO THIS AGREEMENT OR ANY OTHER LOAN DOCUMENT IN ANY COURT REFERRED TO IN THIS SECTION. EACH OF THE PARTIES HERETO HEREBY IRREVOCABLY WAIVES, TO THE FULLEST EXTENT PERMITTED BY LAW, THE DEFENSE OF AN INCONVENIENT FORUM TO THE MAINTENANCE OF SUCH ACTION OR PROCEEDING IN ANY SUCH COURT. EACH PARTY TO THIS AGREEMENT IRREVOCABLY CONSENTS TO SERVICE OF PROCESS IN THE MANNER PROVIDED FOR NOTICES IN SECTION 13.1. NOTHING IN THIS AGREEMENT WILL AFFECT THE RIGHT OF ANY PARTY TO THIS AGREEMENT TO SERVE PROCESS IN ANY OTHER MANNER PERMITTED BY LAW.

1.c. **WAIVER OF JURY TRIAL.** EACH PARTY HERETO HEREBY WAIVES, TO THE FULLEST EXTENT PERMITTED BY APPLICABLE LAW, ANY RIGHT IT MAY HAVE TO A TRIAL BY JURY IN ANY LEGAL PROCEEDING DIRECTLY OR INDIRECTLY ARISING OUT OF OR RELATING TO THIS AGREEMENT OR THE TRANSACTIONS CONTEMPLATED HEREBY (WHETHER BASED ON CONTRACT, TORT OR ANY OTHER THEORY). EACH PARTY HERETO (A) CERTIFIES THAT NO REPRESENTATIVE, AGENT OR ATTORNEY OF ANY OTHER PARTY HAS REPRESENTED, EXPRESSLY OR OTHERWISE, THAT SUCH OTHER PARTY WOULD NOT, IN THE EVENT OF LITIGATION, SEEK TO ENFORCE THE FOREGOING WAIVER AND (B) ACKNOWLEDGES THAT IT AND THE OTHER PARTIES HERETO HAVE BEEN INDUCED TO ENTER INTO THIS AGREEMENT BY, AMONG OTHER THINGS, THE MUTUAL WAIVERS AND CERTIFICATIONS IN THIS SECTION.

[Signature Pages Follow]

PRICING SCHEDULE

APPLICABLE MARGIN	LEVEL I STATUS	LEVEL II STATUS	LEVEL III STATUS	LEVEL IV STATUS	LEVEL V STATUS
<i>Adjusted ~~LIBOR~~ Term SOFR Rate, Adjusted EURIBOR Rate or Central Bank Rate</i>	<i>1.125%</i>	<i>1.250%</i>	<i>1.375%</i>	<i>1.500%</i>	<i>1.750%</i>
<i>Floating Rate</i>	<i>0.125%</i>	<i>0.250%</i>	<i>0.375%</i>	<i>0.500%</i>	<i>0.750%</i>

APPLICABLE FEE RATE	LEVEL I STATUS	LEVEL II STATUS	LEVEL III STATUS	LEVEL IV STATUS	LEVEL V STATUS
<i>Commitment Fee</i>	<i>0.125%</i>	<i>0.150%</i>	<i>0.175%</i>	<i>0.200%</i>	<i>0.250%</i>
<i>Letter of Credit Fee</i>	<i>1.125%</i>	<i>1.250%</i>	<i>1.375%</i>	<i>1.500%</i>	<i>1.750%</i>

For the purposes of this Schedule, the following terms have the following meanings, subject to the final paragraph of this Schedule:

“Financials” means the annual or quarterly financial statements of the Borrower delivered pursuant to Section 6.1(i) or (ii).

“Level I Status” exists at any date if, as of the last day of the fiscal quarter of the Borrower referred to in the most recent Financials, the Leverage Ratio is less than or equal to 0.75 to 1.00.

“Level II Status” exists at any date if, as of the last day of the fiscal quarter of the Borrower referred to in the most recent Financials, (i) the Borrower has not qualified for Level I Status and (ii) the Leverage Ratio is less than or equal to 1.50 to 1.00.

“Level III Status” exists at any date if, as of the last day of the fiscal quarter of the Borrower referred to in the most recent Financials, (i) the Borrower has not qualified for Level I Status or Level II Status and (ii) the Leverage Ratio is less than or equal to 2.25 to 1.00.

“Level IV Status” exists at any date if, as of the last day of the fiscal quarter of the Borrower referred to in the most recent Financials, (i) the Borrower has not qualified for Level I Status, Level II Status or Level III Status and (ii) the Leverage Ratio is less than or equal to 3.00 to 1.00.

“Level V Status” exists at any date if the Borrower has not qualified for Level I Status, Level II Status, Level III Status or Level IV Status.

“Status” means either Level I Status, Level II Status, Level III Status, Level IV Status or Level V Status.

The Applicable Margin and Applicable Fee Rate shall be determined in accordance with the foregoing table based on the Borrower's Status as reflected in the then most recent Financials. Adjustments, if any, to the Applicable Margin or Applicable Fee Rate shall be effective five (5) Business Days after the Agent has received the applicable Financials. If the Borrower fails to deliver the Financials to the Agent at the time required pursuant to Section 6.1, then the Applicable Margin and Applicable Fee Rate shall be the highest Applicable Margin and Applicable Fee Rate set forth in the foregoing table until five (5) Business Days after such Financials are so delivered. Notwithstanding the foregoing, Level I shall be deemed to be applicable with respect to the Applicable Margin and the Applicable Fee Rate until the Agent's receipt of the applicable Financials for the Borrower's first fiscal quarter ending after the Closing Date (unless such financial statements demonstrate that Level II, III, IV or V should have been applicable during such period, in which case such other Level shall be deemed to be applicable during such period) and adjustments to the Status then in effect shall thereafter be effected in accordance with the preceding sentences.

Certification of Chief Executive Officer Required By
Exchange Act Rules 13a-14(a) and 15d-14(a)

I, Norman Schwartz, certify that:

1. I have reviewed this quarterly report on Form 10-Q of Bio-Rad Laboratories, Inc.
2. Based on my knowledge, this report does not contain any untrue statement of a material fact or omit to state a material fact necessary to make the statements made, in light of the circumstances under which such statements were made, not misleading with respect to the period covered by this report;
3. Based on my knowledge, the financial statements, and other financial information included in this report fairly present, in all material respects the financial condition, results of operations and cash flows of the registrant as of, and for, the periods presented in this report;
4. The registrant's other certifying officer and I are responsible for establishing and maintaining disclosure controls and procedures (as defined in Exchange Act Rules 13a-15(e) and 15d-15(e)) and internal control over financial reporting (as defined in Exchange Act Rules 13-a-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 that has materially affected, or is reasonably likely to materially affect, the registrant's internal control over financial reporting; and
5. The registrant's other certifying officer and I have disclosed, based on our most recent evaluation of internal control over financial reporting, to the registrant's auditors and the audit committee of the registrant's board of directors (or persons performing the equivalent functions):
 - (a) All significant deficiencies and material weaknesses in the design or operation of internal control over financial reporting which are reasonably likely to adversely affect the registrant's ability to record, process, summarize and report financial information; and
 - (b) Any fraud, whether or not material, that involves management or other employees who have a significant role in the registrant's internal control over financial reporting.

Date:

August 4, 2023

/s/ Norman Schwartz

Norman Schwartz, Chairman of the Board,
President and Chief Executive Officer

Certification of Chief Financial Officer Required By
Exchange Act Rules 13a-14(a) and 15d-14(a)

I, Ilan Daskal, certify that:

1. I have reviewed this quarterly report on Form 10-Q of Bio-Rad Laboratories, Inc.
2. Based on my knowledge, this report does not contain any untrue statement of a material fact or omit to state a material fact necessary to make the statements made, in light of the circumstances under which such statements were made, not misleading with respect to the period covered by this report;
3. Based on my knowledge, the financial statements, and other financial information included in this report fairly present, in all material respects the financial condition, results of operations and cash flows of the registrant as of, and for, the periods presented in this report;
4. The registrant's other certifying officer and I are responsible for establishing and maintaining disclosure controls and procedures (as defined in Exchange Act Rules 13a-15(e) and 15d-15(e)) and internal control over financial reporting (as defined in Exchange Act Rules 13-a-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 that has materially affected, or is reasonably likely to materially affect, the registrant's internal control over financial reporting; and
5. The registrant's other certifying officer and I have disclosed, based on our most recent evaluation of internal control over financial reporting, to the registrant's auditors and the audit committee of the registrant's board of directors (or persons performing the equivalent functions):
 - (a) All significant deficiencies and material weaknesses in the design or operation of internal control over financial reporting which are reasonably likely to adversely affect the registrant's ability to record, process, summarize and report financial information; and
 - (b) Any fraud, whether or not material, that involves management or other employees who have a significant role in the registrant's internal control over financial reporting.

Date:

August 4, 2023

/s/ Ilan Daskal

Ilan Daskal
Executive Vice President,
Chief Financial Officer

Certification of Periodic Report

I, Norman Schwartz, Chief Executive Officer of Bio-Rad Laboratories, Inc. (the “Company”), certify, pursuant to Section 906 of the Sarbanes-Oxley Act of 2002, 18 U.S.C. Section 1350, that:

- (1) the Quarterly Report on Form 10-Q of the Company for the quarter ended June 30, 2023 (the “Report”) fully complies with the requirements of Section 13(a) or 15(d) of the Securities Exchange Act of 1934 (15 U.S.C. 78m); and
- (2) the information contained in the Report fairly presents, in all material respects, the financial condition and results of operations of the Company.

Date: August 4, 2023

/s/ Norman Schwartz
Norman Schwartz, Chairman of the Board, President
and
Chief Executive Officer

The foregoing certification is being furnished solely pursuant to 18 U.S.C. Section 1350 and is not being filed as part of the Report or as a separate disclosure document.

Certification of Periodic Report

I, Ilan Daskal, Chief Financial Officer of Bio-Rad Laboratories, Inc. (the “Company”), certify, pursuant to Section 906 of the Sarbanes-Oxley Act of 2002, 18 U.S.C. Section 1350, that:

- (1) the Quarterly Report on Form 10-Q of the Company for the quarter ended June 30, 2023 (the “Report”) fully complies with the requirements of Section 13(a) or 15(d) of the Securities Exchange Act of 1934 (15 U.S.C. 78m); and
- (2) the information contained in the Report fairly presents, in all material respects, the financial condition and results of operations of the Company.

Date: August 4, 2023

/s/ Ilan Daskal
Ilan Daskal
Executive Vice President,
Chief Financial Officer

The foregoing certification is being furnished solely pursuant to 18 U.S.C. Section 1350 and is not being filed as part of the Report or as a separate disclosure document.